NEW ISSUE
Book-Entry Only

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

In the opinion of Ice Miller LLP, Bond Counsel, conditioned on continuing compliance with the Tax Covenants (as hereafter defined), under existing laws, regulations, judicial decisions and rulings, the interest on the Series 2021A Certificates (as hereinafter defined) is excludable from gross income for purposes of federal income tax pursuant to Section 103 of the Internal Revenue Code of 1986, as amended, and is not a specific preference item for purposes of the federal alternative minimum tax. Interest on the Series 2021B Certificates (as hereinafter defined) is not excludable from gross income for purposes of federal income tax. In the opinion of Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2021 Certificates (as hereinafter defined) is exempt from income taxation in the State of Indiana (the "State"). See "TAX MATTERS," "ORIGINAL ISSUE DISCOUNT," "CERTIFICATE PREMIUM," and APPENDIX D herein.

$29,935,000 Certificates of Participation, Series 2021A

$2,350,000 Taxable Certificates of Participation, Series 2021B

PURDUE UNIVERSITY

Evidencing a Proportionate Interest of Owners Thereof in
Lease Payments to Be Made by

The Trustees of Purdue University, as Lessee

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

The Certificates of Participation, Series 2021A (the "Series 2021A Certificates"), and the Taxable Certificates of Participation, Series 2021B (the "Series 2021B Certificates" and, together with the Series 2021A Certificates, the "Series 2021 Certificates"), are issuable only as fully registered certificates and, when issued, 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 2021A Certificates will be made in book-entry form in the denomination of $5,000 or any integral multiple of that sum. Purchases of beneficial interests in the Series 2021B Certificates will be made in book-entry form in the denomination of $1,000 or any integral multiple of that sum. Purchasers of beneficial interests in the Series 2021 Certificates (the "Beneficial Owners") will not receive physical delivery of certificates representing their interest in the Series 2021 Certificates. See "THE SERIES 2021 CERTIFICATES -- Book-Entry Only System."

Interest components of the Series 2021 Certificates, at the rates set forth on the inside cover, are payable on January 1, 2022 and on each July 1 and January 1 thereafter, and such interest, together with the principal of and premium, if any, represented by the Series 2021 Certificates, will be paid directly to DTC by the Trustee (as hereinafter defined), so long as DTC or its nominee is the registered owner of the Series 2021 Certificates. The final disbursements of such payments to the Beneficial Owners of the Series 2021 Certificates will be the responsibility of the DTC Participants and the Indirect Participants, all as defined and more fully described in this Official Statement under the caption "THE SERIES 2021 CERTIFICATES -- Book-Entry Only System."

Certain Series 2021 Certificates are subject to redemption prior to maturity as described in this Official Statement. See "THE SERIES 2021 CERTIFICATES -- Optional Redemption."

The Series 2021A Certificates are being sold (i) to refund in part the Series 2006 Certificates, the Series 2014A Certificate and the Series 2016A Certificates (each as defined herein) maturing on July 1, 2021, which were issued to finance and refinance certain athletic facilities previously leased to The Trustees of Purdue University (the "Corporation") by the Ross-Ade Foundation, as lessor (the "Foundation"), (ii) to refund in whole the Series 2011A Certificates (as defined herein), together with certain funds of the Corporation, which were issued to finance certain athletic facilities previously leased to the Corporation by the Foundation, as lessor, and (iii) to pay costs of issuance of the Series 2021A Certificates. See "PLAN OF FINANCE - Refunding." The Series 2021B Certificates are being sold (i) to fund the payment of interest due on July 1, 2021 on the Series 2006 Certificates, the Series 2014A Certificate and the Series 2016A Certificates maturing on and after July 1, 2022, and (ii) to pay costs of issuance of the Series 2021B Certificates. See "PLAN OF FINANCE – Funded Interest." The Series 2021 Certificates will be issued pursuant to a Trust Indenture dated as of April 1, 2021 (the "2021 Indenture") which supplements and amends a Trust Indenture dated as of November 15, 1996 (the "1996 Indenture"), a Trust Indenture dated as of November 15, 2006 (the "2006 Indenture"), a Trust Indenture dated as of August 15, 2009 (the "2009 Indenture"), a Trust Indenture dated as of February 15, 2011 (the "2011 Indenture"), a Trust Indenture dated as of February 15, 2014 (the "2014A Indenture"), and a Trust Indenture dated as of May 15, 2016 (the "2016A Indenture") (collectively, the "Indenture") between The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") and the Foundation.

The Series 2021 Certificates and any Certificates (as defined herein) issued pursuant to the Indenture on a parity therewith (collectively, the "Parity Certificates") evidence an undivided proportionate interest in rental payments (the "Lease Payments") payable by the Corporation pursuant to certain lease-purchase agreements (the "Leases" as defined herein) between the Corporation, as lessee, and the Foundation, as lessor, assigned to the Trustee. The Parity Certificates are special obligations, payable solely from and secured exclusively by certain property pledged thereto under the Indenture, including the Lease Payments under the Leases. The Lease Payments under the Leases are payable from all available funds of the Corporation which may be lawfully used for that purpose, excluding mandatory student fees and appropriations from the State of Indiana (the "State"). See "SECURITY AND SOURCES OF PAYMENTS FOR THE SERIES 2021 CERTIFICATES."

Neither the faith and credit of the Corporation or the State nor the taxing power of the State is pledged for the payment of principal of or interest on the Series 2021 Certificates. Neither the Series 2021 Certificates nor the Leases constitute a debt of the Corporation or the State within the meaning of any constitutional or statutory debt limitation or restriction.

The Series 2021 Certificates will mature in the years and bear interest at the rates set forth on the inside cover hereof.

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 making an informed investment decision.

The Series 2021 Certificates are offered when, as and if issued and received by the Underwriters (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice, to approval of certain legal matters by Ice Miller LLP, Indianapolis, Indiana, as Bond Counsel, and to certain other conditions. Certain legal matters are subject to the approval of Steven R. Schultz, Esq., General Counsel to the Corporation, West Lafayette, Indiana, and Ice Miller LLP, Indianapolis, Indiana, special counsel to the Foundation. Ice Miller LLP, Indianapolis, Indiana, will also serve as Disclosure Counsel. Barnes & Thornburg LLP, Indianapolis, Indiana, will serve as Underwriters' Counsel. Blue Rose Capital Advisors, LLC, will serve as Financial Advisor to the Corporation. It is expected that the Series 2021 Certificates in definitive form will be available for delivery to DTC in New York, New York, on or about May 12, 2021.

Wells Fargo Securities

Ramirez & Co., Inc.

Official Statement Dated: April 6, 2021

MATURITY SCHEDULE

Series 2021A Certificates

Maturing July 1	Principal Amount	Interest Rate	Price	Yield	CUSIP[1]
2028	$1,835,000	5.000%	128.355%	0.890%	746173 GU1
2029	1,930,000	5.000	130.815	1.040	746173 GV9
2030	2,065,000	5.000	133.092	1.170	746173 GW7
2031	2,185,000	5.000	135.255	1.280	746173 GX5
2032	3,285,000	5.000	134.691*	1.330	746173 GY3
2033	5,895,000	5.000	134.130*	1.380	746173 GZ0
2034	6,220,000	5.000	133.907*	1.400	746173 HA4
2035	6,520,000	5.000	133.683*	1.420	746173 HB2

* Priced to the par call date of July 1, 2031.

Series 2021B Certificates

Maturing July 1	Principal Amount	Interest Rate	Price	Yield	CUSIP[1]
2032	$2,350,000	2.250%	100.00%	2.250%	746173 HC0

[1] Term expires June 2021

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, Foundation or the Underwriters to give any information or to make any representation 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, Foundation or the Underwriters. Certain information in this Official Statement has been obtained from the Corporation or Foundation and other sources considered to be reliable, but is not guaranteed as to accuracy or completeness. Any information or expressions of opinion in this Official Statement 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 or Foundation since the date of this Official Statement.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Series 2021 Certificates in any jurisdiction in which or to any person to whom it is unlawful to make such offer, solicitation or sale.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2021 CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2021 CERTIFICATES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR REGISTERED IN ANY STATE AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR ANY OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT NOR APPROVED THE SERIES 2021 CERTIFICATES FOR SALE.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CORPORATION AND THE TERMS OF THE OFFERING, INCLUDING THE MERIT AND RISK INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR

DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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.

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THE TRUSTEES OF PURDUE UNIVERSITY, AS LESSEE

INTRODUCTION

This Official Statement, including the cover page, the inside cover page and the Appendices (the "Official Statement"), is provided to furnish certain information with respect to the sale and delivery of the Certificates of Participation, Series 2021A (the "Series 2021A Certificates"), and the Taxable Certificates of Participation, Series 2021B (the "Series 2021B Certificates" and, together with the Series 2021A Certificates, the "Series 2021 Certificates"), evidencing an undivided proportionate interest of the registered owners of such Series 2021 Certificates in rental payments (the "Lease Payments") to be made by The Trustees of Purdue University, as lessee (the "Corporation" or "Lessee"), as the rental for certain real and personal property (the "Leased Property") pursuant to certain lease purchase agreements (referred to collectively herein as the "Leases") pursuant to which the Projects (as defined herein) have been financed and refinanced, all of which have been assigned to the Trustee (as hereinafter defined) under a Trust Indenture dated as of November 15, 1996 (the "1996 Indenture"), as supplemented and amended by a Trust Indenture dated November 15, 2006 (the "2006 Indenture"), as supplemented and amended by a Trust Indenture dated September 9, 2009 (the "2009 Indenture"), as supplemented and amended by a Trust Indenture dated as of February 15, 2011 (the "2011 Indenture"), as supplemented and amended by a Trust Indenture dated as of February 15, 2014 (the "2014A Indenture"), and as supplemented and amended by a Trust Indenture dated as of May 15, 2016 (the "2016A Indenture"), all between the Corporation, as lessee, and the Ross-Ade Foundation, as lessor (the "Foundation" or "Lessor"). The Series 2021 Certificates will be delivered pursuant to a Trust Indenture dated as of April 1, 2021 (the "2021 Indenture"), between The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") and the Lessor, which supplements and amends the 1996 Indenture, the 2006 Indenture, the 2009 Indenture, the 2011 Indenture, the 2014A Indenture and the 2016A Indenture. The 1996 Indenture, the 2006 Indenture, the 2009 Indenture, the 2011 Indenture, the 2014A Indenture, the 2016A Indenture and the 2021 Indenture (together with any further amendments or supplements thereto) are referred to collectively herein as the "Indenture". The Series 2021 Certificates, the Certificates of Participation, Series 2006 (the "Series 2006 Certificates"), the Certificate of Participation, Series 2014A (the "Series 2014A Certificate"), and the Certificates of Participation, Series 2016A (the "Series 2016A Certificates") are secured on a parity basis under the Indenture, and together with any Additional Participation Certificates as described below are referred to as "Parity Certificates".

The Corporation has entered into the Leases to finance the acquisition and construction of (i) improvements to Ross-Ade Stadium on the West Lafayette campus, (ii) renovation of Mackey Arena and related and adjacent athletic improvements on the West Lafayette campus, (iii) a varsity softball stadium, related site work/infrastructure and associated facilities at the northwest athletic site on the West Lafayette campus, and (iv) the Mollenkopf Athletic Center Renovation and Football Performance Complex Addition on the West Lafayette campus (collectively, the "Projects"). See "THE PROJECTS."

The Lessor has previously assigned the Leases pledged pursuant to the 1996 Indenture, the 2006 Indenture, the 2009 Indenture, the 2011 Indenture, the 2014A Indenture and the 2016A Indenture (collectively, the "Assignments"). The Assignments transfer and assign all of the Lessor's rights in and obligations under the Leases to the Trustee for the benefit of the registered owners of all Parity Certificates. Under the Assignments, the Trustee will assume the rights and duties of the Lessor for all purposes of the Leases and the Lessor will have no continuing interest in, or responsibility with respect to, the Leases or the Leased Property or the Lease Payments under each Lease.

The Trustee will make payments of the interest and principal represented by the Parity Certificates solely from moneys available under the Indenture, including Lease Payments required to be made by the Corporation under the Leases.

In general, the Corporation is required under the Leases to pay Lease Payments equal to the principal of and premium, if any, and interest on all Parity Certificates and the Trustee's fees related thereto. See "SECURITY AND SOURCES OF PAYMENTS FOR THE SERIES 2021 CERTIFICATES -- Sources of Payment." The Corporation is also required to pay any taxes and assessments and the cost of maintenance and repair of the Leased Property. See, for example, "THE AMENDED 2009 LEASE -- Additional Rental Payments and Other Charges" in APPENDIX C.

The Parity Certificates are special and limited obligations, payable solely from and secured exclusively by certain property pledged thereto under the Indenture, including (a) the interests of the Trustee in real estate subject to the Leases and (b) all right, title and interest of the Trustee in moneys and investments, if any, in the Certificate Fund, including the right to receive money in such funds, including Lease Payments by the Corporation under the Leases. The Corporation's obligation to make such Lease Payments is limited to funds legally available for that purpose and is subject to all prior liens on any such moneys. **STUDENT FEES AND STATE APPROPRIATIONS ARE NOT CONSIDERED TO BE AVAILABLE MONEYS FOR THESE PURPOSES.** See "SECURITY AND SOURCES OF PAYMENTS FOR THE SERIES 2021 CERTIFICATES."

For a discussion of the Corporation, its programs, campuses, students, faculty, sources of revenues and financial condition, see APPENDIX A: "PURDUE UNIVERSITY."

THE PARITY CERTIFICATES ARE NOT A GENERAL OBLIGATION DEBT OR LIABILITY OF THE CORPORATION, THE FOUNDATION OR THE STATE OF INDIANA, AND NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PARITY CERTIFICATES AGAINST THE STATE OF INDIANA, THE CORPORATION OR THE FOUNDATION, OR AGAINST THE PROPERTY OR FUNDS OF THE STATE OF INDIANA, THE CORPORATION OR THE FOUNDATION, EXCEPT TO THE EXTENT OF THE FUNDS PLEDGED UNDER THE INDENTURE FOR PAYMENT OF THE PARITY CERTIFICATES.

NEITHER THE PARITY CERTIFICATES NOR THE LEASES CONSTITUTE A DEBT OF THE CORPORATION OR THE STATE OF INDIANA WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS. SEE "SECURITY AND SOURCES OF PAYMENTS FOR THE SERIES 2021 CERTIFICATES."

The descriptions and summaries of and references to various documents contained in this Official Statement do not purport to be comprehensive or definitive and are qualified in their entirety by reference to the full text of each such document.

This introduction is not a summary of this Official Statement. This introduction is qualified by more complete and detailed information contained in this entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of this entire Official Statement and the documents summarized or described herein. The offering of Series 2021 Certificates to potential investors from time to time is made only by means of this entire Official Statement and any amendments and supplements hereto.

PLAN OF FINANCE

Refunding

A portion of the Series 2021A Certificates is being issued to refund (i) that portion of the outstanding Series 2006 Certificates which matures on July 1, 2021, in the outstanding principal amount of $3,240,000 (the "Refunded 2006 Certificates"); (ii) that portion of the outstanding Series 2014A Certificate which matures on July 1, 2021, in the outstanding principal amount of $920,000 (the "Refunded 2014A Certificate"); and (iii) that portion of the outstanding Series 2016A Certificates which matures on July 1, 2021, in the outstanding principal amount of $3,995,000 (the "Refunded 2016A Certificates"). Proceeds of the Series 2021A Certificates allocable to this portion of the plan of refunding will be deposited to the Refunding Account of the Project Fund, in the gross funded amount necessary, then immediately transferred to the Series 2006 Account of the Certificate Fund, the Series 2014A Account of the Certificate Fund and the Series 2016A Account of the Certificate Fund, to be utilized by the Trustee on July 1, 2021 to pay the Refunded 2006 Certificates, the Refunded 2014A Certificate and the Refunded 2016A Certificates, as described above.

An additional portion of the Series 2021A Certificates (together with certain Corporation funds) is being issued to refund in whole the Certificates of Participation, Series 2011A (Adjustable Demand) (the "Series 2011A Certificates"), in the outstanding principal amount of $31,295,000 (the "Refunded 2011A Certificates"). The Refunded 2011A Certificates will be redeemed in whole on the date of issuance and delivery of the Series 2021A Certificates. Proceeds of the Series 2021 Certificates allocable to this portion of the plan of refunding will be deposited to the Refunding Account of the Project Fund, in the gross funded amount necessary to pay the outstanding principal amount of the Refunded 2011A Certificates. Corporation funds will also be deposited to the Refunding Account of the Project Fund, in the gross funded amount necessary to pay all accrued interest coming due on the Refunded 2011A Certificates on the call date (which will be the date of issuance and delivery of the Series 2021A Certificates). Such combined amount will be immediately transferred at closing to the Series 2011A Account of the Certificate Fund, to be utilized by the Trustee on such date to refund the Refunded 2011A Certificates in whole.

Funded Interest

The Series 2021B Certificates are being issued to fund the payment of all interest due on July 1, 2021 with respect to the outstanding Series 2006 Certificates, Series 2014A Certificate and Series 2016A Certificates maturing on or after July 1, 2022. Proceeds of the Series 2021B Certificates will be deposited, in the gross funded amounts necessary, to the Series 2006 Account of the Certificate Fund, the Series 2014A Account of the Certificate Fund and the Series 2016A Account of the Certificate Fund, to be utilized by the Trustee on July 1, 2021 to pay all interest due on July 1, 2021 on the Series 2006 Certificates, Series 2014A Certificate and Series 2016A Certificates maturing on or after July 1, 2022, as described above.

PURPOSE OF THE SERIES 2021 CERTIFICATES

The Series 2021 Certificates are being issued as Additional Participation Certificates under the Indenture to execute the PLAN OF FINANCE described above.

Sources and Uses of Funds

The sources and uses of funds necessary to provide for the plan of finance, and the sale and delivery of the Series 2021 Certificates, are estimated as shown below.

Series 2021A Certificates

Sources of Funds:[1]	
Principal Amount of Series 2021A Certificates	$29,935,000.00
Certificate Premium	10,025,425.15
Total Sources	$39,960,425.15
Uses of Funds:	
Deposit to Refunding Account[2]	$39,647,161.00
Underwriting Discount	80,036.49
Costs of Issuance	233,227.66
Total Uses	$39,960,425.15

[1] The Corporation will provide funds to pay the accrued interest coming due on the Refunded 2011A Certificates on their call date, which will be the date of issuance and delivery of the Series 2021A Certificates.
[2] For use in connection with the refunding of the Refunded 2006 Certificates, the Refunded 2014A Certificate, the Refunded 2016A Certificates and the Refunded 2011A Certificates.

Series 2021B Certificates

Sources of Funds:	
Principal Amount of Series 2021B Certificates	$2,350,000.00
Total Sources	$2,350,000.00
Uses of Funds:	
Deposits to Series 2006, 2014A and 2016A Accounts of the Certificate Fund[1]	$2,323,417.00
Underwriting Discount	6,283.14
Costs of Issuance	20,299.86
Total Uses	$2,350,000.00

[1] For use in connection with payment of all interest due on July 1, 2021 on the Series 2006 Certificates, Series 2014A Certificate and Series 2016A Certificates maturing on and after July 1, 2022.

THE SERIES 2021 CERTIFICATES

Principal Amount, Date, Interest Rates and Maturities

The Series 2021A Certificates will be issued in the aggregate principal amount of $29,935,000 and the Series 2021B Certificates will be issued in the aggregate principal amount of $2,350,000. The Series 2021 Certificates will be dated the date of delivery thereof and will mature on the dates and in the principal amounts set forth on the inside cover of this Official Statement.

Each Parity Certificate represents an undivided proportionate interest in the principal portion of the Lease Payments due and payable with respect to the maturity date of such Parity Certificate and in the interest portion of the Lease Payments due and payable semiannually, to and including such maturity date (or earlier redemption), at the rate set forth in such Parity Certificate. Interest represented by the Series 2021 Certificates will be payable semiannually, commencing on January 1, 2022, and on each July 1 and January 1 of each year thereafter to and including the date of maturity (or earlier redemption) (the "Interest Payment Dates"). The "Record Date" for the Series 2021 Certificates shall mean the December 15 or June 15 immediately preceding the respective Interest Payment Date.

Each Series 2021 Certificate will accrue interest from the Interest Payment Date next preceding the date of its execution, unless: (i) executed on an Interest Payment Date or after a Record Date but before the following Interest Payment Date, in which case interest accrues from such Interest Payment Date, (ii) executed on the date of initial delivery or prior to January 1, 2022, in which case interest accrues from the date of delivery, or (iii) payment of interest is in default, in which case interest is payable from the last Interest Payment Date to which interest has been paid. Interest with respect to the Series 2021 Certificates will be computed on the basis of a 360-day year, consisting of twelve, 30-day months.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2021 Certificates. The Series 2021 Certificates 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 2021 Certificate will be issued for the Series 2021 Certificates (designating each maturity thereof and the interest rate for each maturity or within a maturity) and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2021 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 2021 Certificate ("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 2021 Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2021 Certificates, except in the event that use of the book-entry system for the Series 2021 Certificates is discontinued.

To facilitate subsequent transfers, all Series 2021 Certificates 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 2021 Certificates 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 2021 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2021 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Series 2021 Certificate documents. For example, Beneficial Owners of the Series 2021 Certificates may wish to ascertain that the nominee holding the Series 2021 Certificate 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 2021 Certificates within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2021 Certificates 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 2021 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and other payments on the Series 2021 Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Corporation or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and other payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2021 Certificates at any time by giving reasonable notice to the Corporation or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates for such Series 2021 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, certificates for such Series 2021 Certificates will be printed and delivered.

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

Disclaimer

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

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

(i) the accuracy of the records of DTC, its nominee or any Direct Participant or Indirect Participant with respect to any beneficial ownership interest in any Series 2021 Certificate;

(ii) the delivery to any Direct Participant or Indirect Participant or any other person, other than an owner, as shown in the bond register, of any notice with respect to any Series 2021 Certificate including, without limitation, any notice of redemption;

(iii) the payment to any Direct Participant or Indirect Participant or any other person, other than an owner, as shown in the bond register, of any amount with respect to the principal of or premium, if any, or interest on any Series 2021 Certificate; or

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

Prior to any discontinuation of the book-entry only system described under this caption, the Corporation and the Trustee may treat DTC as, and deem DTC to be, the absolute owner of the Series 2021 Certificates for all purposes whatsoever, including, without limitation:

(i) the payment of the principal of and premium, if any, and interest on the Series 2021 Certificates;

(ii) giving notices of redemption and other matters with respect to the Series 2021 Certificates;

(iii) registering transfers with respect to the Series 2021 Certificates; and

(iv) the selection of Series 2021 Certificates for redemption.

Form and Denomination

The Series 2021A Certificates will be issued in fully registered form in the denomination of $5,000 or any integral multiple thereof. The Series 2021B Certificates will be issued in fully registered form in the denomination of $1,000 or any integral multiple thereof.

Optional Redemption

Series 2021A Certificates

The Series 2021A Certificates maturing on or after July 1, 2032 are subject to optional redemption in whole or in part on any date on or after July 1, 2031, in the order of maturity specified by the Foundation (as directed by the Corporation), at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.

If fewer than all of the Series 2021A Certificates are to be optionally redeemed, the Corporation will select the order of maturities and the Trustee will select by lot within maturities, the particular Series 2021A Certificates or portion of Series 2021A Certificates to be redeemed. The portion of any Series 2021A Certificate of a denomination of more than $5,000 to be redeemed will be in the principal amount of $5,000 or an integral multiple of that sum, and in selecting portions of such Series 2021A Certificates for redemption, the Trustee will treat each such Series 2021A Certificate as representing that number of Series 2021A Certificates of $5,000 denomination which is obtained by dividing the principal amount of such Series 2021A Certificate by $5,000.

Series 2021B Certificates

The Series 2021B Certificates are subject to redemption on any date, at the option of the Foundation (as directed by the Corporation), in whole or in part, at a redemption price (the "Make-Whole Optional Redemption Price") equal to the greater of:

(i) 100% of the principal amount of the Series 2021B Certificates to be redeemed; or

(ii) the sum of the present value of the remaining scheduled payments of principal and interest on the Series 2021B Certificates to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2021B Certificates are to be redeemed, discounted to the date on which the Series 2021B Certificates are to be redeemed on an annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (defined below) plus 10 basis points (0.10%);

plus, in either case, accrued interest on the Series 2021B Certificates to be redeemed to the redemption date.

At the request of the Trustee, the redemption price of the Series 2021B Certificates to be redeemed at the option of the Foundation (as directed by the Corporation) will be determined by an independent accounting firm, investment banking firm or financial advisor (the "Designated Pricing Agent") retained by the Foundation at the Foundation's expense to calculate such redemption price. The Trustee and the Foundation may conclusively rely on the determination of such redemption price by the Designated Pricing Agent and will not be liable for such reliance. For purposes of determining the Make-Whole Optional Redemption Price:

"Treasury Rate" means, as applicable, with respect to any redemption date for a particular 2021B Certificate, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue, assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price, as calculated by the Designated Pricing Agent.

"Comparable Treasury Issue" means, as applicable, with respect to any redemption date for a particular 2021B Certificate, the United States Treasury security or securities selected by the Designated Pricing Agent which have an actual or interpolated maturity comparable to the remaining average life of the 2021B Certificate to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the 2021B Certificate to be redeemed.

"Comparable Treasury Price" means, as applicable, with respect to any redemption date for a particular 2021B Certificate, (i) if the Designated Pricing Agent receives at least four Reference Treasury Dealer Quotations, the average of such quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Designated Pricing Agent obtains fewer than four Reference Treasury Dealer Quotations, the average of all such quotations.

"Reference Treasury Dealer" means each of the four firms, specified by the Designated Pricing Agent, that are primary United States Government securities dealers in the City of New York (each a "Primary Treasury Dealer"); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the Designated Pricing Agent will substitute another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and as applicable for any redemption date for a particular 2021B Certificate, the average, as determined by the Designated Pricing Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Pricing Agent by such Reference Treasury Dealer at 3:30 p.m., New York City time, at least two days preceding such redemption date.

So long as the Series 2021B Certificates are registered to DTC or its nominee, if fewer than all the Series 2021B Certificates of a maturity are called for redemption, the particular Series 2021B Certificates or portions thereof to be redeemed shall be selected on a pro rata pass-through distribution of principal basis in accordance with procedures of DTC, provided that the selection for redemption of such Series 2021B Certificates shall be made in accordance with the operational arrangements of DTC then in effect, and, if DTC's operational arrangements at such time do not allow for redemption on a pro rata pass-through distribution of principal basis, the Series 2021B Certificates shall be selected for redemption, in accordance with DTC procedures, by lot or in such other manner as in accordance with the applicable arrangements of DTC.

Notice of Redemption

FOR SO LONG AS THE SERIES 2021 CERTIFICATES ARE REGISTERED TO DTC OR ITS NOMINEE, ANY NOTICE OF REDEMPTION WILL BE GIVEN ONLY TO DTC OR ITS NOMINEE, AS DESCRIBED ABOVE UNDER THE HEADING "BOOK-ENTRY ONLY SYSTEM" UNDER THIS CAPTION. ANY FAILURE BY DTC TO NOTIFY THE OWNERS DOES NOT AFFECT THE VALIDITY OF THE REDEMPTION PROCEEDINGS FOR THE SERIES 2021 CERTIFICATES. Notice of redemption of the Series 2021 Certificates shall be given by the Trustee by first class mail to the registered owner of each Series 2021 Certificate to be redeemed, not less than 30 days prior to the date fixed for redemption. However, failure to give such notice, or any defect in such notice, will not affect the validity of any proceedings for the redemption of any of the other Series 2021 Certificates. Notices of redemption may be given on a conditional basis.

Interest on the Series 2021 Certificates so called for redemption shall cease to accrue on the redemption date specified in said notice if funds are on deposit with the Trustee to redeem the Series 2021 Certificates when presented. Such Series 2021 Certificates will no longer be outstanding under or protected by the Indenture.

Transfer and Exchange of Series 2021 Certificates

FOR SO LONG AS THE SERIES 2021 CERTIFICATES ARE REGISTERED UNDER A BOOK-ENTRY ONLY SYSTEM, THE TRANSFER AND EXCHANGE PROCEDURES SHALL BE AS DESCRIBED ABOVE UNDER "BOOK-ENTRY ONLY SYSTEM."

In the event that the Series 2021 Certificates are no longer registered under a book-entry only system, pursuant to the Indenture, the Corporation shall cause to be kept a Series 2021 Certificate register, and for that purpose, the Trustee has been appointed the Series 2021 Certificate registrar. The Trustee shall not be required to transfer or exchange any Series 2021 Certificates during the period 15 days next preceding the mailing of a notice of redemption of any Series 2021 Certificates of the same maturity nor to transfer or exchange any Series 2021 Certificate after the notice calling such Series 2021 Certificate or portion thereof for redemption has been mailed as provided in the Indenture. No service charge or payment shall be required to be made by the Owner requesting an exchange, registration or transfer of any Series 2021 Certificate, but the Corporation and the Trustee may require payment of a sum sufficient to cover any tax, fee or other governmental charge required to be paid with respect to such exchange, registration or transfer.

In the event that the Series 2021 Certificates are no longer registered under a book-entry only system, the person in whose name any Series 2021 Certificate shall be registered on the Series 2021 Certificate register shall be deemed and regarded as the absolute Owner thereof for all purposes. Payment of either principal or interest with respect to any Series 2021 Certificate shall be made only to or upon the order of the Owner thereof or such Owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge liability upon such Series 2021

Certificate to the extent of the sum or sums so paid. The Corporation, the Foundation, the Trustee, and any other Paying Agent may deem and treat the registered owner as the absolute owner of said Series 2021 Certificate whether such Series 2021 Certificate shall be overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and neither the Corporation, the Foundation, the Trustee, the Depository or any other Paying or Co-Paying Agent shall be affected by any notice to the contrary.

Revision of Book-Entry Only System; Replacement Series 2021 Certificates

In the event either (i) the Trustee receives notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities as a securities depository for the Series 2021 Certificates or (ii) the Foundation elects to discontinue its use of DTC as a securities depository for the Series 2021 Certificates, and in either case, the Foundation does not appoint an alternate securities depositor, then the Trustee will do or perform or cause to be done or performed all acts or things, not adverse to the rights of the Owners of the Series 2021 Certificates, as are necessary or appropriate to discontinue use of DTC as a securities depository for the Series 2021 Certificates and to transfer the ownership of each of the Series 2021 Certificates to such person or persons, including any other securities depository, as the Owner of such Series 2021 Certificates may direct in accordance with the Indenture. If ownership of the Series 2021 Certificates is transferred to the Owners, the Trustee will execute and deliver fully registered replacement Series 2021 Certificates ("Replacement Series 2021 Certificates"), in the denomination of $5,000 or any integral multiple, to the Owners of the Series 2021 Certificates. The expenses of any such transfer, including the printing of certificates for the Replacement Series 2021 Certificates, will be paid by the Corporation.

The principal of the Replacement Series 2021 Certificates will be payable at the corporate trust operations office of the Trustee as Series 2021 Certificate paying agent (the "Paying Agent"), in East Syracuse, New York, upon presentation and surrender thereof. Interest on the Replacement Series 2021 Certificates will be paid by check of the Paying Agent mailed on or before the business day prior to each Interest Payment Date to the registered owners appearing on the registration books maintained by the Trustee, as certificate registrar (the "Series 2021 Certificate Registrar"), as of the close of business on the most recent Record Date.

Replacement Series 2021 Certificates may be transferred or exchanged by any Certificate Holder or any Certificate Holder's duly authorized attorney at the corporate trust operations office of the Trustee as registrar, to the extent and upon the conditions set forth in the Indenture, including the payment of a sum sufficient to cover any tax, fee or other governmental charge for any such transfer or exchange that may be imposed upon the Foundation or the registrar for the Series 2021 Certificates. The Series 2021 Certificate registrar will not be required (i) to transfer or exchange any replacement Series 2021 Certificate during the period of 15 days prior to the mailing of a notice of redemption of any replacement Participation Certificates of the same maturity, or (ii) to transfer or exchange any Replacement Series 2021 Certificate called for redemption.

SECURITY AND SOURCES OF PAYMENTS FOR THE SERIES 2021 CERTIFICATES

General

Each Parity Certificate evidences and represents an undivided proportionate interest in the Lease Payments required under the Leases and the assignment of the Lease Payments to be paid by the Corporation to the Trustee.

THE CORPORATION'S OBLIGATION TO MAKE LEASE PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE CORPORATION, THE FOUNDATION OR THE STATE OF INDIANA WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION. NEITHER THE FAITH AND CREDIT OF THE CORPORATION, THE FOUNDATION NOR THE STATE OF INDIANA IS PLEDGED TO MAKE PAYMENTS OF THE PARITY CERTIFICATES. PAYMENT OF THE PRINCIPAL OF AND INTEREST REPRESENTED BY THE PARITY CERTIFICATES WILL BE MADE BY THE TRUSTEE SOLELY FROM AMOUNTS DERIVED UNDER THE TERMS OF THE LEASES, INCLUDING LEASE PAYMENTS, AND AMOUNTS FROM TIME TO TIME ON DEPOSIT WITH THE TRUSTEE UNDER THE TERMS OF THE INDENTURE. OBLIGATIONS TO MAKE LEASE PAYMENTS ARE LIMITED TO AVAILABLE FUNDS OF THE CORPORATION WHICH MAY BE LAWFULLY USED BY THE CORPORATION FOR SUCH PURPOSES. MANDATORY STUDENT FEES AND STATE APPROPRIATIONS ARE NOT AVAILABLE FUNDS.

Security

The Series 2021 Certificates will be delivered pursuant to the Indenture. Each Parity Certificate represents an undivided proportionate interest of the registered owners in the Lease Payments required to be paid by the Corporation to the Trustee under the Leases, as rental for certain real property.

In the Indenture, in order to secure the payment of the principal of and premium, if any, and interest on the Parity Certificates, and to secure the performance and observance of all covenants and conditions contained in the Parity Certificates and the Indenture, the Foundation has pledged, mortgaged and assigned to the Trustee, and granted to the Trustee a security interest in, all right, title and interest of the Foundation in or to the following (the "Trust Estate"):

(a) certain real estate located in Tippecanoe County, Indiana;

(b) the Projects located on such real estate;

(c) all moneys and investments in the Certificate Fund under the Indenture, including, without limitation, all rentals and other moneys to be received by or on behalf of the Trustee from the leasing of the Projects and in particular the rentals and other moneys to be received under and pursuant to and subject to the provisions of the Leases, all subject to and in accordance with the Indenture;

(d) all moneys and investments in the Project Fund under the Indenture; and

(e) any real or personal property pledged, mortgaged or assigned by the Foundation to the Trustee, or in which the Foundation grants to the Trustee a security interest, under any indenture supplemental to the Indenture.

The Lessor has previously transferred or will transfer and assign all of its rights in and obligations under the Leases to the Trustee by the Assignments for the benefit of the registered owners of the Parity Certificates. Based on such transfers, the Trustee will assume the rights and duties of the Lessor for all purposes of the Leases and the Lessor will have no continuing interest in, or responsibility with respect to, the Leases, the Leased Property under the Leases or the Lease Payments. The Lessor holds title to the Leased Property. The Leases grant to the Lessor, upon default and notice, the right to take possession of the Leased Property. See "THE AMENDED 2009 LEASE -- Defaults," "THE 2014A LEASE -- Defaults" and "THE 2001 LEASE -- Defaults" in APPENDIX C. The Indenture constitutes a mortgage of the Leased Property to the Trustee.

Sources of Payment

The Parity Certificates will be payable by the Trustee solely from the Trust Estate, including Lease Payments required to be made by the Corporation under the Leases.

The Leases are not subject to annual review by the Corporation. The Leases are subject to early termination under certain circumstances, as described in APPENDIX C. These circumstances include, among other things, the exercise by the Corporation of its option to purchase the Leased Property or the destruction or condemnation of the Leased Property. Under the Leases, the Corporation is required to maintain property insurance in an amount not less than the principal amount of Parity Certificates outstanding at all times. See "THE AMENDED 2009 LEASE -- Option to Purchase Leased Property by the Corporation," "-- Insurance" and "-- Condemnation," "THE 2014A LEASE -- Option to Purchase Leased Property by the Corporation," "-- Insurance" and "-- Condemnation" and "THE 2001 LEASE -- Option to Purchase Leased Property by the Corporation," "-- Insurance" and "-- Condemnation" in APPENDIX C.

The Corporation is required under the Leases to make Lease Payments semiannually in amounts sufficient to make the principal and interest payments represented by the Series 2021 Certificates and other Parity Certificates each December 31 and June 30, and will pay as additional rental the amount of the Trustee fees, unless the Leases are terminated. Under the Indenture, "Additional Participation Certificates" may be issued from time to time on a parity basis with the Series 2021 Certificates, the Series 2016A Certificates, the 2014A Certificate and the Series 2006 Certificates in order to finance or refinance additional parking or athletic facilities as described more fully in APPENDIX C hereto under the heading "THE 2021 INDENTURE AND THE INDENTURE -- Additional Participation Certificates".

The Corporation is also required under the Leases to pay any taxes and assessments and the cost of maintenance and repair of the Leased Property. See "THE AMENDED 2009 LEASE -- Additional Rental Payments and Other Charges" and "-- Repairs and Maintenance," "THE 2014A LEASE -- Additional Rental Payments and Other Charges" and "-- Repairs and Maintenance" and "THE 2001 LEASE -- Additional Rental Payments and Other Charges" and "-- Repairs and Maintenance" in APPENDIX C.

Available Funds

The Lessee has also covenanted and agreed in the Leases that it will use and apply any available funds, to the extent necessary, for the purpose of satisfying its obligations under the Leases; however, ***mandatory student fees assessed all students, which include all academic fees assessed by the Corporation against students attending Purdue University, and appropriations by the State of Indiana shall not be considered available for the payment of such obligations***. Notwithstanding any other provisions of the Leases, the obligations imposed upon the Corporation under the Leases for the payment of rent or making of other expenditures of money shall be and remain subject to the availability of funds which may lawfully be used by the Corporation for such purposes. No obligation imposed on the Corporation shall be or become an indebtedness of or liability against the State of Indiana. See "THE AMENDED 2009 LEASE -- Corporation's Obligations Payable from and Subject to Available Funds," "THE 2014A LEASE -- Corporation's Obligations Payable from and Subject to Available Funds" and "THE 2001 LEASE -- Corporation's Obligations Payable From and Subject to Available Funds" in APPENDIX C.

Schedule of Annual Payments to Certificate Owners

The following table sets forth the scheduled payments on Parity Certificates:

Fiscal Year Ending	Series 2021A Certificates			Series 2021B Certificates			Outstanding Parity Certificates [1]			Combined
June 30	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Total Payments*
2022		$952,099	$952,099		$33,634	$33,634		$2,323,417	$2,323,417	$3,309,151
2023		1,496,750	1,496,750		52,875	52,875	$8,545,000	4,439,938	12,984,938	14,534,563
2024		1,496,750	1,496,750		52,875	52,875	8,960,000	4,015,839	12,975,839	14,525,464
2025		1,496,750	1,496,750		52,875	52,875	9,390,000	3,570,803	12,960,803	14,510,428
2026		1,496,750	1,496,750		52,875	52,875	9,815,000	3,104,553	12,919,553	14,469,178
2027		1,496,750	1,496,750		52,875	52,875	10,285,000	2,670,203	12,955,203	14,504,828
2028		1,496,750	1,496,750		52,875	52,875	12,520,000	2,245,685	14,765,685	16,315,310
2029	$1,835,000	1,450,875	3,285,875		52,875	52,875	5,570,000	1,905,700	7,475,700	10,814,450
2030	1,930,000	1,356,750	3,286,750		52,875	52,875	5,795,000	1,678,400	7,473,400	10,813,025
2031	2,065,000	1,256,875	3,321,875		52,875	52,875	6,030,000	1,411,750	7,441,750	10,816,500
2032	2,185,000	1,150,625	3,335,625		52,875	52,875	6,325,000	1,102,875	7,427,875	10,816,375
2033	3,285,000	1,013,875	4,298,875	$2,350,000	26,438	2,376,438	3,260,000	879,550	4,139,550	10,814,863
2034	5,895,000	784,375	6,679,375				3,390,000	746,550	4,136,550	10,815,925
2035	6,220,000	481,500	6,701,500				3,525,000	590,625	4,115,625	10,817,125
2036	6,520,000	163,000	6,683,000				3,705,000	428,400	4,133,400	10,816,400
2037							3,850,000	258,050	4,108,050	4,108,050
2038							4,045,000	80,900	4,125,900	4,125,900

[1] Following the issuance of the Series 2021 Certificates, and assuming redemption of the Refunded Series 2006 Certificates, the Refunded Series 2011A Certificates, the Refunded Series 2014A Certificate and the Refunded Series 2016A Certificates.
* Totals may not sum due to rounding.

ROSS-ADE FOUNDATION

The Ross-Ade Foundation was organized in 1924 to promote and develop the educational and physical welfare of Purdue University students with funds that could not be provided from State appropriations. The Foundation has built the football stadium known as Ross-Ade Stadium, the basketball arena known as Mackey Arena, a softball stadium, as well as the Mollenkopf Athletic Center Renovation and Football Performance Complex Addition, and parking garages, and has been instrumental in the development of the regional campuses by acquiring the land and constructing the facilities. All of the facilities are leased to the Corporation on a cost basis. The five-member Board of Directors of the Foundation includes two members of the Board of Trustees of the Corporation.

The Foundation has assisted the Corporation in financing many of its capital programs through lease-purchase arrangements. Each lease to the Corporation is in the amount equal to the Foundation's principal and interest payment on the borrowed funds to construct the facility. Once the borrowed funds are repaid, title to the facility is transferred to the Corporation unless otherwise agreed. The Corporation and the Foundation have entered into lease-purchase agreements securing loans with a total outstanding balance, as of March 1, 2021, in the amount of $144,460,000 (prior to issuance of the Series 2021A Certificates). The Corporation and the Foundation may borrow additional funds and enter into additional lease-purchase agreements secured by and payable from any available funds of the Corporation, at any time and without the consent of the owners of the Series 2021 Certificates.

THE PROJECTS

The Projects previously financed or refinanced under the Indenture and which secure the Parity Certificates are described below.

2016A Project

The 2016A Project, financed by the Series 2016A Certificates, included (i) the repair, renovation, and modernization of the Mollenkopf Athletic Center at the West Lafayette campus, and (ii) the construction of a three-story, approximately 110,000 square foot facility presently identified as the "Football Performance Complex." The Football Performance Complex included new locker rooms, lounges, and meeting space.

Debt service on the Series 2016A Certificates is funded from Big Ten Network channel incremental revenues, premium seating and concessions sales.

The Refunded 2016A Certificates are expected to be refinanced by a portion of the proceeds of the Series 2021 Certificates. See "PLAN OF FINANCE - Refunding" herein.

2014A Project

The 2014A Project, financed by the Series 2014A Certificate, consisted of Phase II of the Northwest Athletics Site (NWAS), including construction of a new intercollegiate varsity softball stadium and related site work and infrastructure. The facility includes a playing field, bleachers, a press box, locker rooms, meeting rooms and other necessary home and visiting team facilities.

Also included are public restrooms and concessions, a scoring system, and a sound system. The stadium holds 800-1,000 spectators with the ability to expand to the minimum capacity needed to host NCAA post-season competition.

The Refunded 2014A Certificate are expected to be refinanced by a portion of the proceeds of the Series 2021 Certificates. See "PLAN OF FINANCE - Refunding" herein.

2009 Project

The renovation of Mackey Arena, financed by the Series 2009 Certificates and the Series 2011A Certificates, included a significant addition for a basketball practice court, athletic offices and student-athlete training facilities, as well as the relocation of the two outdoor football practice fields and the F parking lot, creating the Mackey Arena Complex. This project brings Mackey Arena into the 21st century in terms of program space and fan amenities. To enable this project, the Grand Prix Track has been relocated to the Northwest Athletic Site and an additional parking area created.

The 2009 Project remedied prior deficiencies in student-athlete academic space, sports medicine and rehabilitation room, strength and conditioning facilities and locker and meeting rooms and provided additional ADA accommodations.

With the 2009 Project, the Corporation preserved the history and tradition of Mackey Arena, a facility that has been an integral component of the campus since 1967. At the same time, the 2009 Project avoided the need to construct two buildings in the Intercollegiate Athletics Facilities Master Plan, while upgrading Mackey Arena at roughly one-third the cost of a new arena.

The 2009 Certificates are no longer outstanding. The Series 2011A Certificates are expected to be refunded in whole by a portion of the proceeds of the Series 2021 Certificates, together with certain Corporation funds. See "PLAN OF FINANCE - Refunding" herein.

Stadium Project (Ross-Ade Stadium)

Ross-Ade Stadium, renovations to which were refinanced by the Series 2006 Certificates and the Series 2014A Certificate, has been the home to Purdue football for the past 92 seasons. Ross-Ade Stadium was dedicated in 1924 and had an original seating capacity of 13,500 with standing room for an additional 5,000. From 1924 until 1970, the facility was expanded six times. In 2001, Ross-Ade Stadium underwent a $70 million renovation to make it a more functional and fan-friendly facility. This expansion included widening of concourses, increasing restrooms and concession points of sale, addressing ADA code requirements, and widening the aisles. The addition of premium seating (club seats and suites) provides the revenue stream to fund the majority of the annual debt service on related participation certificates. Current seating capacity is 62,500.

The Refunded 2006 Certificates and the Refunded 2014A Certificate are expected to be refinanced by a portion of the proceeds of the Series 2021 Certificates. See "PLAN OF FINANCE - Refunding" herein.

PURDUE ATHLETIC PROGRAM

The Intercollegiate Athletic program at Purdue University consists of twenty men's and women's sports that compete at the NCAA Division I level as members of the Big Ten Conference. In 2020-2021, 392 scholarship athletes participated in basketball, cross country, golf, soccer, softball, swimming and diving, tennis, indoor and outdoor track and field, volleyball, baseball, football and wrestling. The current vision of the program is to be a nationally prominent athletic organization that is excellent in all respects, which includes both a top 25 ranking athletically as well as a graduation success rate (GSR) of at least 85% for its student athletes.

CERTIFICATE HOLDER'S RISKS

The purchase of the Series 2021 Certificates involves certain investment risks, some of which are described in this Official Statement. Accordingly, each prospective purchaser should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision. Certain of these risks are as follows:

- **Limited Obligations:** Each Participation Certificate represents an undivided proportionate interest in the rights to receive payments made by the Corporation under the Leases. The obligations of the Corporation to make such payments do not constitute indebtedness of the Corporation and are limited to available funds of the Corporation which may be lawfully used for such purposes. Mandatory student fees (including all academic fees, however denominated, assessed against students) and appropriations from the State of Indiana are not considered to be available funds for these purposes.

- **Limited Nature of Leased Property:** The Leased Property, which includes (1) the Mollenkopf Athletic Center Renovation and Football Performance Complex Addition, (2) a softball stadium at the Northwest Athletics site, (3) Mackey Arena and related or adjacent athletic facilities and (4) the Ross-Ade Stadium and certain adjoining facilities, utilities and appurtenances located on the Purdue University campus in West Lafayette, are designed principally for the respective purposes of preparing for and staging athletic events, most specifically games of the Purdue University football, basketball and softball teams. Due to the limited possible uses of the Leased Property, it is unlikely that the proceeds of any sale, lease or other disposition of the Leased Property by the Trustee upon an event of default under the Leases would be sufficient to pay principal of or interest on all or a substantial portion of the Parity Certificates.

CORONAVIRUS OUTBREAK

In December 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. While initially the outbreak was largely concentrated in China and caused significant disruptions to its economy, it spread globally and was declared a pandemic by the World Health Organization on March 11, 2020. A year later, the pandemic continues to be an evolving issue. The extent to which the coronavirus will impact the Corporation's long-term operations and its financial condition will depend on future developments, which are uncertain and cannot be predicted with confidence.

After the emergence of COVID-19 spread in the United States, the Corporation issued an update on March 10, 2020 directing all faculty and staff to move their courses to online or alternative delivery following the completion of spring break on March 23, 2020 and to be prepared to continue as long as in-person instruction seemed inadvisable during the pandemic. On March 23, 2020, Governor Eric Holcomb issued Executive Order 20-08, which required all individuals living in the State of Indiana to stay at home and all businesses and operations in Indiana to cease (with certain exceptions). The order permitted Purdue and other educational institutions to continue operating only for purposes of facilitating distance learning, performing critical research, or performing essential functions, providing that social distancing was maintained. As a result, what Purdue had announced as a remote learning contingency for the balance of the Spring 2020 semester became legally mandated by Executive Order 20-08.

Despite students being required to take courses online or remotely after March 23, 2020, Purdue's campus remained open. Students in the residence halls were given the option of remaining on campus, although the Corporation strongly encouraged all students to return home if possible. The Corporation provided students at the West Lafayette campus with a $750 housing credit/refund and all unused dining fees were rolled over or refunded. Students at the Purdue Northwest campus were provided refunds of $450 or $500 based on room type; students at the Fort Wayne campus were provided a $500 credit or refund. The total impact of these refunds was $9.3 million.

On April 21, 2020, President Daniels announced the Corporation's intent to resume in-person instruction in Fall 2020. The Protect Purdue Implementation Team, a multi-disciplinary team of experts, was tasked with assessing operations on all campuses and determining what physical and behavioral modifications were needed for in-person operations to resume, and which operations should continue via remote learning or work arrangements for the duration of the pandemic. Additionally, a Protect Purdue Health Center was established under the direction of medical experts to coordinate COVID-19 sampling, testing, quarantine, isolation and contact tracing for all students, faculty and staff. As these preparations for Fall 2020 were determined and implemented, summer instruction, research and administrative operations continued on all campuses via a primarily online modality in accordance with executive orders then in effect.

In-person instruction resumed in Fall 2020 on the West Lafayette campus. For students who were unable to return to campus due to international travel restrictions or medical risk factors, an online-only option was provided; 13% of undergraduate students enrolled in this option. Classes for the 87% of students opting for residential instruction utilized a variety of instructional approaches, dependent on the type and size of class, among other factors. Some classes were either entirely online or entirely in-person, but many classes used elements of both online and in-person instruction to de-densify classrooms while still providing valuable face-to-face interaction for instructors and students. On the regional campuses, instruction already incorporated smaller classes and a larger online component prior to the pandemic. In Spring 2021, the use of in-person instruction was increased and the number of West Lafayette students enrolled in the online-only option decreased by 33%, to roughly 10% of undergraduate students. Current plans for Fall 2021, as announced by President Daniels on February 11, 2021, include a return to the traditional academic calendar, increased campus and classroom density to facilitate more face-to-face instruction, and relaxed restrictions on student activities, as allowed by public health officials.

The pandemic has had a negative impact on the University's tuition and fee revenues and other revenues necessary for the operation of the Corporation. Enrollment declined on both Regional campuses in 2020-21. On the West Lafayette campus, enrollment increased to a record 45,869 students, but a per-credit price structure for the online-only option resulted in lower revenues for those students compared to the standard banded-tuition structure. On June 10, 2020 Indiana's State Budget Agency announced that operating appropriations would be reduced by 7% in FY21. Additional revenue losses from student housing, event and hospitality operations, and athletics have also been realized in FY21.

To offset these impacts, the Corporation enacted limits on travel and purchasing activities, paused some ongoing and planned construction projects, and implemented a hiring freeze on non-essential staff positions. In March 2020, the Corporation received an allocation of $17.0 million of institutional funds through the Higher Education Emergency Relief Fund (HEERF), which was established by the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") to help offset costs associated with the outbreak of COVID-19. In December 2020, the Corporation received an additional $39.0 million allocation of institutional funds through the Higher Education Emergency Relief Fund II (HEERF II) authorized by the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) to further offset costs and some revenue losses caused by the pandemic. The American Rescue Plan Act, signed into law on March 11, 2021, will provide additional funds to offset pandemic impacts in fiscal years 2021 and 2022.

The Corporation will continue to closely monitor the coronavirus situation and will adjust its policies as needed. The Corporation intends to fully comply throughout the duration of the COVID-19 pandemic with all guidance updates provided by the United States Department of Health and Human Services, including the Centers for Disease Control and Prevention, as well as other federal, state and local officials. Though impacts of the pandemic to its financial position in future fiscal years are still uncertain, the Corporation operated with a surplus in FY20, and current forecasts show the Corporation continuing to achieve an operating surplus in both FY21 and FY22.

TAX MATTERS

In the opinion of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2021A Certificates is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") for federal income tax purposes, and is not a specific preference item for purposes of the federal alternative minimum tax. This opinion relates only to the exclusion from gross income of interest on the Series 2021A Certificates for federal income tax purposes under Section 103 of the Code and is conditioned on continuing compliance by the Corporation with the Tax Covenants (hereinafter defined). Failure to comply with the Tax Covenants could cause interest on the Series 2021A Certificates to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue.

Interest on the Series 2021B Certificates is not excludable from gross income for federal income tax purposes.

In the opinion of Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2021 Certificates is exempt from income taxation in the State of

Indiana. This opinion relates only to the exemption of interest on the Series 2021 Certificates for the State of Indiana income tax purposes.

See APPENDIX D-1 and APPENDIX D-2 for the forms of opinions of Bond Counsel.

The Code imposes certain requirements which must be met subsequent to the issuance of the Series 2021A Certificates as a condition to the exclusion from gross income of interest on the Series 2021A Certificates 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 2021A Certificates that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Series 2021A Certificates pursuant to Section 103 of the Code and will covenant to adopt and maintain appropriate procedures to accomplish such purpose (collectively, the "Tax Covenants"). The Tax Covenants are based solely on the laws and regulations in effect on the date of delivery of the Series 2021A Certificates. The 2021 Indenture and certain certificates and agreements to be delivered on the date of delivery of the Series 2021A Certificates establish procedures under which compliance with the requirements of the Code can be met. It is not an event of default under the 2021 Indenture if the interest on the Series 2021A Certificates is not excludable from gross income for federal income tax purposes or otherwise pursuant to any provision of the Code which is not in effect on the issue date of the Series 2021A Certificates.

The Series 2021 Certificates are *not* qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Code.

Indiana Code 6-5.5 imposes a franchise tax on certain taxpayers (as defined in Indiana Code 6-5.5) which, in general, includes 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 Indiana Code 6-5.5 on their ownership of the Series 2021A Certificates.

Although Bond Counsel will render its opinions that interest on the Series 2021A Certificates is excludable from gross income under Section 103 of the Code for federal income tax purposes, and that interest on the Series 2021 Certificates is exempt from State income tax, the accrual or receipt of interest on the Series 2021 Certificates 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 2021 Certificates. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Series 2021 Certificates should consult their own tax advisors with regard to the other tax consequences of owning the Series 2021 Certificates.

CERTIFICATE PREMIUM

The initial public offering prices of the Series 2021A Certificates maturing on July 1, 2028 through and including July 1, 2035 (collectively, the "Premium Certificates") are greater than the principal amounts payable at maturity. As a result, the Premium Certificates will be considered to be issued with amortizable certificate premium (the "Certificate Premium"). An owner who acquires a Premium Certificate in the initial public offering will be required to adjust the owner's basis in the Premium Certificate downward as a result of the amortization of the Certificate 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 Certificates (including sale, redemption or payment at maturity). The amount of amortizable Certificate Premium will be computed on the basis of the taxpayer's yield to maturity, with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Certificate Premium and (ii) the amount amortizable in a particular year are set forth at Section 171(b) of the Code. No income tax deduction for the amount of amortizable Certificate Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Certificate 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 Certificates. Owners of Premium Certificates should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Certificate Premium upon the sale or other disposition of such Premium Certificates and with respect to the state and local tax consequences of owning and disposing of Premium Certificates.

Special rules governing the treatment of Certificate 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 Certificate Premium.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"), have given the Series 2021 Certificates the ratings of "Aaa" and "AAA," respectively. An explanation of the rating by Moody's may be obtained from such agency at 7 World Trade Center at 250 Greenwich Street, New York, New York, 10007, and an explanation of the rating by S&P may be obtained from such agency at 55 Water Street, New York, New York, 10004.

The ratings are not a recommendation to buy, sell or hold any of the Series 2021 Certificates. There is no assurance that the ratings will remain in effect for any given period of time or that a rating will not be revised downward or withdrawn entirely by Moody's or S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price or marketability of the Series 2021 Certificates.

UNDERWRITING

Wells Fargo Bank, N.A., for itself and as the representative of others as shown on the cover page hereof (the "Underwriters"), has agreed to purchase the Series 2021 Certificates subject to certain conditions precedent, and the Underwriters are obligated to purchase all Series 2021

Certificates issued at an aggregate purchase price of $42,224,105.52 (representing the aggregate par amount of Series 2021 Certificates, plus original issue premium of $10,025,425.15 on the Series 2021A Certificates, less the Underwriters' discount of $86,319.63). The Underwriters may offer and sell the Series 2021 Certificates to certain dealers (including dealers depositing the Series 2021 Certificates 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.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group ("WFBNA"), the senior underwriter of the Series 2021 Certificates, 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 2021 Certificates. 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 2021 Certificates 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 2021 Certificates. 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.

CERTAIN LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2021 Certificates are subject to the approval of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel. The forms of approving opinions of Bond Counsel are attached hereto as APPENDIX D-1 and APPENDIX D-2. Ice Miller LLP also will serve as Disclosure Counsel. Certain legal matters will be subject to the approval of Steven R. Schultz, Esq., General Counsel to the Corporation, West Lafayette, Indiana, counsel to the Corporation, Ice Miller LLP, Indianapolis, Indiana, counsel to the Foundation, and Barnes & Thornburg LLP, Indianapolis, Indiana, counsel to the Underwriters.

LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

The various legal opinions to be delivered concurrently with the delivery of the Series 2021 Certificates express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By tendering 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 2021 Certificates 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 2021 Certificates in a situation where such enforcement may adversely affect public health and welfare may be subject to these police powers.

FINANCIAL ADVISOR

Blue Rose Capital Advisors, LLC (the "Financial Advisor"), has been retained by the Corporation to provide certain financial advisory services in connection with the issuance of the Series 2021 Certificates, including limited assistance with the preparation of the Official Statement. The fee to be paid to the Financial Advisor for services provided in connection with the issuance of the Series 2021 Certificates is contingent upon the closure of the Series 2021 Certificates. The Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of the information set forth in this Official Statement. The Financial 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 Financial Advisor is an independent advisory firm 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 Series 2021 Certificates.

The Financial Advisor is under common ownership with MuniPriceTracker, LLC ("MPT"). MPT provides secondary market bond trading reporting services, which may be relied upon for tax compliance and trading performance evaluation by the Corporation, or by other parties involved in the issuance, in connection with the Series 2021 Certificates.

LITIGATION

There are no lawsuits pending or, to the best of the knowledge of appropriate Corporation and Foundation officials, threatened against the Corporation or the Foundation which question their respective right to enter into the Financing Documents (as described below) or the validity or enforceability of the Financing Documents or to consummate the transactions described in the Financing Documents or in this Official Statement; nor are there any lawsuits pending or, to the best of the knowledge of such officials, are there any lawsuits threatened against the Corporation or Foundation which, if decided adversely to the Corporation or Foundation, would, individually or in the aggregate, impair the Corporation's and Foundation's ability to comply with all the requirements set forth in the Financing Documents or have a material adverse effect upon the financial condition of the Corporation or the Foundation.

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

SPECIAL RELATIONSHIPS

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary 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 issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. 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.

See also "UNDERWRITING."

MISCELLANEOUS

Copies of the forms of the Leases, the Assignments, the Indenture and the Undertaking Agreement (collectively, the "Financing Documents") referred to in this Official Statement may be obtained, until the delivery of the Series 2021 Certificates, from the Underwriters upon request to: Wells Fargo Bank, N.A., 10 South Wacker Drive, 15th Floor, Chicago, Illinois 60606, Attention: Nicole Michienzi. After delivery of the Series 2021 Certificates, copies of such documents may be obtained by Owners from the Trustee upon request at: 300 North Meridian Street, Suite 910, Indianapolis, Indiana, 46204, Attention: Corporate Trust Department.

The Board of Trustees of The Trustees of Purdue University and the Board of Directors of the Ross-Ade Foundation have authorized the distribution of this Official Statement.

Any statements in this Official Statement involving matters of opinion, projections or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any such statement will be realized. The agreements of the Foundation and the Corporation are fully set forth in the Indenture and the Leases in accordance with the Act. Neither any advertisement of the Series 2021 Certificates nor this Official Statement is to be construed as constituting a contract or agreement between the Foundation or the Corporation and the purchasers or owners of the Series 2021 Certificates.

ROSS-ADE FOUNDATION

By: /s/ James S. Almond
James S. Almond, Vice President

THE TRUSTEES OF PURDUE UNIVERSITY

By: /s/ Christopher A. Ruhl
Christopher A. Ruhl, Chief Financial Officer and Treasurer

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APPENDIX A

PURDUE UNIVERSITY
AND THE TRUSTEES OF PURDUE UNIVERSITY

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PURDUE UNIVERSITY
AND
THE TRUSTEES OF PURDUE UNIVERSITY

Purdue University
and
The Trustees of Purdue University

General

Purdue University ("Purdue", the "University" or the "Corporation") was established in 1869 as one of the land-grant colleges and universities created as a result of the Morrill Act of 1862. The University was originally established to teach agricultural and mechanical arts and was named in honor of John Purdue, a substantial donor to the University. The University is one of the seven state-supported universities in Indiana. The University has grown from 39 students and six instructors at its inception, to an estimated population in excess of 64,000 full-time and part-time students and approximately 5,065 faculty and lecturers on its main, regional, and statewide campuses as of Fall 2020. An additional 5,918 Purdue students were enrolled in Fall 2020 at the Indiana University-Purdue University campus in Indianapolis.

Purdue University is composed of four campuses, with its main campus in West Lafayette and regional campuses serving other areas of the state located in Hammond and Westville as Purdue University Northwest ("PNW") and in Fort Wayne as Purdue University Fort Wayne ("PFW"). Until July 1, 2018, the Fort Wayne campus was known as Indiana University-Purdue University Fort Wayne ("IPFW"). See "*Review of Indiana University-Purdue University Fort Wayne Role and Governance*" below. Purdue University also operates a Statewide Technology Program at numerous locations throughout Indiana.

On March 22, 2018, Purdue acquired the institutional operations and assets of Kaplan University from Graham Holdings Company, including its 14 campuses and learning centers, 29,000 students, 2,500 employees, and decades of experience in distance education. See "*Acquisition of Kaplan University Launches Purdue University Global*" below. Purdue Global primarily provides online educational opportunities focused on working adults and others who prefer the flexibility provided by an educational opportunity not dependent on the traditional, residency-based model.

Academic Colleges and Schools of Purdue University

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

The major areas and fields of study at the West Lafayette campus are organized into ten academic colleges as follows: Agriculture; Education; Engineering; Health and Human Sciences; Liberal Arts; Management; Pharmacy; Science; Polytechnic Institute; and Veterinary Medicine. 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.

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

<u>Purdue Fort Wayne</u> - Arts & Sciences; Business; Continuing Studies; Professional Studies; Engineering, Technology & Computer Science; Library; and Visual & Performing Arts. This reflects programmatic changes which became effective July 1, 2018 – See "*Review of Indiana University-Purdue University Fort Wayne Role and Governance*" below.

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

Accreditation and Membership

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

Extension to Employment Agreement for Purdue President Mitch Daniels

On April 17, 2018, Purdue's Board of Trustees approved an extension to President Mitch Daniels' employment agreement allowing the president to serve in the role until such time either party gives one year's notice. Daniels' initial employment agreement was extended by two years in 2015. See details at http://www.purdue.edu/newsroom/releases/2018/Q2/trustees-extend-president-daniels-employment-agreement.html.

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

In December 2016, the Purdue University Board of Trustees and the Indiana University Board of Trustees approved an agreement and plan of realignment for the Indiana University-Purdue University Fort Wayne ("IPFW") campus. This plan was the result of a multi-year review process with input from campus, state and community stakeholders. Final approval of agreements for the realignment was received from the respective Boards of Trustees in June 2017. A new name, Purdue University Fort Wayne (or "Purdue Fort Wayne" or "PFW"), was effective July 1, 2018. Effective on that date, Indiana University assumed responsibility for health sciences programs on the campus and Purdue assumed management of all other academic programs.

Acquisition of Kaplan University Launches Purdue University Global

On April 27, 2017, Purdue University announced its intent to acquire the institutional operations and assets of Kaplan University (KU) from Graham Holdings Company. Approvals were sought and obtained from the Indiana Commission for Higher Education (August 10, 2017), the U.S. Department of Education (September 19, 2017) and the Higher Learning Commission (March 5, 2018). The Corporation's Board of Trustees approved the name change to Purdue University Global ("Purdue Global") on January 11, 2018 and the financial closing occurred on March 22, 2018.

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. Purdue University believes the demand for online educational services will continue to grow and by acquiring the assets and institutional operations of KU, Purdue University acquired decades' worth of experience in online education expertise that the Corporation expects will benefit the entire university system.

Purdue Global is distinct from other institutions in the Purdue system, relying primarily on tuition and fundraising to cover operating expenses. No state appropriations are utilized. Purdue Global operates primarily online with administrative headquarters in West Lafayette, IN.

Purdue Global is governed by a six-member Board of Trustees, composed of five members of Purdue University's Board of Trustees and one independent trustee. The independent trustee must have significant prior experience in higher education. Purdue University and the Purdue Global Board of Trustees control and operate Purdue Global.

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

Purdue Global is comprised of the online programs along with approximately 2,039 full and part-time employees. Purdue Global offers degree programs at the Master's, Bachelor, Associate and Certificate levels in 12 different areas of interest:

- Aviation
- Business
- Criminal Justice
- Education
- Fire Science
- Health Sciences
- Information Technology
- Law and Legal Studies
- Nursing
- Open College
- Social & Behavioral Sciences
- Special Military Programs

Doctoral degrees are also available for the Law and Nursing programs. Purdue University Global is accredited by the Higher Learning Commission.

Purdue Moves

In 2013, President Mitch Daniels announced a new set of initiatives, referred to as "Purdue Moves," to leverage the Corporation's strengths as a university and invest in those disciplines with the greatest potential to change the world. On June 15, 2018, the Board reaffirmed Purdue Moves as the University's strategic plan including formalizing five initiatives. Progress to date in the five core initiatives at the West Lafayette campus includes:

- Affordability & Accessibility
  - Purdue students and their families will pay less to attend Purdue in 2022 than they did in 2012, meaning at least seven consecutive graduating classes will never experience a tuition increase.
  - Breaking a 36-year series of increases, Purdue tuition will remain near the 2012-13 levels through the 2022-23 academic year for all students, the result of the University's tenth consecutive tuition freeze. In-state tuition would be more than $1,800 higher per year if Purdue had raised tuition at the Big Ten growth rate.
  - Housing costs have been held flat since 2014.
  - More than 59% of students now graduate debt-free, vs. the national average of 39%.
  - Demand for a Purdue education is growing. Purdue West Lafayette received more than 57,000 applications for the Fall 2020 semester, up 80% from the Fall 2013 semester. Total enrollment for the Fall 2020 semester reached an all-time high of 45,869 students.
  - Purdue now operates two high schools focused on STEM education for inner-city students in Indianapolis with a South Bend location in the works, offering successful students the opportunity for direct path admission to Purdue's undergraduate programs.

- Online Learning
  - Purdue acquired Kaplan University in 2018 and merged it into the Purdue system rebranding it as Purdue University Global, expanding access to a Purdue education to 36 million working adults in America (750,000 in Indiana) who started but did not complete a college degree and 56 million Americans with no college credit.
  - 255+ Purdue degree and non-degree programs are offered online.

- STEM Leadership
  - Since the launch of its five-year expansion plan, the College of Engineering has grown its student population by over 2,800 and its faculty by over 150, becoming the nation's largest Top 10 engineering undergraduate program. From 2007 through the most current ranking as of 2016, The American Society for Engineering Education named Purdue a top producer of female graduates in the engineering technology field, and the fourth-highest producer of women earning bachelor's degrees in engineering fields.
  - Purdue annually awards the sixth-most STEM degrees in the nation.
  - The Department of Computer Science has surpassed planned levels of expansion, growing student enrollment by 137% since 2012. The department has doubled the number of female faculty members since 2012.
  - The Agricultural and Biological Engineering program has been named the top program in the U.S. for 10 straight years.

- World-Changing Research
  - In fiscal year 2020, Purdue generated $443 million in overall sponsored programs expenditures.
  - Purdue ranked 13th in the world among universities granted U.S. utility patents in 2019, which marks the sixth straight year with a ranking in the Top 20. During calendar year 2019, the Office of Technology Commercialization received 136 utility patents.
  - Faculty members have advanced 18 new drugs into human trials, with 78 more in the pipeline.
  - Data Science innovations include the modeling of coronavirus proteins using Purdue's supercomputer and a software app that assesses for anemia using the photo of a patient's eyelid.

- Transformative Education
  - Purdue continues to lead the Big Ten conference in summer growth among undergraduates, soaring 80% in 2020 from 2019, and has nearly tripled since 2017.
  - Pre Covid-19 Pandemic, two times more Purdue students study abroad now than five years ago, and about 25% of undergraduates have studied abroad before graduation.

- Flipped classroom concept used in 600+ courses, focusing class time on discussion and projects instead of lectures.
- Purdue ranked fifth-best for student engagement among U.S. colleges in 2020, according to ranking by The Wall Street Journal and Times Higher Education.

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

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Trustees

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

The Board of Trustees of the Corporation

Officers of the Corporation

The current officers of the Corporation are listed below.

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

Principal Administrative Officers of the University

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

Mitchell E. Daniels, Jr., President
Jay T. Akridge, Provost, Executive Vice President for Academic Affairs and Diversity
Michael A. Bobinski, Vice President and Director of Intercollegiate Athletics
Ethan Braden, Senior Vice President for Communication
Karl Browning, Vice President for Information Technology and Chief Information Officer
Gina C. DelSanto, Chief of Staff
Theresa Mayer, Executive Vice President for Research and Partnerships
William G. McCartney, Executive Vice President for Purdue Online
Alysa Christmas Rollock, Vice President for Ethics and Compliance
Christopher A. Ruhl, Treasurer and Chief Financial Officer
Steven R. Schultz, General Counsel

Regional Campus Staff

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

[1] Term expires June 2021

Purdue University Global Board of Trustees

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

[1] Term expires June 2021

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
2016-17	48,776	27,227	55.8%	7,243	26.6%	56.1%
2017-18	48,915	28,093	57.4%	7,567	26.9%	55.0%
2018-19	53,442	30,965	57.9%	8,357	27.0%	53.6%
2019-20	54,912	32,834	59.8%	8,056	24.5%	50.2%
2020-21	57,278	38,457	67.1%	8,869	23.1%	48.6%

* Restated 2016-17 to include summer new beginners in fall as well as combining summer and fall applications

The freshman applicants at the West Lafayette campus for the fall semesters 2016 through 2020 had an average combined score for the Scholastic Aptitude Test (SAT) verbal and mathematical test of 1278[1], 1256[2], 1289, 1307 and 1291. Approximately 76% of the Fall 2020 freshman class had a high school grade point average between 3.5 and 4.0 and 97% of the Fall 2020 freshman class had a high school grade point average between 3.0 and 4.0.

[1] Restated scores. In March 2016, the College Board changed the SAT exam and scoring methodology. As result, concordance tables provide the equivalence to the scores reported above. Under the previous scoring methodology, the average SAT score for freshman applicants for the fall semester 2016 was 1208.

[2] In 2017, the University changed its methodology for calculating the average score. Previously, the average was based on the sum of best scores for each of the 2 test sections; the new score is based on the highest total of a single test session.

As of January 2021, undergraduate applications for the Fall of 2021 have increased by 3.5% for the West Lafayette Campus.

Purdue Global Admissions

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

FISCAL YEAR	INQUIRIES	APPLICANTS	STARTS	YIELD	ACADEMIC PERIODS
2017-2018 [1]	383,678	12,389	6,736	54.4%	5
2018-2019	1,377,475	49,156	35,173	71.6%	22
2019-2020	1,195,713	50,788	37,533	73.9%	22

[1] April – June 2018

Tuition and Fees

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

Student Fees, Tuition and Other Fees: The table below sets forth the tuition and general fees applicable to both full-time and part-time students at the West Lafayette campus for the academic years 2016-17 through 2020-21. Approximately 55% of the total undergraduate and graduate students at the West Lafayette campus and approximately 14% of regional campus students were non-residents of the State of Indiana at Fall 2020.

WEST LAFAYETTE CAMPUS TUITION AND FEES[1]

	FULL-TIME (PER ACADEMIC YEAR)		PART-TIME (PER CREDIT HOUR)	
ACADEMIC YEAR	INDIANA RESIDENT	NON-RESIDENT	INDIANA RESIDENT	NON-RESIDENT
2016-17	$10,002	$28,804	$348	$948
2017-18	9,992	28,794	348	948
2018-19	9,992	28,794	348	948
2019-20	9,992	28,794	348	948
2020-21 [2]	9,992	28,794	348	948

[1] Includes various fees implemented for different academic years.
[2] Board of Trustees approved rates for 2020-21 on June 14, 2019

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

The table on the following page sets forth the tuition and fees charged per academic year to students attending each regional campus of the University for the academic years 2016-17 through 2020-21. 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.

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REGIONAL CAMPUS TUITION AND FEES
(DOLLARS PER ACADEMIC YEAR)

Fort Wayne

ACADEMIC YEAR		UNDERGRADUATE INDIANA RESIDENT	UNDERGRADUATE NON-RESIDENT	UNDERGRADUATE NON-RESIDENT DOMESTIC	GRADUATE INDIANA RESIDENT	GRADUATE NON-RESIDENT	GRADUATE NON-RESIDENT DOMESTIC
2016-17	1	8,213	19,727		8,100	18,342	
2017-18	2	8,330	20,004		8,215	18,600	
2018-19	3	8,450	20,288		8,334	18,864	
2019-20	4,5	8,589	21,369	20,622	8,472	19,933	19,176
2020-21	6,7	8,730	21,720	20,961	8,611	20,261	19,491

PNW Hammond

YEAR		UNDERGRADUATE INDIANA RESIDENT	UNDERGRADUATE NON-RESIDENT	UNDERGRADUATE NON-RESIDENT DOMESTIC	GRADUATE INDIANA RESIDENT	GRADUATE NON-RESIDENT	GRADUATE NON-RESIDENT DOMESTIC
2016-17	1	7,478	16,895		7,266	15,501	
2017-18	2	7,581	17,129		7,367	15,716	
2018-19	8	7,686	17,367	11,153	7,469	15,935	10,978
2019-20	4	7,813	17,654	11,336	7,592	16,198	11,160
2020-21	7	7,942	17,945	11,523	7,717	16,465	11,344

PNW Westville

YEAR		UNDERGRADUATE INDIANA RESIDENT	UNDERGRADUATE NON-RESIDENT	UNDERGRADUATE NON-RESIDENT DOMESTIC	GRADUATE INDIANA RESIDENT	GRADUATE NON-RESIDENT	GRADUATE NON-RESIDENT DOMESTIC
2016-17	1,9	7,478	16,895		7,266	15,501	
2017-18	2	7,581	17,129		7,367	15,716	
2018-19	8	7,686	17,367	11,153	7,469	15,935	10,978
2019-20	4	7,813	17,654	11,336	7,592	16,198	11,160
2020-21	7	7,942	17,945	11,523	7,717	16,465	11,344

[1] Includes the R&R fee of $3.20, $3.55 and $2.60 per credit hour for Fort Wayne, Hammond and Westville, respectively, in Fall 2016.
[2] Includes the R&R fee of $3.20, $3.60 and $2.60 per credit hour for Fort Wayne, Hammond and Westville, respectively, in Fall 2017.
[3] Includes the R&R fee of $3.40, $3.35 and $3.35 per credit hour for Fort Wayne, Hammond and Westville, respectively, in Fall 2018.
[4] Includes the R&R fee of $3.46, $3.41 and $3.41 per credit hour for Fort Wayne, Hammond and Westville, respectively, in Fall 2019.
[5] PFW implemented new tuition rates for new domestic non-resident students effective in 2019-20.
[6] Includes the R&R fee of $3.51, $3.46 and $3.46 per credit hour for Fort Wayne, Hammond and Westville, respectively, in Fall 2020.
[7] Board of Trustees approved rates for 2020-21 on June 14, 2019
[8] PNW implemented new tuition rates for new domestic non-resident students effective in 2018-19.
[9] Tuition and Fee rates for the Calumet and North Central Campuses were aligned in 2016-17 as the campuses were consolidated as Purdue Northwest.

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 2019-20, 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 63% of the University's undergraduate students are residents of Indiana. The student body represents all 50 states and 132 countries. The following table presents the University's combined headcount enrollment for the fall semester of the academic years 2016-17 through 2020-21. For Fall 2020, the undergraduate enrollment at the West Lafayette campus is the largest in Purdue's history.

	WEST LAFAYETTE CAMPUS			REGIONAL CAMPUSES				
ACADEMIC YEAR	FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL	STATEWIDE TECHNOLOGY	UNIVERSITY TOTAL[1]
2016-17	35,287	5,164	40,451	13,444	13,852	27,296	1,071	68,818
2017-18	36,071	5,502	41,573	12,491	9,994	22,485	1,128	65,186
2018-19	37,763	5,648	43,411	11,996	8,616	20,612	1,072	65,095
2019-20	38,630	5,921	44,551	11,430	8,784	20,214	953	65,718
2020-21	39,154	6,715	45,869	10,789	6,667	17,456	792	64,117

[1] Includes the Indiana University students enrolled at the Purdue University campus in Fort Wayne for each year through 2017-18; excludes the Purdue University students enrolled at the Indiana University-Purdue University campus in Indianapolis.

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

	WEST LAFAYETTE				PURDUE SYSTEM
ACADEMIC YEAR	UNDER GRADUATE	GRADUATE & PROFESSIONAL	TOTAL	FULL-TIME EQUIVALENT[1]	FULL-TIME EQUIVALENT[1,2,3]
2016-17	30,043	10,408	40,451	38,144	56,478
2017-18	31,006	10,567	41,573	39,063	55,348
2018-19	32,672	10,739	43,411	40,858	56,381
2019-20	33,646	10,905	44,551	41,878	56,706
2020-21	34,920	10,949	45,869	42,633	56,170

[1] Calculated by dividing total credit hours by 15 for undergraduate, professional and certificate students and by 12 for graduate students.
[2] Excludes the Purdue University students enrolled at the Indiana University-Purdue University campus in Indianapolis.
[3] Effective 2018-19, does not include the Indiana University students at Purdue University Fort Wayne.

At January 2021, approximately 33,700 students were enrolled at Purdue University Global.

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Faculty and Employees

As of October 31, 2020, the University's faculty and staff aggregate total was 19,551. Of the total faculty, 59% held tenured/tenure track appointments. No labor organization is a collective bargaining representative for any of the Corporation's employees.

	West Lafayette	Regional & Statewide Technology	Total
Tenured/Tenure Track Faculty			
Academic, Associate and Assistant Deans	46	9	55
Academic Department Heads	76	32	108
Professors	842	135	977
Associate Professors	495	189	684
Assistant Professors	482	104	586
Instructors		2	2
Sub-Total of Tenured/Tenure Track Faculty	**1,941**	**471**	**2,412**
Non-Tenure Appointments			
Clinical/Professional	283	55	338
Research Faculty	37		37
Visiting Faculty	93	61	154
Intern	11		11
Post Doctoral	514	2	516
Sub-Total of Non-Tenure Appointments	**938**	**118**	**1,056**
Continuing Lecturers and Limited-Term Lecturers			
Continuing Lecturers	211	76	287
Limited-Term Lecturers	314	404	718
Sub-Total of Continuing Lecturers and Limited-Term Lecturers	**525**	**480**	**1,005**
Adjunct Faculty			
Adjunct Faculty	342	250	592
Sub-Total of Adjunct Faculty	**342**	**250**	**592**
Graduate Student Staff			
Graduate Assistants	1,687	103	1,790
Fellow Administered as Graduate Assistant	277		277
Graduate Lecturers	3		3
Graduate Research Assistants	2,894	45	2,939
Graduate Resident	32		32
Graduate Administrative/Professional	89	57	146
Graduate Aides		14	14
Sub-Total of Graduate Student Staff	**4,982**	**219**	**5,201**
Staff			
Executive	46	23	69
Management	760	131	891
Professional	3,198	454	3,652
Clerical	1,197	244	1,441
Service	1,933	255	2,188
Temporary - Professional	2	3	5
Temporary - Support	787	252	1,039
Sub-Total of Staff	**7,923**	**1,362**	**9,285**
GRAND TOTAL ALL STAFF	**16,651**	**2,900**	**19,551**

Purdue Global had 1,785 full-time and adjunct faculty and 254 staff as of October 31, 2020.

Facilities (as of Fall 2020)

Academic, Administrative, Athletic and Residential Facilities: The University has 247 principal buildings of 10,000 or more square feet used for academic instruction, research, athletics, residential and administrative functions. These buildings are located on the University's four campuses. The University, together with related foundations, owns approximately 19,726 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. The campus library system includes 3,833,810 printed volumes and electronic books; 265,833 electronic and print journals; and government documents and microforms in excess of 900,000. To complement the online collections, PULSIS also houses nearly 1,000,000 volumes in closed stacks that individuals can request for next-day delivery. In addition, any item held in the Big Ten Academic Alliance libraries can be requested directly and typically arrives within a few days. In December 2018, the Purdue Libraries was renamed as the Purdue University Libraries and School of Information Studies to better reflect the unit's many teaching duties and instructional initiatives. Information to complete assignments is accessible 24/7.

Research Facilities: The University has approximately 1.6 million square feet of research laboratories located on its West Lafayette campus. In addition to the laboratories for research within a department or school, there are many other specialized research facilities, some of an interdisciplinary nature.

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

The West Lafayette campus provided 11,784 university-owned spaces for students in Fall 2020. The Fort Wayne campus provided 1,184 spaces and the PNW Hammond campus provided 674 spaces for students in Fall 2020. Occupancy on the West Lafayette campus was at 90.8% for Fall 2020. Occupancy was 96.7% on the Fort Wayne campus and 67.5% on the PNW Hammond campus for Fall 2020. Through a P3 arrangement, construction of Griffin Hall North and Meredith Hall South was recently completed on the West Lafayette campus and provides an additional 560 and 713 spaces respectively. Occupancy in these two new halls was 95% in Fall 2020. See "*Capital Programs*" below regarding funding of these two new residence halls.

The predominant rate for room and board at the West Lafayette campus for the 2019-20 academic year was $9,414. The 2019-20 academic year housing rates at the Fort Wayne campus and PNW Hammond campus ranged from $4,930 to $9,826 and $5,595 to $6,514, respectively.

Athletic Facilities: The University's West Lafayette campus is home to Ross-Ade football stadium which seats 57,282 with a total capacity of 60,716 and Mackey Arena which seats 14,222 and a total capacity of 14,804. Additional facilities include the Birck Boilermaker Golf Complex, Boilermaker Aquatic Center, Holloway Gymnasium, Drew and Brittany Brees Student-Athlete Academic Center, Lambert Fieldhouse, Mollenkopf Athletic Center, Kozuch Football Performance Complex, Rankin Track and Field, Schwartz Tennis Center, the Northwest Athletic site for baseball, soccer and softball, and a cross-country course.

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

Other Facilities: The University's other facilities at the West Lafayette campus include the Purdue University Airport; the Edward C. Elliott Hall of Music which seats 5,987 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, completed in 2017, 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 provides certain classes in 4 leased locations in the United States.

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.

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

During fiscal year 2019, the University adopted GASB Statement 83 *Certain Asset Retirement Obligations, GASB Statement 88 Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*, and early adopted GASB Statement 89 *Accounting for Interest Costs Incurred before the End of a Construction Period*.

The effect of GASB Statement 83:

- This statement establishes criteria for determining the timing and pattern of recognition of a noncurrent liability and corresponding deferred outflow of resources for asset retirement obligation. The Corporation has evaluated its obligations based on GASB guidelines and booked entries accordingly, including a restatement for the lines listed above for fiscal year 2018.

The effect of GASB Statement 88:

- This statement requires that additional essential information related to debt be disclosed in the notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. These disclosures may be found in Note 6.

The effect of GASB Statement 89:

- This statement establishes accounting requirements for interest costs incurred before the end of a construction period, and requires the recognition of an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

During fiscal year 2018, the University adopted GASB Statement 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, and GASB Statement 81 *Irrevocable Split-Interest Agreements*.

The effect of GASB Statement 75:

- This statement establishes requirements for reporting the liability related to postemployment benefits other than pensions, and is an update to the previous requirements in GASB 45 and GASB 57. A restatement was needed to record the Total OPEB liability required under GASB 75 as opposed to the Net OPEB Obligation, which was previously required to be reported under GASB 45.

The effect of GASB Statement 81:

- This statement provides guidance for irrevocable split-interest agreements, and requires the recognition of assets and deferred inflows of resources at fair value. Previously revenue was recognized for an estimated value of future cash flows. The restatement changes the fiscal year 2017 charitable remainder trust receivable and adds a deferred inflow, both to reflect fair market values. It also decreases the fiscal year 2017 Net Position to remove earnings previously recognized.

During fiscal year 2017, the University adopted GASB Statement 73 *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,* GASB Statement 80 *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, and GASB Statement 82 *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*.

The effect of GASB Statement 73:

- This Statement establishes requirements for defined benefit pensions and defined contribution pensions that were not within the scope of GASB 68. Additional disclosures required by this GASB are presented in Note 9 of the Financial Statement and Required Supplementary Information related to pensions.

The effect of GASB Statement 80:

- This statement provides additional guidance on reporting component units. No changes were necessary to the current presentation as a result of this additional guidance.

The effect of GASB Statement 82:

- This statement amends Statements 67 and 68 to change the covered payroll presented in the disclosures. The required disclosures under this GASB are reported in Note 9 of the Financial Statement.

During fiscal year 2016, the University adopted GASB Statement 72, *Fair Value Measurement and Application* and GASB Statement 76, *Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

The effect of GASB Statement 72:

- This Statement establishes investment valuation techniques that are appropriate for specific investment categories in the measurement of fair value. Required disclosures are made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Note 2 includes these updated disclosures.

The effect of GASB Statement 76:

- This Statement supersedes GASB Statement 55, Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. It identifies the GAAP Hierarchy within the context of the current governmental financial reporting environment, reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

Refer to the 2020 Financial Statements for complete details.

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

	Fiscal Year Ended June 30 (dollars in thousands)				
	2020 [1]	2019 [1]	2018 [1]	2017 [2]	2016
Operating Revenues					
Tuition and Fees	$1,385,459	$1,378,546	$1,037,216	$902,701	$880,699
Less: Scholarship Allowance	(213,949)	(223,872)	(145,279)	(116,391)	(113,897)
Net Tuition and Fees	$1,171,510	$1,154,674	$891,937	$786,310	$766,802
Federal Appropriations	17,905	18,121	20,223	23,661	14,796
County Appropriations	9,509	9,050	8,802	4,514	8,501
Grants and Contracts	460,682	393,932	376,154	361,969	356,066
Sales and Services	140,368	148,176	91,810	83,117	79,172
Auxiliary Enterprises (Net of Scholarship Allowance of $16,830, $16,660, $16,316, $16,155, and $14,750, respectively)	217,506	227,482	285,583	262,235	255,113
Other Operating Revenues	2,863	2,781	7,172	8,657	8,776
Total Operating Revenues	**$2,020,343**	**$1,954,216**	**$1,681,681**	**$1,530,463**	**$1,489,226**
Operating Expenses					
Compensation and Benefits	$1,655,110	$1,658,423	$1,469,602	$1,401,010	$1,292,247
Supplies and Services	693,889	740,379	558,063	469,902	442,099
Depreciation Expense	186,934	190,100	175,821	166,704	161,889
Scholarships, Fellowships, and Student Awards	62,240	65,666	67,613	70,452	78,355
Total Operating Expenses	**$2,598,173**	**$2,654,568**	**$2,271,099**	**$2,108,068**	**$1,974,590**
Net Operating Loss	**($577,830)**	**($700,352)**	**($589,418)**	**($577,605)**	**($485,364)**
Non-operating Revenues (Expenses)					
State Appropriations	$401,886	$405,921	$398,143	$397,705	$411,503
Grants and Contracts	138,170	147,944	77,447	50,605	54,248
Private Gifts	78,258	102,397	91,659	83,984	89,500
Investment Income	58,233	181,639	125,711	169,341	(21,617)
Interest Expense	(28,969)	(29,159)	(29,687)	(23,669)	(27,302)
Other Non-operating Revenues, Net	4,950	5,596	3,408	5,167	5,338
Total Non-operating Revenues before Capital/Endowments	**$652,528**	**$814,338**	**$666,681**	**$683,133**	**$511,670**
Capital and Endowments					
State Capital Appropriations	$ -	$305	$514	$27,894	$38,251
Capital Gifts	41,146	46,574	24,422	10,865	10,078
Private Gifts for Permanent Endowments and Charitable Remainder Trusts	37,810	57,987	46,192	28,847	31,774
Gain (Loss) on Retirement of Capital Assets, Net of Proceeds and Insurance Recoveries	-	-	-	-	(220)
Total Capital and Endowments	**$78,956**	**$104,866**	**$71,128**	**$67,606**	**$79,883**
Income Before Other Revenues, Expenses, Gains, Losses, and Transfers	**$153,654**	**$218,852**	**$148,391**	**$173,134**	**$106,189**
Other Revenues, Expenses, Gains, Losses, and Transfers	**$ -**	**$ -**	**$25,387**	**$ -**	**$ -**
Increase in Net Position	**$153,654**	**$218,852**	**$173,778**	**$173,134**	**$106,189**
Net Assets, Beginning of Year	**$4,931,154**	**$4,712,302**	**$4,538,524**	**$4,426,942**	**$4,320,753**
Prior Period Adjustments	**-**	**-**	**-**	**(61,552)**	**-**
Net Assets, End of Year	**$5,084,808**	**$4,931,154**	**$4,712,302**	**$4,538,524**	**$4,426,942**

1 Fiscal 2018 includes Purdue Global (April - June); Fiscal 2019 and 2020 includes Purdue Global (full year)

2 Restated under GASB 75 to recognize total OPEB, GASB 81 for Split-Interest Agreements and a change in grant revenue recognition policy.

Student Fees

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

Budgeting

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

State Appropriations

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

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

The State appropriations received by the University for fiscal years 2016 through 2020 and budgeted for fiscal years 2021 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. This reduction is reflected in the table below.

STATE APPROPRIATIONS
(dollars in thousands)

	Normal Recurring Appropriations					
Fiscal Year	Unrestricted		Restricted			
Ended June 30	General Operating	Fee Replacement	Repair & Rehabilitation	Special	Non-Recurring Appropriations	Total
Historical						
2016	325,156	26,805 [1]	10,567	36,465	50,751 [2,3]	449,744
2017	326,131	27,541	10,567	33,466	27,894	425,599
2018	321,832	25,127	11,251	36,402	4,044 [1,4]	398,657
2019	323,787	32,280	11,251	36,402	2,505 [5]	406,225
2020	326,159	29,599	12,242	33,620	267 [6]	401,886
Budgeted						
2021	307,833 [8]	39,134 [9]	12,242	31,277	3,767 [7]	394,253

Sums may not equal totals due to rounding.

[1] Net of savings of $2,377,755 largely generated by refunding of outstanding bonds.
[2] Capital appropriations towards construction of West Lafayette Active Learning Center ($50,000,000) and PFW South Campus Renovations ($21,350,000) funded on actual basis.
[3] Also includes $12,500,000 for Deferred Maintenance.
[4] Includes Animal Disease Diagnostic Laboratory ($2,030,000) and a portion of the balance towards the PFW South Campus Renovations ($514,233).
[5] Includes regional Campus Deferred Maintenance ($2,000,000), a portion of PFW Music lease appropriation and balance of PFW South Campus Renovations ($307,043).
[6] Includes PFW Music lease appropriation ($267,000).
[7] Includes regional Campus Deferred Maintenance ($3,500,000) and PFW Music lease appropriation ($267,000).
[8] Includes 7% reduction due to state revenue shortfalls caused by the pandemic.
[9] In the spring of 2019, the General Assembly appropriated debt service towards construction of the Veterinary Medicine Teaching Hospital at the West Lafayette campus. In January 2020, the General Assembly signed legislation to provide a cash appropriation in lieu of debt service, but subsequently reverted to debt service support in the form of fee replacement.

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 2019-20 academic year. Purdue Global offers multiple terms which differ from the traditional academic calendar at Purdue University.

STUDENT FINANCIAL ASSISTANCE[1]
Aid Year 2019-20

	West Lafayette	Regional Campuses	Total	Purdue Global
Scholarships and Grants:				
University Scholarships, Grants & Fee Remissions	$100,144,113	$12,961,746	$113,105,859	$56,984,545
Athletic Grant-in-Aid	11,569,780	3,291,688	14,861,469	-
State Awards	29,954,373	19,079,732	49,034,105	2,194,577
Private Awards	14,548,113	5,198,024	19,746,137	651,537
Fellowships	10,706,574	-	10,706,574	-
Federal Pell Grants	24,670,132	25,114,218	49,784,350	78,729,693
Federal SEOG	1,686,978	782,709	2,469,687	4,022,771
Other Federal Aid	468,176	2,940,582	3,408,757	314,322
Total Scholarships and Grants	**$193,748,239**	**$69,368,698**	**$263,116,937**	**$142,897,445**
Loans:				
Federal Stafford Loans	$91,353,673	$45,627,499	$136,981,172	$294,412,813
Federal Parent Loans for Undergraduate Students	31,168,827	5,187,608	36,356,435	2,431,662
Federal Graduate PLUS Loans	2,943,520	236,915	3,180,435	2,066,677
Federal Health Professions Loans	923,347	-	923,347	-
Purdue Loans	1,359,354	-	1,359,354	-
Private Loans	41,146,500	4,128,490	45,274,990	2,718,430
Total Loans	**$168,895,220**	**$55,180,512**	**$224,075,732**	**$301,629,582**
Employment and Employment Related:				
Work-Study Salaries	$2,106,170	$405,955	$2,512,125	$218,760
Graduate Student Staff Salaries	112,696,862	2,837,423	115,534,285	-
Other Part-Time University Salaries	21,614,137	4,061,719	25,675,856	-
Employment Related Fee Remissions	56,942,239	2,748,438	59,690,678	-
Other Employment Related Awards	-	-	-	19,868,998
Total Employment Related	**$193,359,408**	**$10,053,535**	**$203,412,943**	**$20,087,758**
Private/Other:				
Contracts	$25,463,340	$2,173,373	$27,636,713	$42,606,450
Fee Dedicated Aid	11,212,131	-	11,212,131	-
Other	3,650,102	-	3,650,102	-
Total Private/Other	**$40,325,573**	**$2,173,373**	**$42,498,946**	**$42,606,450**

Sums may not equal totals due to rounding.

[1] Data does not tie to fiscal year reporting provided in the Financial Report. During summer 2018, the financial aid award structure for the West Lafayette campus began a transition from a trailing summer term to a leading summer term. The new structure aligns the student's financial aid award with the student's costs of attendance. Due to this transition, the 2017-18 and 2018-19 aid years are not comparable to preceding or subsequent financial aid years. The Regional campuses continue to report using a trailing summer term structure.

Endowment and Similar Funds

The Corporation's endowment and similar funds include (1) endowment funds which are subject to the restrictions of gift instruments requiring that the principal be maintained in perpetuity, the current income and capital appreciation of which are distributed at an annualized rate based on the market value of the endowment, either for donor-specified purposes or for general purposes of the University and (2) funds functioning as endowments which represent expendable funds received which, by decision of the Board of Trustees of the Corporation, have been retained and invested for future use, in accordance with the donor's restrictions or at the discretion of the Board of Trustees of the Corporation. The market value figures at the end of fiscal years 2016 through 2020 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 $55,837,110.88 on June 30, 2020. In October 2017, the Board of Trustees approved a change to the spending policy to provide additional flexibility in the distribution from the endowment. Previously, the spending policy was five percent (5%) of the average of the ending market values of the endowment for the prior 12 quarters. 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
2016	$1,456,248,771
2017	$1,572,080,183
2018	$1,679,484,031
2019	$1,756,734,278
2020	$1,764,182,976

As of January 31, 2021, the unaudited market value of the Corporation's endowment was $2,106,792,631.49 (including net additions).

Related Foundations

The foundations listed below are organized exclusively to serve the Corporation and the University by providing funds and other resources. The 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, 2020 are shown in the following table.

FOUNDATION	ASSET (BOOK) VALUE	INCOME	DISBURSED TO/FOR THE CORPORATION
Purdue Research Foundation*	$2,894,404,430	$186,375,506	$59,533,827
Ross-Ade Foundation	188,086,708	4,558,159	1,046,164
Purdue University Fort Wayne Foundation **	13,302,222	2,031,753	1,412,647
Total	**$3,095,793,360**	**$192,965,418**	**$61,992,638**

*Includes book value of endowment (net) of $711,985,913 (Purdue Research Foundation) and $1,639,256,070 (Corporation) (market values of $771,879,324 and $1,764,182,976, respectively).

** Renamed from Indiana-Purdue Foundation at Fort Wayne as of August 1, 2018

Purdue Research Foundation: The Purdue Research Foundation, organized in 1930, is a nonprofit corporation that may accept gifts, administer trusts, acquire property, negotiate research contracts and perform other services helpful to the University. Its objectives are exclusively to aid the University. This Foundation developed the Purdue Research Park that provides a program for collaboration between research and development activities of industry and the basic research of the University. The Foundation owns 6,334 acres of land, 5,291 acres of which are leased to the University.

Ross-Ade Foundation: The Ross-Ade Foundation was organized in 1923 through gifts from alumni to promote and develop the educational and physical welfare of students with funds that could not be provided from state appropriations. This Foundation has built football and softball stadiums and parking garages for the Corporation, 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 University Fort Wayne Foundation: The Purdue-Fort Wayne Foundation at Fort Wayne was incorporated in 1958 as the IPFW Foundation at Fort Wayne exclusively to promote the needs and programs of Indiana University and Purdue University. This Foundation has helped finance the construction of an academic building and has given land to these universities. The 11-member Board of Directors of this Foundation includes five members appointed by the Board of Trustees of the Corporation and the Chancellor of Purdue University Fort Wayne. Following the campus name change effective July 1, 2018 to Purdue University Fort Wayne, along with other organizational changes, the name of the foundation was changed to Purdue University Fort Wayne Foundation.

Other Related Entities

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

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Fundraising Activity

The Covid-19 pandemic impacted fundraising activity in fiscal 2020 as described below. However, with a veteran staff that had worked through downturns in 2001 and 2008, the team pivoted in March to stewardship activities. Maintaining relationships and offering assistance and information from campus replaced gift solicitation calls. This strategy worked well in previous downturns and should position Purdue for a rebound year in fiscal 2021.

Fund raising in fiscal 2020 was near the pace needed to hit over $400 million in net production through the first eight months of the fiscal year – July 1 through February 29, averaging just over $34 million per month. When stay-at-home orders were put in place by the State of Indiana and the Corporation on March 16, the staff pivoted from solicitation calls to stewardship calls and wellness checks with our many constituents. Over the last four months of the year, the average monthly total for net production dropped to about $17 million, a 50% drop-off from the first eight months. Even though this was the year following a seven-year capital campaign that raised $2.529 billion, compounded by the economic issues caused by the pandemic, Purdue's total of $342 million was still its fifth highest in University history.

Annual donor counts were also impacted by the pandemic, as Purdue's planned Day of Giving in April was postponed. The resulting drop in solicitation activity resulted in 75,900 donors for the fiscal year, about 13,000 fewer donors than in fiscal year 2019. Due to the strong start to the year, this was still the fifth highest donor count total in the last fifteen years. First-time donors making gifts totaled 10,886. While the lowest donor acquisition total in the last five years, the number of acquired donors was still 4,388 or 68% higher than in 2012, the year prior to the beginning of the capital campaign.

Fiscal 2020 saw the fourth-highest number of $1 million or more commitments with fifty-two such gifts totaling $208 million. The Corporation raised $97.5 million for student support, the second-highest total in its history. Scholarship support remains strong and donors also contributed to an emergency student aid fund following the pandemic shutdown in March. The Corporation set a goal of $350 million in net production for fiscal year 2021. Through January 31, 2021, the total raised was $228.8 million or 65% of the goal.

The table below summarizes gift giving by category for fiscal years 2016 through 2020.

TOTAL GIFT GIVING BY CATEGORY
(dollars in thousands)

	2020	2019	2018	2017	2016
Cash/Securities *	$233,542	$185,477	$168,236	$146,272	$148,690
Real Estate	525	980	2,116	63	0
Gifts-in-Kind	79,906	101,277	123,454	95,796	82,699
Irrevocable Deferred	7,334	3,301	11,181	2,851	2,463
Revocable Deferred	68,525	140,712	88,479	80,489	81,712
New Pledge Balances*	82,832	158,536	101,985	68,956	61,408
Total Production	**$472,664**	**$590,282**	**$495,451**	**$394,427**	**$376,972**
Less: Prior Year Pledge payments *	($130,639)	($72,659)	($43,993)	($42,569)	($44,987)
Net Production	**$342,025**	**$517,623**	**$451,459**	**$351,858**	**$331,985**

Sums may not equal totals due to rounding.

* 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 2019-20 fiscal year were $443.6 million, an increase of $31 million, or approximately 7%, above previous year expenditures. The following list represents fiscal 2020 expenditures by departments with sponsored research program expenditures in excess of $10 million.

Department	($ millions)
Electrical & Computer Engineering	$42.8
Mechanical Engineering	38.1
Computer Science	18.1
Civil Engineering	17.2
Chemistry	16.7
Biological Sciences	16.2
Aeronautics & Astronautics	16.0
Physics and Astronomy	15.1
Materials Engineering	13.9
Industrial Engineering	12.9
Chemical Engineering	12.6
Biomedical Engineering	11.4
Medicinal Chemistry & Molecular Phar	11.4

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

	2020	2019	2018	2017	2016
Federal Sources					
Department of HHS	$69,106	$61,408	$58,441	$52,115	$42,789
National Science Foundation	72,668	71,186	69,632	66,757	65,737
Department of Energy	28,929	27,048	24,366	24,069	22,469
Department of Defense	44,995	40,075	44,122	40,805	34,599
Department of Agriculture	15,184	16,986	17,704	19,072	22,224
Other Federal Agencies	47,540	39,465	38,681	38,862	38,381
Total Federal Sources	**$278,423**	**$256,167**	**$252,946**	**$241,679**	**$226,200**
State of Indiana	$30,064	$30,066	$27,663	$26,042	$23,140
Business and Foundations	112,918	105,279	96,791	114,146	96,640
Non-Profit Organizations	13,762	13,414	19,918	20,440	20,754
Foreign Government	8,383	7,417	5,209	5,236	5,846
Total Non-Federal Sources	**$165,127**	**$156,176**	**$149,581**	**$165,864**	**$146,380**
Total All Sources [1]	**$443,550**	**$412,343**	**$402,527**	**$407,543**	**$372,580**

[1] Sums may not equal totals due to rounding

Research funding awards for Fiscal 2020 totaled $515 million. Research funding awards for Fiscal 2021 through January 31, 2021 totaled $332.8, an increase of $28 million over the same period of Fiscal 2020.

Outstanding Indebtedness

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

Debt Outstanding	Final Maturity		Amount Outstanding as of 1/4/2021	
Bonds Outstanding				
Student Fee Bonds, Series U	2022	$	5,825,000	(1)
Student Fee Bonds, Series Z-2	2035		77,690,000	(1)(4)
Student Fee Bonds, Series AA	2032		38,560,000	(1)
Student Fee Bonds, Series BB-1	2034		27,345,000	(1)
Student Fee Bonds, Series BB-2	2032		13,420,000	(1)(5)
Student Fee Bonds, Series CC	2036		112,480,000	(1)
Student Fee Bonds, Series DD	2038		82,615,000	(1)
Student Fee Bonds, Series EE	2037		109,065,000	(1)
Student Facilities System Revenue Bonds, Series 2004A	2033		16,145,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2005A	2029		5,855,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2007A	2029		43,180,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2007C	2032		24,820,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2011A	2025		20,615,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2012A	2032		19,180,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2015A	2040		87,765,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2016A	2036		54,905,000	(2)(3)
Leasehold Indebtedness				
COPS 2006	2025		18,010,000	(3)(6)
COPS 2011A	2035		31,295,000	(3)(7)
COPS 2014A	2027		17,285,000	(3)(6)
COPS 2016A	2037		77,870,000	(3)(6)
Total Outstanding Indebtedness			**$883,925,000**	

(1) Secured by a pledge of Student Fees.
(2) Secured by a pledge of the Net Income of the designated Auxiliary Enterprise.
(3) Payable from available funds of the Corporation.
(4) Taxable Build America Bonds.
(5) Taxable Bonds.
(6) Intend to refund $10,675,579 of principal and interest in COPS Series 2006, 2014A and 2016A maturing on July 1, 2021 with Series 2021 Certificates.
(7) Intend to refund $31,295,000 in COPS Series 2011A maturing after July 1, 2021 with Series 2021 Certificates.

Concurrent with payment of the July 1, 2019 serial maturity of $2,255,000, the Corporation called the $34,130,000 outstanding balance of the Taxable Certificates of Participation, Series 2009B. The funding for serial maturities for July 1, 2020 through 2031 was held in escrow following the cross-over refunding effected in June 2016. Refer to the 2020 Financial Statements for complete details.

On May 27, 2020, the Corporation issued Student Fee Bonds (SFB), Series EE in the amount of $112,140,000 to partially fund construction of the Engineering and Polytechnic Gateway and the Veterinary Medicine Teaching Hospital facilities on the West Lafayette campus and to refund a portion of SFB, Series Z-1 in the amount of $6,660,000 on July 1, 2020.

On May 29, 2020, the Corporation called and prepaid a total of $995,000 in variable rate debt with respect to the final maturities of Student Facilities System Revenue Bonds (SFSRB), Series 2004A, 2005A and 2007C and Certificates of Participation (COPS), Series 2011A.

On July 1, 2020, the Corporation called the $15,490,000 outstanding balance of the fixed rate SFSRB Series 2010A with cash held by the Corporation.

Effective November 20, 2015, Purdue Research Foundation transferred the Bowen Civil Engineering Laboratory (“Bowen”) to the Corporation, and the Corporation formally assumed Purdue Research Foundation’s obligation to pay debt service for a portion of certain bonds issued by the Indiana Finance Authority in 2012 for the benefit of the Foundation in order to finance or refinance Bowen. Previously, the Foundation granted access to Bowen to the Corporation under a Facilities Use Agreement which covered the operating costs and debt service related to the facility.

The outstanding balance of $4,930,000 is allocable to Bowen. It is the Corporation's intent to pay the outstanding balance by June 30, 2021.

Physical Property

Physical property owned by the Corporation, or otherwise available to and utilized by the University, consists primarily of approximately 19,726 acres of land and 466 buildings. The buildings, together with equipment and furnishings, were valued at an estimated replacement cost for insurance purposes at approximately $7.9 billion as of June 30, 2020. The following table sets forth the increase in net plant investment for the five years ended June 30, 2016 through 2020. Additions are valued at cost or, in the case of gifts, at fair value at the date of donation.

FISCAL YEAR ENDED JUNE 30	INVESTMENT IN PLANT (AT COST)	ACCUMULATED DEPRECIATION	NET BOOK VALUE IN PLANT [1]
2016	4,230,029,000	1,981,321,000	2,248,708,000
2017	4,536,409,000	2,128,123,000	2,408,286,000
2018 [2]	4,773,965,000	2,277,818,000	2,496,147,000
2019 [2]	4,961,826,000	2,440,990,000	2,520,836,000
2020 [2]	5,233,704,000	2,591,301,000	2,642,403,000

[1] Sums may not equal totals due to rounding
[2] Includes Purdue University Global

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 Corporation has an on-going capital improvement program consisting of new construction and the renovation of existing facilities. Capital improvement projects are expected to be funded from a variety of sources, including gifts, state appropriations, bond financing and Corporation funds. Major construction recently completed on the West Lafayette campus includes the renovation and addition to the Agricultural and Biological Engineering building, the new Chaney-Hale Hall of Science, Griffin Residence Hall North, Meredith Residence Hall South, and various strategic infrastructure and utility improvements and repair and rehabilitation projects. Construction of the new Nils K. Nelson Bioscience Innovation building was completed on the Hammond campus and substantial renovations of the South Campus were completed on the Fort Wayne Campus. Major projects currently under construction on the West Lafayette campus include a new Engineering and Polytechnic Gateway building ($140.0 million funded by $74.0 million of gifts, $60.0 million from the State of Indiana in fee replacement through the Student Fee Bonds Series EE issuance and $6.0 million in University funds), a new Veterinary Medicine Teaching Hospital that will address the recommendation from the American Veterinary Medical Association accreditation team to update the aging teaching hospital ($108.0 million funded by $73.0 million from the State of Indiana in fee replacement through the Student Fee Bonds Series EE issuance, $30.0 million in operating funds and $5.0 million in gifts), a renovation of the Purdue Memorial Union Hotel ($35.0 million in gift funds), a renovation of the Purdue Memorial Union ground floor ($47.3 million funded by $37.3 million in auxiliary funds and $10.0 million in operating funds), a new Bands and Orchestras building ($22.0 million in gift funds) as well as a variety of repair and rehabilitation projects and strategic infrastructure and utility improvements. The Board of Trustees has granted approval to plan, finance, construct and award construction for other projects to be funded by gifts and University sources. As of January 31, 2021, the Board of Trustees had approved the following major construction projects on the West Lafayette campus for which construction hasn't yet started:

- 2550 Northwestern Avenue Renovation ($17.2 million in University funds);
- Child Care Facility ($6.9 million in University funds);
- Data Science Building ($40.0 million funded by $35.0 million in University Funds and $5.0 million in gifts).

These projects were originally approved before the start of the COVID-19 pandemic, but are being re-evaluated in light of long-term space utilization changes recently implemented. Plans for these projects may be altered or cancelled.

At January 31, 2021, the University had $67,7 million of other major construction projects greater than $500,000 in progress or awarded.

Each campus is authorized to issue up to $15 million in qualified energy savings (QES) bonds. Construction on all debt-funded QES projects is complete. At January 31, 2021 $260,000 remains outstanding.

Additional residential housing planned on West Lafayette campus

On March 5, 2018, the Corporation issued a Request for Proposals for a Public Private Partnership (P3) to design, build, finance, operate and maintain (DBFOM) two separate housing facilities to provide up to 1,300 beds on the West Lafayette campus (the "Project"), representing approximately 10% of Purdue's Fall 2020 residential housing inventory. This additional housing was needed to address the increasing interest in on-campus housing. In July 2018, the Corporation selected its preferred provider, Plenary Partners LLC, a team comprised of Plenary Group USA Concessions Ltd., Corvias LLC, Gilbane Building Co., MSKTD & Associates, Mackey Mitchell Architects, Schneider Corp., MKSK and Applied Engineering. The Corporation selected the Plenary team because it concluded Plenary is best positioned to meet the project goals including: student affordability and long-term cost predictability; building aesthetics that meet the Corporation's requirements; and a strategic, long-term partnership with a qualified private partner. Following the review and approval by the Board of Trustees at its August 3, 2018 meeting, the Project was approved by the Indiana Commission of Higher Education on October 16, 2018 with the governor's approval following thereafter. Commercial and financial close for the Project were completed on October 26, 2018. The Corporation is using an availability payment structure for the Project, with payments commencing in July 2020. Construction was completed in the Summer of 2020 and both residence halls opened to students at the beginning of the Fall 2020 semester with a 95% occupancy rate.

Corporation partners with Aramark for food management

In the Fall of 2019, the Corporation issued a request for proposals (RFP) to explore managing food and non-food retail locations on the West Lafayette campus to enhance operating margin and provide additional capital for renovations. An award was signed with Aramark with an effective date of July 1, 2020. Aramark will operate 35 dining locations, including 11 locations in Purdue Memorial Union. Residential dining operations are not included in this award and will continue to be managed by the Corporation's Dining and Culinary team.

State Street Redevelopment Project

The State Street Redevelopment Project which began in Summer 2016 was officially completed in October 2019. The project, a partnership between the Corporation and the City of West Lafayette through the Interlocal Cooperation Board ("Joint Board"), was formed with the goal of transforming State Street into a gathering place and destination for the community as well as visitors. The project was substantially completed on November 30, 2018 using a P3 project delivery method, allowing for faster project completion and significant cost savings. The developer provided the financing to cover the costs to design, build, finance, operate and maintain the project over a 22-year operating term. The City's commitment of $60 million, backed by a revenue from the West Lafayette Levee/Village redevelopment Area tax increment financing district (TIF 1), leaves significant TIF resources available for other projects. The Corporation's commitment of $62.7 million is funded by revenues from the West Lafayette 231 Purdue Economic Development Area tax increment financing district (TIF 2) with any shortfall backstopped by a credit support facility from the Purdue Research Foundation. Recently and nearly completed facilities within TIF 2 include Aspire at Discovery Park, a 4-story, 3-building smart home apartment complex with fitness center and Convergence at Purdue, a 145,000 square foot office building to serve as a bridge to further connect Purdue research with technology commercialization and startup creation.

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, 2020, there were 2,095 employees participating in PERF. The Corporation's proportionate share of PERF's Net Pension Liability, based on covered payroll of approximately $87,930,000, was 1.68768% for the measurement date June 30, 2019, 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 $55,779,000 as of June 30, 2020.

The Corporation made contributions to the plan totaling approximately $11,426,000 for the year ending June 30, 2020. The amount of contribution made after the measurement date, which is shown as a deferred outflow was approximately $9,000,000 for the year ended June 30, 2020. The proportionate shares of pension plan expense for the year ended June 30, 2020, as calculated under GASB 68 guidance, was approximately $8,828,000, less net amortization of deferred amounts of approximately $472,000, leaving a net pension expense of approximately $8,356,000.

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, 2020, there were 1,041 employees participating in the 457(b) plan with pay equal to approximately $41.6 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, 2020, there were 2,047 employees participating in the 403(b) plan with pay equal to approximately $56.0 million. For the period ended June 30, 2020 the University made contributions totaling $3.6 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, 2020, the University reported Other Post-Employment Benefits (OPEB) annual cost of $3,676,000. The University currently offers participation in its medical plan to official retirees and their dependents. As of July 1, 2014, separating employees who are 55 or older, and have at least 10 years of service are eligible. Official retirees under the age of 65 and their dependents are given the option to continue their medical insurance if they pay the entire cost of the blended medical plan rate, which includes both active employees and early retirees. The early retirees benefit in that the cost of the benefit exceeds the cost of the plans, which creates an implicit rate subsidy. After the retiree reaches the age of 65, the program is no longer offered.

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

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

Outstanding liabilities associated with all retiree related health reimbursement accounts as of June 30, 2020 and June 30, 2019 were approximately $2,431,000 and $2,884,000, respectively.

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

See Note 7 of the financial statement – Other Debt Information for further information.

Forward Looking Statements

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

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APPENDIX B

PURDUE UNIVERSITY FINANCIAL REPORT

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Purdue University
Financial Report 2020

LETTER OF TRANSMITTAL

October 22, 2020

To the Board of Trustees of Purdue University:

We are pleased to submit this, the 98th annual financial report of Purdue University. This report is for the fiscal year that ended June 30, 2020, and sets forth the complete and permanent record of the financial status of the University for the year.

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

Respectfully submitted,

MITCHELL E. DANIELS, JR.
President

Respectfully submitted,

CHRISTOPHER A. RUHL
Treasurer and Chief Financial Officer

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

BOARD OF TRUSTEES

July 1, 2019-June 30, 2020

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, 2020

OFFICERS OF THE BOARD OF TRUSTEES

Michael R. Berghoff, Chairman

Thomas E. Spurgeon, Vice Chairman

Christopher A. Ruhl, Treasurer

James S. Almond, Assistant Treasurer and Assistant Secretary

Janice A. Indrutz, Secretary

Steven R. Schultz, Legal Counsel

Trenten D. Klingerman, Deputy General Counsel

ADMINISTRATIVE OFFICERS

Mitchell E. Daniels, Jr., President

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

Christopher A. Ruhl, Treasurer and Chief Financial Officer

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

Karl B. Browning, Vice President for Information Technology and CIO

Michael B. Cline, Senior Vice President – Administrative Operations

Gina C. DelSanto, Chief of Staff

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

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

William G. McCartney, Executive Vice President of Purdue Online

Alysa C. Rollock, Vice President for Ethics and Compliance

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

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

REPORT OF THE PRESIDENT

On behalf of the students, faculty, staff, Trustees, and other leaders of Purdue University, I respectfully submit Purdue University's financial statements for the 2020 fiscal year. The Indiana State Board of Accounts has audited these financial statements and their report, which is unmodified, follows.

Just over one-hundred fifty years ago, the General Assembly voted to create Purdue University. Five years later, the first 39 Hoosiers arrived for classes. Purdue's international reputation and significant impact on the state of Indiana would be unimaginable to those first students. Even more recent Boilermakers are prone to marvel at the heights the university has reached in modern times, thanks to the support of the state and the work of many, from student success mentors to faculty innovators to hardworking Trustees.

I would like to call your attention to three specific improvements of which we are most proud: our service to Hoosiers, our contributions to the Indiana economy and our gains in becoming a more affordable university.

Purdue now serves close to 45,000 Hoosiers, including about 4,000 at the newly created Purdue Global, the Purdue affiliated university with the fastest Hoosier growth.

This fall in West Lafayette, we enrolled the largest incoming class of Indiana residents since the early 2000s. And because the Hoosier on-time graduation rate is now nearly 22 percentage points higher than it was back then, Purdue sends more Hoosiers into the workforce with a college degree each year than at any point in history. In 2019, some 2,200 Hoosiers from the Fall 2015 incoming cohort graduated, several hundred more than a decade prior. By the time the 2020 incoming class begins graduating in 2024 — based off Purdue's current Hoosier enrollment numbers and graduation rates — at least 1,100 more Indiana residents will graduate from Purdue within four years than did so in the early 2000s. That's a jump of about 75 percent. And as an increasingly STEM focused university, these graduates are entering the Hoosier economy equipped with the skills to innovate and thrive in our modern economy.

Strengthening Indiana's economy is also one of Purdue's main areas of emphasis. Since 2013, Purdue has streamlined our processes and refocused our faculty toward business startups and job creation.

U.S. News and World Report now ranks Purdue as the 5th most innovative university in the country and the only Indiana school in the top 50. That ranking is supported by Purdue's scientists who earned 180 U.S. patents in 2020, 233 percent more than in 2012. Purdue now ranks 13th in the world for patent creation. New licenses were up nearly 100 percent to a record 148 in 2020. That same year, Purdue helped to launch 55 new businesses, dozens more than in previous years. The goal is to create more companies like Endocyte, a business started by a Purdue faculty member in 1996 that went on to become a publicly traded company until it was sold to Novartis in 2018 for $2.1 billion.

At the same time, we are using our pool of STEM capable graduates and top-notch researchers to attract new businesses to Indiana and our community. This summer both Bayer and Beck's Hybrids announced they would become the latest companies to open space in Purdue's Discovery Park District. They join various international companies that already are employing Hoosiers and financing research such as Rolls-Royce, Schweitzer Engineering Laboratories and Saab.

We are now in year eight of what will be at least nine years of frozen tuition at our main campus. Had we raised our rates at the average of other 4-year public schools, our in-state tuition would be more than $1,300 higher per year. Meanwhile, the annual cost of attendance continues to decline, and the same is true for student borrowing and loan default rates.

As I often repeat, if Indiana did not have a Purdue University, we would be scrambling to create one to keep our economy competitive in this century. Fortunately, all we need to do is to continue to invest and cultivate the legacy that those 39 students started in 1874, and the General Assembly began in 1869.

We respectfully ask for your continued trust and backing.

Sincerely,

Mitchell E. Daniels, Jr.

President

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows of the business-type activities and the aggregate discretely presented component units of Purdue University (University), a component unit of the State of Indiana, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the University's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Purdue Research Foundation (Foundation), which represent 94 percent, 98 percent, and 96 percent, respectively, of the total assets, net position, and revenues of the discretely presented component units. Additionally, we did not audit the financial statements of Purdue University Global, Inc., which represent 2 percent, 0 percent, and 14 percent, respectively, of the total assets, net position, and revenues of the business-type activities. These statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation and Purdue University Global, Inc., is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation, a discretely presented component unit, were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with *Government Auditing Standards.*

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University, as of June 30, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in Purdue's Total OPEB Liability and Related Ratios, Schedule of Purdue's Share of the Net Pension Liability Indiana Public Employee Retirement Fund (PERF), Schedule of Purdue's Contributions Indiana Public Employee Retirement Fund (PERF), and Retirement Plans-Schedule of Funding Progress Police/Fire Supplemental be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

The Letter of Transmittal, Board of Trustees, Officers of the University, Report of the President, Total In-State Enrollment by County and Acknowledgments has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2020, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the 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 the University's internal control over financial reporting and compliance.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

October 22, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020 and 2019

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, 2020 and 2019, along with comparative financial information for the fiscal year ended June 30, 2018. 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.

During fiscal year 2018, Purdue Global Inc., a blended component unit as discussed in Note 1, completed a transfer of assets from Kaplan Higher Education, which was accounted for under GASB 69, Government Combinations. This expansion, primarily in online education, extends the land grant mission of Purdue to benefit other populations of students, particularly working adult students, who are not located within proximity to one of Purdue University's campuses.

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 Research, Assessment and Effectiveness online at https://www.purdue.edu/datadigest/.

Statement of Net Position

A comparison of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30, 2020, 2019, and 2018, is summarized below.

Table 1

Summary Statement of Net Position (Dollars in Thousands)

		2020		2019		2018
						As Restated
Current Assets	$	1,019,283	$	881,216	$	709,792
Capital Assets		2,642,403		2,520,836		2,496,148
Other Assets		3,093,814		3,114,863		2,997,230
Total Assets		6,755,500		6,516,915		6,203,170
Deferred Outflows of Resources		36,832		42,194		59,330
Current Liabilities		570,530		551,541		459,003
Noncurrent Liabilities		1,090,455		1,043,797		1,055,143
Total Liabilities		1,660,985		1,595,338		1,514,146
Deferred Inflows of Resources		46,539		32,617		36,052
Net Investment in Capital		1,710,945		1,610,376		1,552,896
Restricted - Nonexpendable		820,444		777,197		707,779
Restricted - Expendable		928,747		1,011,002		951,793
Unrestricted		1,624,672		1,532,579		1,499,834
Total Net Position	**$**	**5,084,808**	**$**	**4,931,154**	**$**	**4,712,302**

Assets

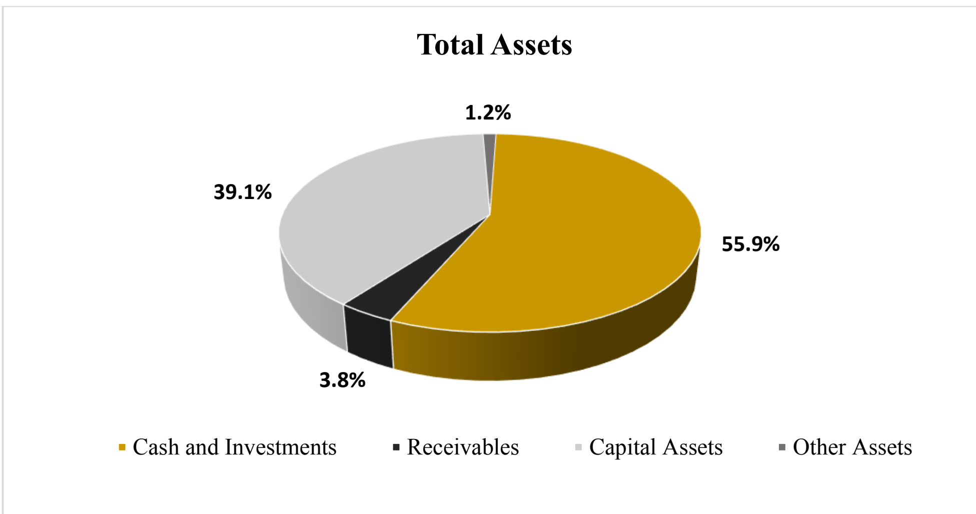
Current assets include those that may be used to support current operations, such as cash and cash equivalents, accounts receivable, and inventories. Capital assets include non-depreciable land, as well as buildings and equipment, net of depreciation. Other assets include pledges receivable, investments, and funds held in trust by others.

As of June 30, 2020 and 2019, current assets were approximately $1.0 billion and $881.2 million, respectively, resulting in an increase of $138.1 million during fiscal year 2020 and an increase of approximately $171.4 million during fiscal year 2019. As of June 30, 2020 and 2019, cash and cash equivalents were approximately $558.1 and $357.3 million respectively, resulting in increases of $200.8 and $93.8 million, respectively. Included in this amount, are $120.9 and $80.5 million at June 30, 2020 and 2019, respectively, which represent invested bond proceeds related to the University's capital financing activities. The remaining balance of $437.2 and $276.8 million as of June 30, 2020 and 2019, respectively, of cash and cash equivalents were available for operations.

As of June 30, 2020 and 2019, noncurrent assets were approximately $5.7 and $5.6 billion, respectively, which is an increase of $100.5 million, or 1.8%, during fiscal year 2020 and $142.3 million, or 2.6%, during fiscal year 2019. This was primarily due to the acquisition of capital assets. Please refer to a more detailed discussion in the Statement of Revenues, Expenses, and Changes in Net Position section and Note 4.

As of June 30, 2020 and 2019, total assets were approximately $6.8 and $6.5 billion, an increase of $238.6 and $313.7 million, or 3.7% and 5.1% respectively, over the previous fiscal year. The overall growth in assets is attributed to an increase in cash and cash equivalents and capital assets.

Figure 1 represents the composition of total assets as of June 30, 2020.

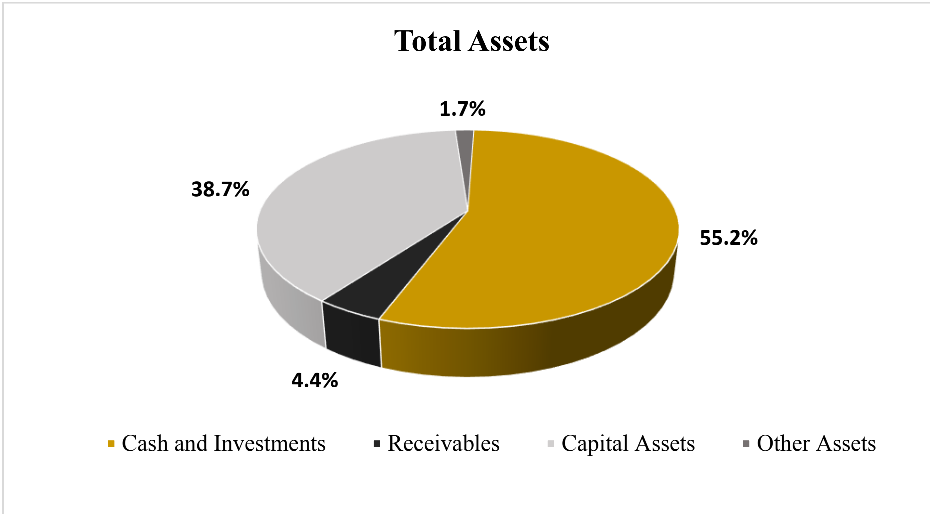


Total Assets

(in thousands of dollars)

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

Figure 2 represents the composition of total assets as of June 30, 2019.



Total Assets

(in thousands of dollars)

Cash and Investments	$ 3,595,872	55.2%
Receivables	290,467	4.4%
Capital Assets	2,520,836	38.7%
Other Assets	109,740	1.7%
Total Assets	**$6,516,915**	**100.0%**

Deferred Outflows of Resources

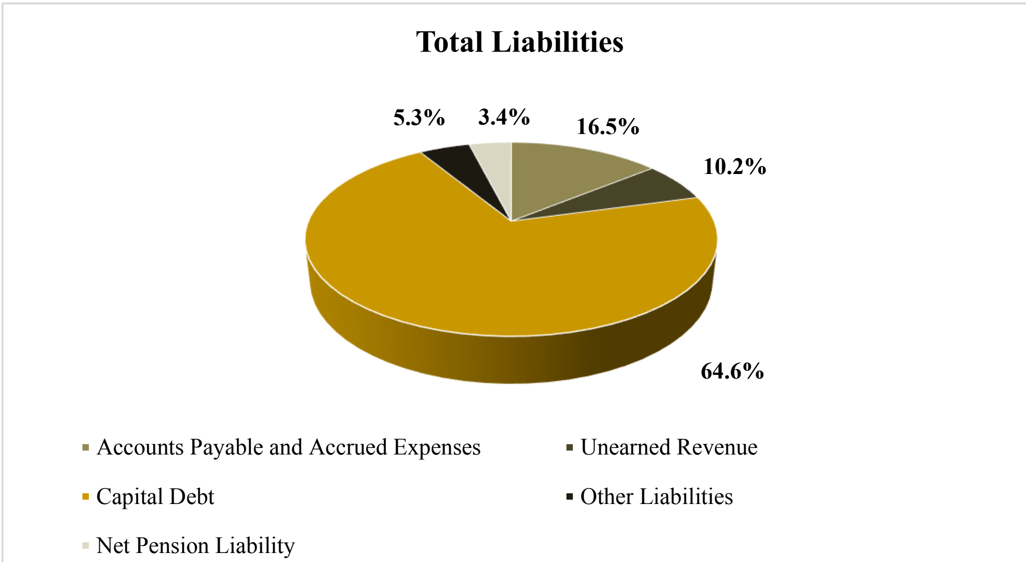
Deferred outflows of resources represent a consumption of resources that do not require a further exchange of goods and services, but that are applicable to a future reporting period. They are not shown on the Statement of Revenues, Expenses, and Changes in Net Position because they are not expense items 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 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 include bonds, notes, and leases payable. Total liabilities were approximately $1.7 and $1.6 billion as of June 30, 2020 and 2019, respectively.

Bonds, leases, and notes payable increased by $24.8 million in fiscal year 2020 and increased $33.5 million in fiscal year 2019, primarily due to issuances of new debt. A discussion of the University's capital financing activities appears in the Debt and Financing Activities section below, as well as in Note 6.

Figure 3 represents the composition of total liabilities as of June 30, 2020.

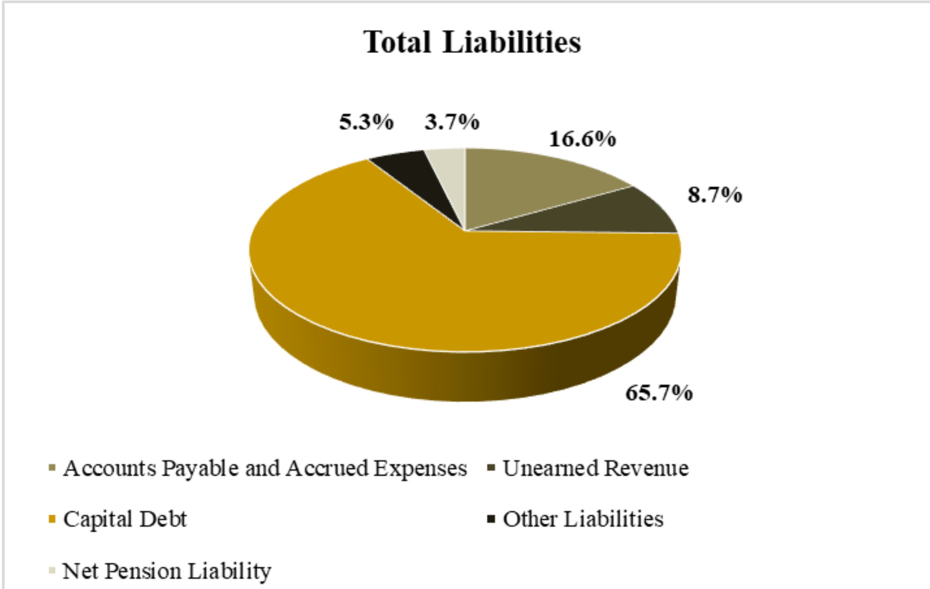


Total Liabilities

(in thousands of dollars)

Accounts Payable and Accrued Expenses	$ 274,870	16.5%
Unearned Revenue	170,217	10.2%
Capital Debt	1,072,795	64.6%
Other Liabilities	87,324	5.3%
Net Pension Liability	55,779	3.4%
Total Liabilities	**$ 1,660,985**	**100.0%**

Figure 4 represents the composition of total liabilities as of June 30, 2019.



Total Liabilities

(in thousands of dollars)

Accounts Payable and Accrued Expenses	$ 265,388	16.6%
Unearned Revenue	139,484	8.7%
Capital Debt	1,047,959	65.7%
Other Liabilities	83,826	5.3%
Net Pension Liability	58,681	3.7%
Total Liabilities	**$1,595,338**	**100.0%**

Deferred Inflows of Resources

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

Net Position

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

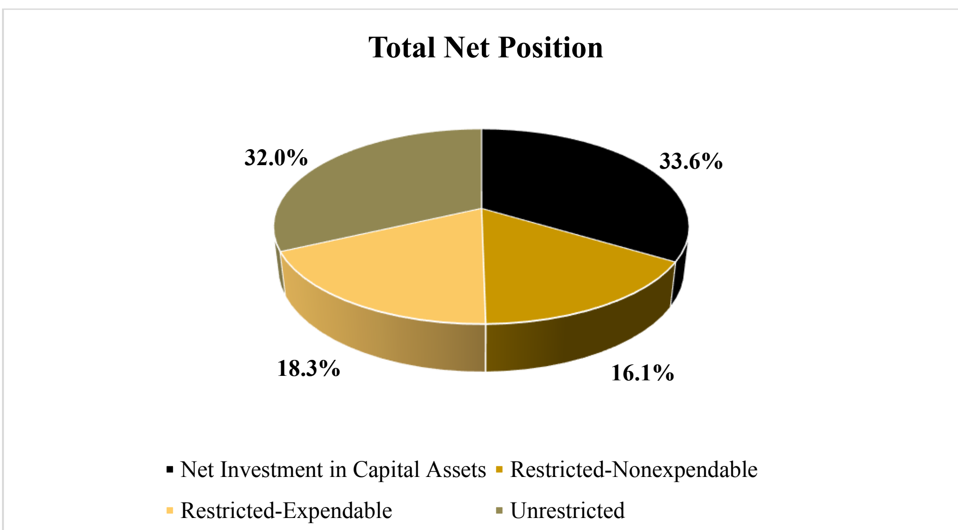
Net Investment in Capital Assets represents the University's investment in capital assets such as moveable equipment, buildings, land, infrastructure, and improvements, net of accumulated depreciation and related debt.

Restricted–Nonexpendable represents the corpus of the University's permanent endowments received from donors for the purpose of creating present and future income. The corpus must be held inviolate and in perpetuity.

Restricted–Expendable represents the portion of net position that may be spent, provided certain third party restrictions are met. Examples include balances from scholarships, grants and contracts, and spendable earnings from endowments.

Unrestricted represents the portion of net position that has no third-party restrictions. Management designates the majority of this balance for specific purposes to fulfill strategic initiatives and operational needs.

Figure 5 represents the composition of net position as of June 30, 2020.

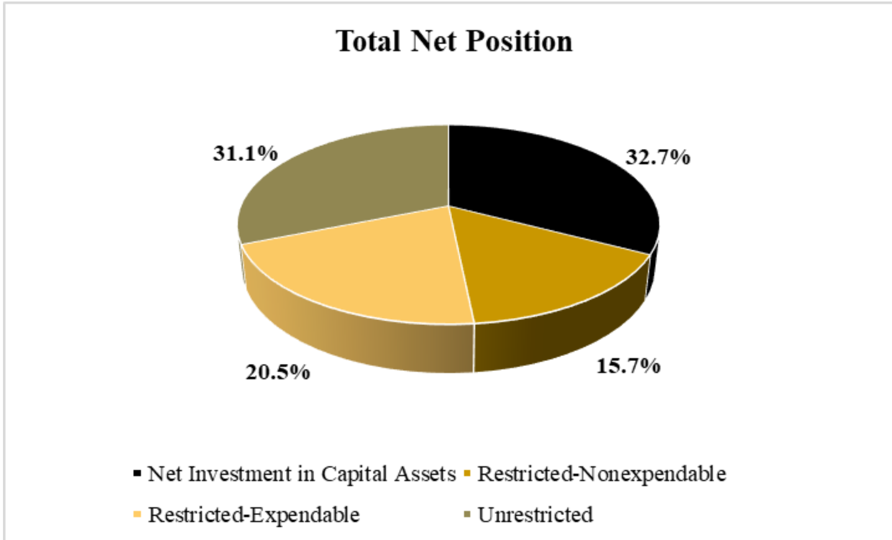


Total Net Position

(in thousands of dollars)

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

Figure 6 represents the composition of net position as of June 30, 2019.



Total Net Position

(in thousands of dollars)

Net Investment in Capital Assets	$ 1,610,376	32.7%
Restricted-Nonexpendable	777,197	15.7%
Restricted-Expendable	1,011,002	20.5%
Unrestricted	1,532,579	31.1%
Total	**$4,931,154**	**100.0%**

Net investment in capital assets increased $100.6 and $57.5 million in fiscal years 2020 and 2019, respectively. For the fiscal years ended June 30, 2020 and 2019, the University added capital assets of $311.1 and $216.7 million, offset by annual depreciation of $186.9 and $190.1 million, respectively. Additional details are provided in the Capital Asset and Debt Administration section of this analysis.

The restricted-nonexpendable balance increased $43.2 and $69.4 million in fiscal years 2020 and 2019, respectively, primarily resulting from contributions to endowments.

Restricted-expendable balances decreased by $82.3 million and increased by $59.2 million in fiscal years ended June 30, 2020 and 2019, respectively, driven by the respective changes in market value of investments.

The unrestricted net position had an increase of $92.1 and $32.7 million for the fiscal years ended June 30, 2020 and 2019, 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 our state appropriations, investment income, and private gifts. As Purdue is a public university, nonoperating revenues are an integral part of the operating budget. Private gifts for capital projects and additions to the University’s endowment are also considered nonoperating sources of revenue.

A summarized comparison of the University's revenues, expenses, and changes in net position at June 30, 2020, 2019, and 2018, is presented below.

Table 2

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

	2020	2019	2018
Operating Revenues			
Tuition and Fees	$ 1,385,459	$ 1,378,546	$ 1,037,216
Less: Scholarship Allowance	(213,949)	(223,872)	(145,279)
Grants and Contracts	460,682	393,932	376,154
Auxiliary Enterprises	234,336	244,142	301,899
Less: Scholarship Allowance	(16,830)	(16,660)	(16,316)
Other Operating Revenues	170,645	178,128	128,007
Total Operating Revenues	2,020,343	1,954,216	1,681,681
Operating Expenses			
Depreciation	186,934	190,100	175,821
Other Operating Expenses	2,411,239	2,464,468	2,095,278
Total Operating Expenses	2,598,173	2,654,568	2,271,099
Operating Loss	(577,830)	(700,352)	(589,418)
Nonoperating Revenues	652,528	814,338	666,681
Capital and Endowments	78,956	104,866	96,515
Total Nonoperating Revenues	731,484	919,204	763,196
Increase in Net Position	153,654	218,852	173,778
Net position, Beginning of Year	4,931,154	4,712,302	4,538,524
Net position, End of Year	**$ 5,084,808**	**$ 4,931,154**	**$ 4,712,302**

Figures 7 and 8 provide information about the University's sources of revenues for fiscal years 2020 and 2019. The University had an increase in net position of $153.7 and $218.9 million for fiscal years ended June 30, 2020 and 2019, respectively.

Figure 7: University Revenue by Category for FY 2020

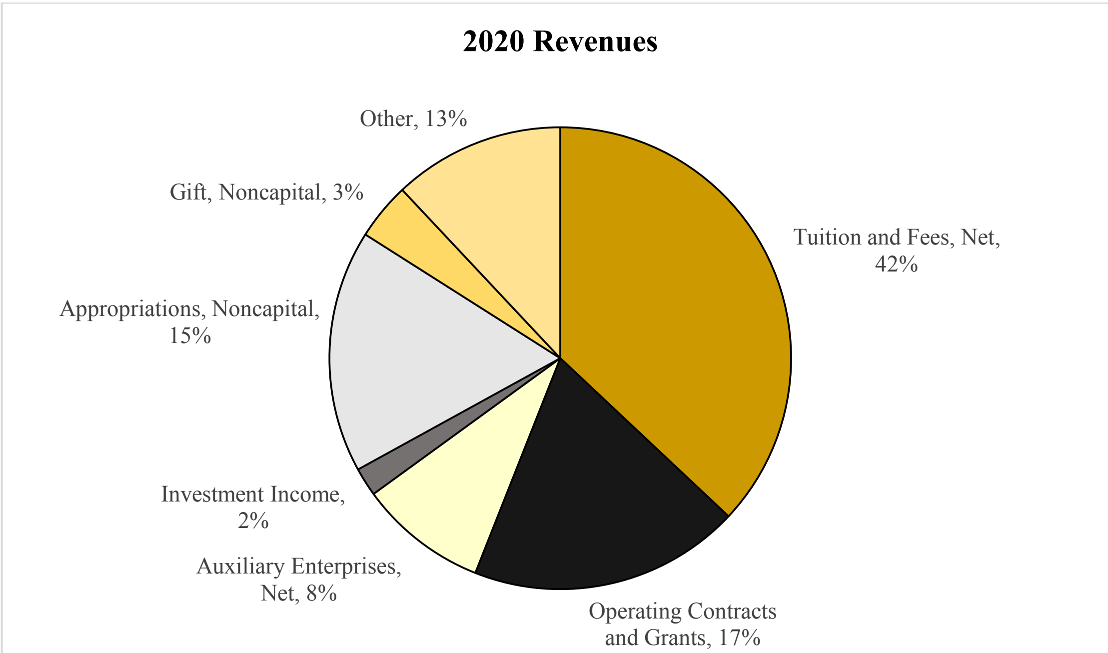
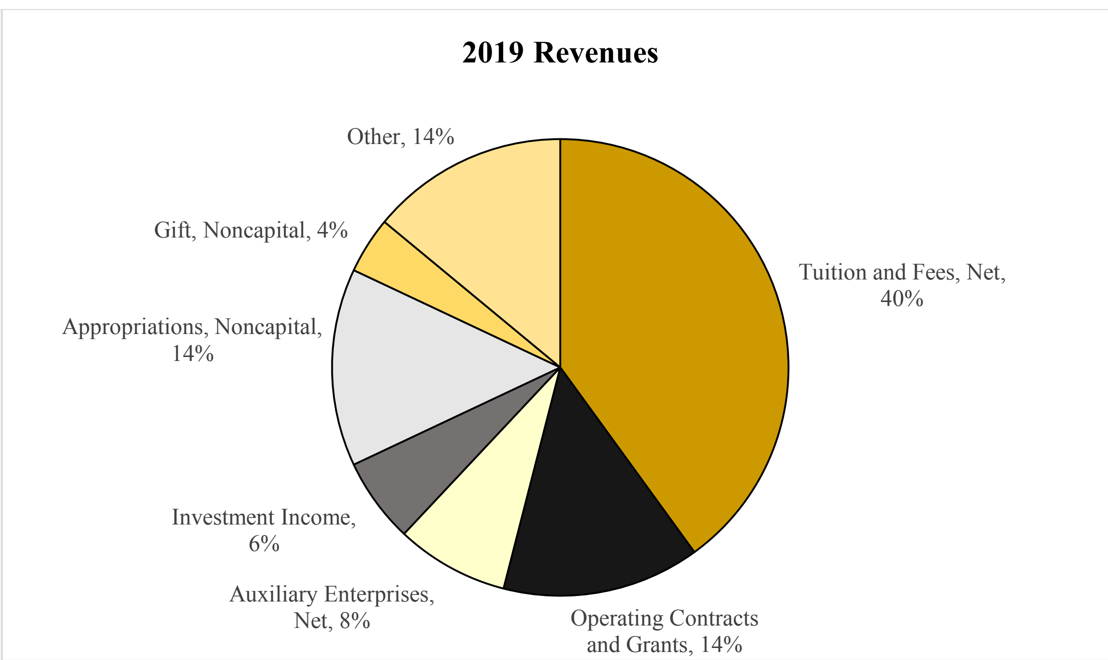
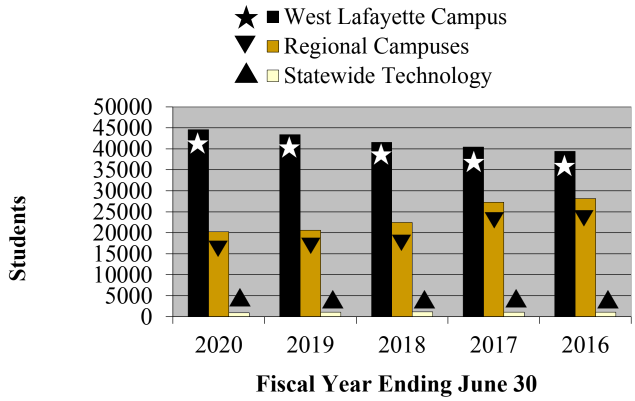


Figure 8: University Revenue by Category for FY 2019



For the fiscal years ended June 30, 2020 and 2019, the total operating revenues increased $66.1 million, or 3.4% and $272.5 million, or 16.2%, respectively. Net tuition and fee revenue increased by $16.8 and $262.7 million in fiscal years 2020 and 2019, 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 $66.8 and $17.8 million for the fiscal years ended June 30, 2020 and 2019, respectively, primarily due to fluctuations in grant revenue from federal and industrial sponsors.

For the fiscal years ended June 30, 2020 and 2019, total operating expenses decreased by $56.4 million, or 2.1%, and increased by $383.5 million, or 16.9%, respectively. Details are described in Note 8.

For the fiscal years ended June 30, 2020 and 2019, non-operating revenues before capital and endowments, net of expenses, decreased by $161.8 and increased $147.7 million, respectively, primarily due to changes in investment income related to fluctuations in the market. The net investment performance of the University's endowment was -0.7% and 5.5% for the fiscal years 2020 and 2019, respectively, using the most recent data available. The endowment was invested in private investments (34.4%), public equities (56.2%), and fixed income investments (9.4%). The portfolio composition did not materially change from the prior fiscal year.

For the fiscal years ended June 30, 2020 and 2019, capital and endowment income decreased by $25.9 million, or 24.7%, and increased by $8.4 million, or 8.7%, respectively, primarily due to fluctuations in state capital appropriations, private gifts for endowments, and capital gifts.

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)

	2020	2019	2018
Cash Used by Operating Activities	$ (330,239)	$ (456,985)	$ (381,336)
Cash Provided by Noncapital Financing Activities	684,896	710,822	605,794
Cash Provided by Investing Activities	76,973	17,786	77,158
Cash Used by Capital and Related Financing Activities	(230,808)	(177,798)	(320,436)
Net Increase (Decrease) in Cash and Cash Equivalents	200,822	93,825	(18,820)
Cash and Cash Equivalents, Beginning of Year	357,280	263,455	282,275
Cash and Cash Equivalents, End of Year	**$ 558,102**	**$ 357,280**	**$ 263,455**

The cash provided by noncapital financing activities reflect the nonoperating revenue changes described above. The cash provided by investing activities in fiscal year 2020 and 2019 represent the return of cash to operations, making those funds available for use in other areas of the University. The fluctuation in cash flows used by capital and related financing activities reflects the financing strategy and timing of the University's capital plan, which is outlined in the Capital Asset and Debt Administration section.

Capital Asset and Debt Administration

Significant Construction Projects

The University continues to expand its campuses and renovate existing facilities to meet the needs of its students, faculty, and staff. Significant construction projects (over $20 million) completed during fiscal years 2020 and 2019 are presented in Table 4 and significant projects in progress at June 30, 2020 are presented in Table 5. Significant projects authorized by the Board of Trustees but not started at June 30, 2020 are presented in Table 6.

Table 4

Significant Construction Projects Completed (Dollars in Thousands)

Projects Completed in 2020		
Bioscience Innovation Building	$	40,500
STEM Teaching Lab Building		64,000
Total Significant Construction Projects Completed	**$**	**104,500**

No significant construction projects were completed in 2019

Table 5

Significant Construction Projects in Progress (Dollars in Thousands)

	Project Budget	
Agricultural and Biological Engineering Renovation and Addition	$	80,000
Engineering and Polytechnic Gateway		140,000
Purdue Memorial Union Renovation		35,000
Veterinary Hospital Complex		108,000
Hagle Hall Bands and Orchestra Building		20,000
Total Significant Construction Projects in Progress	**$**	**383,000**

Table 6

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

	Project Budget	
Data Science Building	$	40,000
Purdue Memorial Union Dining Renovation		47,300
Total Significant Construction Projects Authorized But Not Started	**$**	**87,300**

Debt and Financing Activities

As of June 30, 2020 and 2019, bonds, leases, and notes payable totaled approximately $1.07 and $1.05 billion, respectively, and represented approximately 64.6% and 65.7%, respectively, of the total liabilities of the University. The University's debt portfolio as of June 30, 2020 consisted of $86.9 million of variable rate instruments (8.1%) and $985.9 million in fixed rate obligations (91.9%). As of June 30, 2019, the University's debt portfolio consisted of $88.4 million of variable rate instruments (8.4%), and $959.5 million in fixed rate obligations (91.6%). Additional details about University indebtedness are provided in Note 6.

As of June 30, 2020 and 2019, 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 2021, the Indiana General Assembly appropriated $295.4 million for the West Lafayette campus, $51.5 million for Purdue Northwest and $47 million for Purdue Fort Wayne, an overall decrease of 1.9% in state appropriations. The decrease is driven by a 7% reduction in operating appropriations and an increase in the university's fee replacement appropriation. The fee replacement appropriation increase will offset the debt payments used to fund the construction of the new Veterinary Medicine Teaching Hospital ($73 million) and the Engineering and Polytech Gateway building ($60 million).

Academic year 2020-21 tuition rates for both Indiana resident and nonresident students remain flat at the West Lafayette campus for the eighth year in a row. The regional campuses had modest tuition increases for undergraduates as follows: Fort Wayne 1.65% and Purdue Northwest 1.65%. Each campus continues its efforts to identify operational efficiencies, cost savings initiatives and new sources of revenue to supplement its operating budget. Efforts to support student affordability and accessibility remain a high priority as illustrated by the decision to continue holding tuition flat at the West Lafayette campus for the ninth year in FY22.

Enrollment at all Purdue campuses was 67,528* for the fall semester of the 2020-2021 academic year. Enrollment at the West Lafayette campus hit a record high at 44,869 for the fall semester of the 2020-2021 academic year, up 318 from the fall semester of the prior academic year. First-year undergraduate students also hit a record high at 8,869. Purdue continues to experience record-high retention and graduation rates due to a university-wide commitment to student success. The first-year retention rate at the West Lafayette campus is at 93.5% compared to 91.6% last year, and the second-year retention rate is at 87.4%, as compared to 87.8% last year. The four-year graduation rate increased to 62.6% compared to 60.6% last year. The six-year graduation rates increased to 83.3% from 82.2% last year.

The WL class average new SAT scores were 1,291 on the critical reading, math, and writing sections (on a scale of 400 to 1600). This is a decrease of only 16 points from the previous year.

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

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

Purdue University

Statement of Net Position

As of June 30 (Dollars in Thousands)

	2020	2019
Assets and Deferred Outflows of Resources:		
Current Assets:		
Cash and Cash Equivalents	$ 558,102	$ 357,280
Investments	242,007	256,054
Accounts Receivable, Net	113,346	111,668
Pledges Receivable, Net	36,866	51,168
Notes Receivable, Net	15,650	8,358
Other Receivables	1,122	5,735
Other Assets	52,190	90,953
Total Current Assets	**1,019,283**	**881,216**
Noncurrent Assets:		
Investments	2,978,169	2,982,538
Pledges Receivable, Net	25,915	37,316
Notes Receivable, Net	61,624	76,222
Interest in Charitable Remainder Trusts	28,106	18,787
Capital Assets, Net	2,642,403	2,520,836
Total Noncurrent Assets	**5,736,217**	**5,635,699**
Total Assets	**6,755,500**	**6,516,915**
Deferred Outflows of Resources	36,832	42,194
Liabilities and Deferred Inflows of Resources:		
Current Liabilities:		
Accounts Payable and Accrued Expenses	200,223	193,720
Unearned Revenue	170,217	139,484
Deposits Held in Custody for Others	1,451	1,892
Accrued Compensated Absences	29,067	30,084
Bonds (net), Leases, and Notes Payable	169,572	186,361
Total Current Liabilities	**570,530**	**551,541**
Noncurrent Liabilities:		
Accrued Compensated Absences	45,580	41,584
Other Post Employment Benefits	33,357	43,457
Net Pension Liability	55,779	58,681
Funds Held in Trust for Others	18,989	7,299
Advances from Federal Government	8,518	15,211
Other Noncurrent Liabilities	25,009	15,967
Bonds (net), Leases, and Notes Payable	903,223	861,598
Total Noncurrent Liabilities	**1,090,455**	**1,043,797**
Total Liabilities	**1,660,985**	**1,595,338**
Deferred Inflows of Resources	46,539	32,617

Statement of Net Position

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

	2020	2019
Net Position:		
Net Investment in Capital Assets	**$ 1,710,945**	**$ 1,610,376**
Restricted:		
Nonexpendable:		
Instruction and Research	423,194	394,049
Student Aid	375,118	361,918
Other	22,132	21,230
Total Nonexpendable	**820,444**	**777,197**
Expendable:		
Instruction, Research and Public Service	152,665	243,364
Student Aid	78,441	92,985
Construction	176,943	67,241
Other	520,698	607,412
Total Expendable	**928,747**	**1,011,002**
Unrestricted	**1,624,672**	**1,532,579**
Total Net Position	**$ 5,084,808**	**$ 4,931,154**

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)

	2020	2019
Operating Revenues:		
Tuition and Fees	$ 1,385,459	$ 1,378,546
Less: Scholarship Allowance	(213,949)	(223,872)
Federal Appropriations	17,905	18,121
County Appropriations	9,509	9,050
Grants and Contracts	460,682	393,932
Sales and Services	140,368	148,176
Auxiliary Enterprises	234,336	244,142
Less: Scholarship Allowance	(16,830)	(16,660)
Other Operating Revenues	2,863	2,781
Total Operating Revenues	**2,020,343**	**1,954,216**
Operating Expenses:		
Compensation and Benefits	1,655,110	1,658,423
Supplies and Services	693,889	740,379
Depreciation Expense	186,934	190,100
Scholarships, Fellowships, & Student Awards	62,240	65,666
Total Operating Expenses	**2,598,173**	**2,654,568**
Net Operating Loss	**(577,830)**	**(700,352)**
Nonoperating Revenues (Expenses):		
State Appropriations	401,886	405,921
Grants and Contracts	138,170	147,944
Private Gifts	78,258	102,397
Investment Income	58,233	181,639
Interest Expense	(28,969)	(29,159)
Other Nonoperating Revenues (Net of Nonoperating Expenses of $668 and $556, respectively)	4,950	5,596
Total Nonoperating Revenues before Capital and Endowments	**652,528**	**814,338**
Capital and Endowments:		
State Capital Appropriations	-	305
Capital Gifts	41,146	46,574
Private Gifts for Permanent Endowments and Charitable Remainder Trusts	37,810	57,987
Total Capital and Endowments	**78,956**	**104,866**
Total Nonoperating Revenues	**731,484**	**919,204**
INCREASE IN NET POSITION	**153,654**	**218,852**
Net Position, Beginning of Year	4,931,154	4,712,302
Net Position, End of Year	**$ 5,084,808**	**$ 4,931,154**

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)

	2020	2019
Cash Flows From Operating Activities:		
Tuition and Fees, Net of Scholarship Allowances	$ 1,195,463	$ 1,155,530
Federal Grants	17,905	18,121
County Grants	9,509	9,050
Grants and Contracts	470,554	397,387
Sales and Services	138,737	151,584
Auxiliary Enterprises, Net of Scholarship Allowances	218,795	233,185
Other Operating Revenues	665	3,467
Compensation and Benefits	(1,655,522)	(1,648,238)
Supplies and Services	(664,376)	(712,561)
Scholarships, Fellowships and Student Awards	(62,216)	(65,128)
Other Operating Expenses	(6,692)	-
Student Loans Issued	(2,222)	(8,744)
Student Loans Collected	9,161	9,362
Cash Used by Operating Activities	**(330,239)**	**(456,985)**
Cash Flows From Noncapital Financing Activities:		
State Appropriations	401,886	405,921
Grants and Contracts	138,170	147,944
Gifts for Other than Capital Purposes	127,013	153,262
Funds Held in Trust for Others	11,176	(2,388)
Other Nonoperating Revenues, Net	6,651	6,083
Cash Provided by Noncapital Financing Activities	**684,896**	**710,822**
Cash Flows From Investing Activities:		
Purchases of Investments	(3,632,095)	(2,376,478)
Proceeds from Sales and Maturities of Investments	3,656,242	2,326,526
Interest and Dividends on Investments, Net	52,826	67,738
Cash Provided by Investing Activities	**76,973**	**17,786**
Cash Flows From Capital and Related Financing Activities:		
Debt Repayment	(63,146)	(60,255)
Capital Debt Proceeds	133,683	104,628
Interest Expense	(40,131)	(40,625)
Capital Gifts Received	56,443	14,131
State Appropriations for Capital Projects	-	339
Construction or Purchase of Capital Assets	(317,657)	(196,016)
Cash Used by Capital and Related Financing Activities	**(230,808)**	**(177,798)**
Net Increase in Cash and Cash Equivalents	**200,822**	**93,825**
Cash and Cash Equivalents, Beginning of Year	357,280	263,455
Cash and Cash Equivalents, End of Year	**$ 558,102**	**$ 357,280**

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)		**2020**		**2019**
Reconciliation of net operating loss to net cash used by operating activities:				
Operating Loss	$	(577,830)	$	(700,352)
Depreciation Expense		186,934		190,100
Noncash investing, capital, and financing activities		52		107
Changes in Assets and Liabilities:				
Accounts Receivable		37		1,413
Notes Receivable		6,939		618
Other Assets		3,847		4,602
Accrued Compensated Absences		2,979		4,867
Other Post Employment Benefits and related deferrals		(4,554)		(4,822)
Net Pension liability and related deferrals		(147)		(2,159)
Accounts Payable		27,602		35,947
Unearned Revenue		30,595		12,418
Advances from Federal Government		(6,693)		276
Cash Used by Operating Activities	**$**	**(330,239)**	**$**	**(456,985)**

The Accompanying Notes are an Integral Part of these Financial Statements

Component Units

As of June 30 (Dollars in Thousands)

Consolidated Statement of Financial Position

	2020	2019
Assets:		
Cash and Cash Equivalents	$ 17,517	$ 21,436
Accounts Receivable, Net	27,229	25,738
Other Assets	18,752	20,656
Investments	2,750,817	2,790,277
Lease Purchase Agreements	185,148	189,858
Notes Receivable, Net	32,997	29,584
Interest in Charitable Perpetual Trusts	15,799	16,124
Capital Assets, Net of Accumulated Depreciation	280,574	250,411
Irrevocable Trust	-	34,821
Total Assets	**3,328,833**	**3,378,905**
Liabilities:		
Accounts Payable and Accrued Expenses	$ 38,904	$ 33,213
Unearned Revenue	20,292	16,206
Due on Split Interest Agreements	42,406	47,287
Deposits Held in Custody for Others	1,829,899	1,826,770
Bonds (Net), Leases, and Notes Payable	352,033	395,843
Other Liabilities	3,659	2,010
Total Liabilities	**2,287,193**	**2,321,329**
Net Assets:		
Without Donor Restriction	288,073	283,197
With Donor Restriction	753,567	774,379
Total Net Assets	**1,041,640**	**1,057,576**
Total Liabilities and Net Assets	**$ 3,328,833**	**$ 3,378,905**

Component Units

For the Years Ended June 30 (Dollars in Thousands)

Consolidated Statement of Activities

	2020	2019
Revenue and Support		
Amount Received for Purdue University Research Projects	$ 706	$ 399
Less Payments to Purdue University	(706)	(399)
	-	-
Contributions	60,737	36,763
Income on Investments	23,216	28,116
Net Unrealized and Realized Gains (Losses)	(14,970)	44,058
Increase in Value of Split Interest Agreements	3,781	2,598
Decrease in Interests in Perpetual Trusts	(325)	(11)
Rents	24,670	20,993
Royalties	11,380	4,078
Other	36,135	35,923
Total Revenue and Support	**144,624**	**172,518**
Expenses and Losses		
Expenses for the Benefit of Purdue University		
Contributions to Purdue University	45,856	38,012
Patent and Royalty	8,755	3,268
Grants	581	1,102
Services for Purdue University	2,493	2,569
Other	3,287	7,310
Total Expenses for the Benefit of Purdue University	**60,972**	**52,261**
Administrative and Other Expenses		
Salaries and Benefits	39,307	35,328
Property Management	23,258	19,562
Professional Fees	12,632	14,757
Supplies	3,384	1,782
Interest	8,969	14,019
Research park	554	383
Other	11,484	12,576
Total Administrative and Other Expenses	**99,588**	**98,407**
Change in Net Assets	(15,936)	21,850
Net Assets, Beginning of Period	1,057,576	1,035,726
Net Assets, End of Period	**$ 1,041,640**	**$ 1,057,576**

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

For the Fiscal Year Ended June 30, 2020

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 in the state of Indiana through:

Purdue Polytechnic Institute Statewide

College of Agriculture Purdue Extension

Technical Assistance Program

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

REPORTING ENTITY:

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

Purdue International, Inc. (PII) is a separately incorporated, not-for-profit entity established in 2014 to facilitate the University's international education, research, and exchange activities. In this regard, PII serves as the flagship entity for Purdue's international outreach.

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

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

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

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

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

The University has an association with Indiana University-Purdue University Indianapolis for which it is not financially accountable nor does it have primary access to the resources. Accordingly, this organization has not been included in the University's financial statements.

RELATIONSHIP TO THE STATE OF INDIANA:

As one of seven public universities in the state, the University is a discrete component unit of the state of Indiana with its financial results being included in the State's Comprehensive Annual 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, 2020 and 2019.

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

During fiscal year 2019, the University adopted GASB Statement 83 *Certain Asset Retirement Obligations,* GASB Statement 88 *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements,* and early adopted GASB Statement 89 *Accounting for Interest Costs Incurred before the End of a Construction Period.*

The effect of GASB Statement 83:

> This statement establishes criteria for determining the timing and pattern of recognition of a liability and corresponding deferred outflow of resources for asset retirement obligations. We have evaluated our obligations based on GASB guidelines and booked entries accordingly.

The effect of GASB Statement 88:

This statement requires that additional essential information related to debt be disclosed in the notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. These disclosures may be found in Note 6.

The effect of GASB Statement 89:

This statement establishes accounting requirements for interest costs incurred before the end of a construction period, and requires the recognition of an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

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 applies all applicable GASB pronouncements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Cash and Cash Equivalents. Cash and cash equivalents include cash, revolving and change funds, cash in transit, credit card deposits in transit, unspent debt proceeds, and certain investments with original maturities of three months or less. It is the University's practice to invest operating cash balances and bond proceeds in investments of varying maturity dates. Investments exclusive of endowment funds that are included in cash equivalents represent short-term, highly liquid investments that are both 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 endowment funds, may be classified current or noncurrent, depending on the individual investment's maturity date at June 30. Endowment funds are included in noncurrent investments.

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

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

Notes Receivable. Notes receivable primarily consist of student loans due to the University and are shown net of allowance for doubtful accounts.

Other Receivables. Other receivables represent state and federal appropriations receivable.

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

> **Inventories.** Inventories principally consist of consumable supplies and items held for resale or recharge within the University, and are valued using a variety of methods, including first in first out (FIFO), weighted average and moving average, depending upon the type of inventory. Agricultural commodities are reported using the consumption method, measured by physical count and are stated at market value.
>
> **Prepaid Expenses.** Prepaid expenses include amounts paid for services attributable to future fiscal years. These services include insurance, operating leases, services of consultants, subscriptions, and certain subcontracts.

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

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

The University records its interest in PRF Trust Funds' charitable remainder trusts at fair value. 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 fair market value for capital assets donated to the University at the date of gift. Items are capitalized when their value exceeds the threshold shown in the following table and its estimated useful life is greater than one year.

Renovations to buildings and other improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense. Major outlays for capital assets and improvements are capitalized as construction in progress throughout the building project. Prior to the adoption of GASB 89, interest incurred during the construction phase was included as part of the value of the construction in progress.

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

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

Depreciation is computed on a straight-line basis over the estimated useful life, as shown in the following table. Capital assets are removed from the records at the time of disposal.

Property Class	Threshold	Useful Life
Land	$100,000	Not depreciated
Land Improvements	$100,000	5-25 years
Infrastructure	$100,000	5-25 years
Buildings and Related Components	$100,000	10–50 years
Moveable Equipment (including fabricated equipment)	$5,000	5-10 years
Intangible Assets (software)	$500,000	7 years

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

Deposits Held In Custody for Others. Deposits of affiliates and others represent cash and invested funds held by the University as a result of agency relationships with various groups and individuals.

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

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

Funds Held in Trust for Others. The University reports liabilities to other beneficiaries related to endowments where the University serves as trustee for the component unit or related party. The University also adopted the CARES Act provision which allows for the deferral of the employer's share of Social Security taxes until payments are due by December 2021 and December 2022.

Asset Retirement Obligations. The University is obligated by the US Nuclear Regulatory Commission and the Environmental Protection Agency to perform certain tasks in relation to the decommissioning of specified research labs, radioactive material storage, and licensed devices using radioactive materials. As required by the Commission, our Radiological and Environmental Management team prepares a Decommissioning Funding Plan analysis, and our related asset retirement obligation mirrors the plan. Costs are estimated based on specific labor category, workdays, decontamination activities, and disposal costs. Key assumptions are that there will be no salvage value realized from any potential sales of assets, there is very low surface and very little fixed contamination, and that the number of University facilities involved with radioactive material has reached a steady state. The primary facility has an estimated remaining useful life of approximately 50 years. As a State funded institution, the

University is exempt from providing a financial assurance mechanism for closure. These obligations are included in Other Noncurrent Liabilities.

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

Net Invested in Capital Assets. Represents resources resulting from capital acquisition or construction, net of accumulated depreciation, and net of related debt. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

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

Restricted–Expendable. Represents net position that may be spent provided certain third-party restrictions are met. The following categories of restricted–expendable net position are presented: instruction, research, and public service; student aid; construction; and other. A significant portion of the "Other" category is related to undistributed gains of donor-restricted balances on endowments or quasi-endowments.

Unrestricted. Unrestricted net position is the balance not subject to externally imposed stipulations pertaining to their use. Management may designate that these funds will be spent for certain projects or programs or to fulfill certain long-term goals. Management has designated substantially all unrestricted net position for academic and capital purposes.

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

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

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

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

Operating Expenses. Expenses paid to acquire or produce goods and services provided in return for operating revenues and to carry out the mission of the University. Examples include compensation and benefits, travel, and supplies. Graduate, staff, staff dependent, and staff spouse fee remissions are included with compensation and benefits. Expenses are reported using natural classifications in the Statement of Revenues, Expenses, and Changes in Net Position. Functional classification reporting appears in Note 8. Indirect expenses, such as depreciation, are not allocated across functional categories.

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 fair value on the date of gift and are capitalized, if appropriate, subject to the University's policies on capitalization. Revenue from gifts-in-kind of approximately $2,885,000 and $2,213,000 was recognized during the years ending June 30, 2020 and 2019, respectively.

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

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

Current Environment. In December 2019, a novel strain of coronavirus (COVID-19) surfaced, spread around the world, and was declared a pandemic in March 2020 by the World Health Organization. With the spread of this disease came business and social disruption, resulting in significant changes to the way we conduct University activities. While Purdue has taken many steps to ensure public safety, there are still uncertainties related to the impact the coronavirus may have on future operations. We continue to monitor the course of the pandemic in order to be prepared to take additional measures to protect the health of the University and the greater community while continuing to promote the continuity of our land grant mission.

Note 2 — Deposits and Investments

Purdue University Deposits and Investments. Authorization for investment activity is stated in Indiana Code IC 21-29-2-1. Additionally, the Bylaws of the Trustees, revised and amended on August 3, 2018, authorize the Treasurer of the Trustees 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, 2020	June 30, 2019
SEPARATELY HELD INVESTMENTS:		
Land Grant Cash Held by State Treasurer	$ 340	$ 340
US Equity	52,092	60,190
Public Real Estate	1,623	1,601
US Agencies	-	170
Asset-Backed Securities	1,426	1,793
Corporate Bonds	878	394
Venture Capital/Private Equity	245	303
Short Term Investments	78,317	47,149
BOND PROCEEDS INVESTED:		
Short Term Investments	120,881	80,459
PIPC:		
Short Term Investments	360,263	231,494
Fixed Income:		
Asset-Backed Securities	108,187	98,128
Corporate Bonds	569,136	471,387
Mortgage-Backed Securities	287,045	278,100
US Agencies	58,152	70,542
US Treasuries and Securities	374,312	492,822
PIP:		
Short Term Investments	77,598	39,546
US Equity	494,996	486,315
International Equity	265,029	272,317
Fixed Income	88,920	142,659
Emerging Markets	93,852	101,715
Marketable Alternatives	184,762	178,645
Public Real Estate	105,409	113,192
Private Real Estate	55,560	40,424
Public Natural Resources	25,384	26,884
Private Natural Resources	51,586	69,741
Venture Capital/Private Equity	322,285	289,562
Total	**$ 3,778,278**	**$ 3,595,872**

The University's investment values included accumulated unrealized gains of approximately $184,805,000 and $258,686,000 as of June 30, 2020 and 2019, respectively. During the years ended June 30, 2020 and 2019, the investment income included an unrealized loss of approximately $73,880,000 and an unrealized gain of approximately $53,767,000, respectively.

As of June 30, 2020 and 2019, the University had approximately $347,030,000 and $300,797,000 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, 2020 and 2019, was approximately $8,642,000 and $2,537,000, 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, 2020 and 2019 were approximately $100,000 and $13,000,000, respectively. Federal depository insurance covered $500,000 and the remaining balance is uninsured and uncollateralized. Purdue Global evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with acceptable estimated risk levels are used as depositories.

Purdue University Investment Policies.

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

The Purdue Board of Trustees adopted the Purdue Investment Pool – Cash (PIPC) investment policy on May 15, 2015. The primary investment objectives of PIPC are 1) the preservation of capital, 2) the maximization of returns within acceptable levels of risk, and 3) management of liquidity requirements. Authorized investments include obligations of the United States (US) government, its agencies, and its instrumentalities; asset-backed and mortgage-backed securities (rated at least AAA or equivalent); corporate notes, corporate bonds, 144A bonds and Yankee bonds (rated investment grade) with demonstrated liquidity and marketability; pooled funds including mutual funds and common trust funds; high-yield bonds, include corporate bonds and bank loans (minimum credit quality of Ba3/BB-); investments managed under the University's endowment investment policy and the PIPC Loan Program supporting projects that are consistent with the mission to support the University and result in a public or charitable benefit or use for the University or its students.

Investments in PIPC shall be diversified, resulting in a portfolio weighted average duration of between two and five years, with an overall credit rating of "AA" as rated by a nationally recognized rating agency such as Moody's or Standard and Poor's, assuming the credit worthiness of the United States of America is AAA. If the United States of America is downgraded the portfolio's overall credit rating may fall in tandem and still be considered in compliance with this policy. Bonds rated BBB or lower will not exceed 20% of the portfolio. Funds not required to meet cash needs will be invested over a longer-term horizon.

The Purdue Endowment Investment Policy (PIP) outlining the parameters for endowment investments was updated on December 6, 2019. Authorized investments include equity, fixed income and alternative investments, including comingled investments. The overall policy objective is to generate real returns greater than its spending rate over the long term. The policy sets forth a diversified approach by and within the asset classes with the balanced goal of maximizing return and preserving purchasing power.

Moreover, a single manager or affiliated groups of managers will not represent more than 10% of the total endowment's market value. As a partial hedge against prolonged economic contraction, the University has adopted a target allocation of 10% for fixed income.

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

Interest Rate and Credit Rate Risks.

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

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

The PIP, as a long-term pool of capital, has a fixed income policy target of 10% but does not limit the maturity of the individual holdings as a means to manage interest rate risk.

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

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

June 30, 2019	**Maturity**				
Investment Type	**0–1 year**	**1–5 years**	**6–10 years**	**>10 years**	**Totals**
Separately Held:					
Separately Managed US Agencies	$ -	$ -	$ 170	$ -	$ 170
Asset-Backed Securities	-	351	1,021	421	1,793
Corporate Bonds	-	51	343	-	394
PIPC:					
Asset-Backed Securities	2,355	50,988	4,829	39,956	98,128
Corporate Bonds	111,148	278,689	45,439	36,111	471,387
Mortgage-Backed Securities	44,656	55,471	18,962	159,011	278,100
US Agencies	813	10,762	41,540	17,427	70,542
US Treasuries and Securities	136,140	259,778	80,238	16,666	492,822
PIP:					
Fixed Income and other	21,835	69,285	25,439	34,913	151,472
Total	$ 316,947	$ 725,375	$ 217,981	$ 304,505	$ 1,564,808

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

	June 30, 2020	% of Total	June 30, 2019	% of Total
Separately Held:				
A	$ 441	19.14%	$ 357	15.15%
AA	391	16.97%	470	19.94%
AAA	259	11.24%	862	36.57%
BAA	155	6.73%	240	10.18%
Unrated	1,058	45.92%	428	18.16%
Total Separately Held	2,304	100.00%	2,357	100.00%
PIPC:				
A	293,061	20.98%	249,359	17.67%
AA	73,585	5.27%	58,064	4.12%
AAA	731,148	52.34%	861,969	61.09%
B	1,096	0.08%	1,784	0.13%
BA	24,840	1.78%	12,276	0.87%
BAA	157,552	11.28%	124,761	8.84%
Unrated[1]	115,550	8.27%	102,766	7.28%
Total PIPC:	1,396,832	100.00%	1,410,979	100.00%
PIP:				
A	20,743	21.65%	30,267	19.98%
AA	5,205	5.43%	9,166	6.05%
AAA	49,240	51.38%	85,069	56.16%
B	-	-	356	0.24%
BA	1,793	1.87%	3,087	2.04%
BAA	9,959	10.39%	16,450	10.86%
Unrated[1]	8,893	9.28%	7,077	4.67%
Total PIP	95,833	100.00%	151,472	100.00%
Total	**$ 1,494,969**		**$ 1,564,808**	

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

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

All Separately Held and PIPC investments were maintained either in Purdue University accounts or Purdue Global accounts at custodial banks with the exception of $340,000 at both June 30, 2020 and 2019 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 $614,193,000 and $578,372,000 respectively at June 30, 2020 and 2019.

Foreign Currency Risk. Endowment equity managers may invest in common stocks, preferred stocks or fixed-income instruments convertible into common stocks, and American Depository Receipts of foreign corporations. The University's endowment fixed-income managers may invest in foreign fixed-income securities equivalent in quality to permitted domestic securities, but not to exceed 20% of the assets entrusted to the manager. All currency exposures are to be hedged into the U.S. dollar unless otherwise approved by the University. Please refer to the Investment Type table for the University's exposure to international investments. In addition to those investments, the University estimates its international exposure in its PIP alternative investments was approximately $74,159,000 and $97,251,000 as of June 30, 2020 and 2019, respectively.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. As of June 30, 2020 and 2019, no more than 5% of total investments were with any single issuer, except U.S. Treasury and Agencies, consistent with policy limits.

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

As of June 30, 2020 and 2019, accumulated market appreciation of the PIP pool was approximately $360,479,000 and $477,580,000, respectively. Of this amount, 39.44% and 43.02% represents appreciation attributable to donor-restricted (true and term) endowments during the year ended June 30, 2020 and 2019, 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, 2020 and 2019, the PRF PIP investment pool includes the following PRF Trusts assets, net of liabilities (dollars in thousands).

	Assets at Fair Value	
	June 30, 2020	**June 30, 2019**
University	$ 27,718	$ 18,414
PRF	35,954	36,730
Other Affiliates	242	249
Total	**$ 63,914**	**$ 55,393**

As of June 30, 2020 and 2019, the University's beneficial interest in the Trust Assets of $27,718,000 and $18,414,000, respectively, are reported as Deferred Inflows of Resources.

As of June 30, 2020 and 2019, the University PIP investment pool includes endowment assets of approximately $6,818,000 and $7,299,000, offset by Funds Held in Trust obligations to the other beneficiaries.

The University also has beneficiary interest in insurance contracts of $388,000 and $373,000, respectively, as of June 30, 2020 and 2019.

PRF Investments. PRF manages the investment of the PIP on behalf of the University. The fair value of all PRF investments, inclusive of the $1,765,381,000 and $1,761,000,000 of the University's PIP, at June 30, 2020 and 2019, respectively, is as follows (dollars in thousands):

Investment Type		June 30, 2020		June 30, 2019
Short-Term Investments	$	5,222	$	6,754
U.S. Equity		31,686		28,082
Fixed Income		7,083		7,946
Venture Capital		537		361
Private Natural Resources		9,500		-
Pooled Funds:				
Short-Term Investments		210,193		143,601
U.S. Equity		764,222		765,208
International Equity		380,987		399,246
Fixed Income		136,343		217,597
Emerging Markets		134,916		149,125
Public Real Estate		151,528		165,952
Private Real Estate		63,528		59,266
Public Natural Resources		36,490		39,415
Private Natural Resources		74,156		102,248
Hedge Funds		265,601		261,912
Venture Capital/Private Equity		459,846		424,528
Total	**$**	**2,731,838**	**$**	**2,771,241**

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, 2020				
Investment Type	**Level 1**	**Level 2**	**Level 3**	**NAV**	**Total**
SEPARATELY HELD INVESTMENTS:					
Land Grant Cash Held by State Treasurer	$ -	$ 340	$ -	$ -	$ 340
US Equity	52,092	-	-	-	52,092
Public Real Estate	-	-	1,623	-	1,623
Separately Managed US Agencies	-	-	-	-	-
Asset-Backed Securities	-	1,426	-	-	1,426
Corporate Bonds	-	878	-	-	878
Venture Capital/Private Equity	-	-	245	-	245
Short Term Investments	78,317	-	-	-	78,317
BOND PROCEEDS INVESTED:					
Short Term Investments	120,881	-	-	-	120,881
PIPC:					
Short Term Investments	360,263	-	-	-	360,263
Fixed Income:					
Asset-Backed Securities	-	108,187	-	-	108,187
Corporate Bonds	-	569,136	-	-	569,136
Mortgage-Backed Securities	-	287,045	-	-	287,045
US Agencies	-	58,152	-	-	58,152
US Treasuries and Securities	374,312	-	-	-	374,312
PIP:					
Short Term Investments	76,400	-	1,198	-	77,598
US Equity	278,667	20,499	-	195,830	494,996
International Equity	227,939	-	-	37,090	265,029
Fixed Income	21,496	67,424	-	-	88,920
Emerging Markets	68,607	-	-	25,245	93,852
Marketable Alternatives	-	-	96,502	88,260	184,762
Public Real Estate	105,409	-	-	-	105,409
Private Real Estate	-	-	55,560	-	55,560
Public Natural Resources	25,384	-	-	-	25,384
Private Natural Resources	-	-	51,586	-	51,586
Venture Capital/Private Equity	-	5,136	317,149	-	322,285
Total	**$ 1,789,767**	**$ 1,118,223**	**$ 523,863**	**$ 346,425**	**$ 3,778,278**

Investment Type	Fair Value Measurements at June 30, 2019 Level 1	Level 2	Level 3	NAV	Total
SEPARATELY HELD INVESTMENTS:					
Land Grant Cash Held by State Treasurer	$ -	$ 340	$ -	$ -	$ 340
US Equity	60,190	-	-	-	60,190
Public Real Estate	-	-	1,601	-	1,601
Separately Managed US Agencies	-	170	-	-	170
Asset-Backed Securities	-	1,793	-	-	1,793
Corporate Bonds	-	394	-	-	394
Venture Capital/Private Equity	-	-	303	-	303
Short Term Investments	47,149	-	-	-	47,149
BOND PROCEEDS INVESTED:					
Short Term Investments	80,459	-	-	-	80,459
PIPC:					
Short Term Investments	231,494	-	-	-	231,494
Fixed Income:					
Asset-Backed Securities	-	98,128	-	-	98,128
Corporate Bonds	-	471,387	-	-	471,387
Mortgage-Backed Securities	-	278,100	-	-	278,100
US Agencies	-	70,542	-	-	70,542
US Treasuries and Securities	492,822	-	-	-	492,822
PIP:					
Short Term Investments	33,888	1,391	4,267	-	39,546
US Equity	288,607	18,946	-	178,762	486,315
International Equity	233,214	-	-	39,103	272,317
Fixed Income	33,599	109,060	-	-	142,659
Emerging Markets	73,823	-	-	27,892	101,715
Marketable Alternatives	-	-	126,398	52,247	178,645
Public Real Estate	113,192	-	-	-	113,192
Private Real Estate	-	-	40,424	-	40,424
Public Natural Resources	26,884	-	-	-	26,884
Private Natural Resources	-	-	69,741	-	69,741
Venture Capital/Private Equity	-	6,329	283,233	-	289,562
Total	**$ 1,715,321**	**$ 1,056,580**	**$ 525,967**	**$ 298,004**	**$ 3,595,872**

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). There are also investments where cash is held in a financial institution or investment account (Level 2 or Level 3 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. These investments are able to be redeemed on a short-term basis (Level 2 inputs).

Fixed Income. Fixed income investments include U.S. government bonds and corporate debt valued at the closing price reported in the active market in which the bond is traded (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 under the market approach. These investments are able to be redeemed on a short-term basis (Level 2 inputs).

International Equity. Non-U.S. equity investments are generally in separately managed accounts principally invested in common stocks. The fair values of common stocks are determined by obtaining quoted prices on globally recognized securities exchanges (Level 1 inputs). The University also has an equity investment in a commingled fund that is valued using NAV under the market approach. This investment is able to be redeemed on a short-term basis (Level 2 inputs). There are no unfunded future commitments to these investments.

Emerging Markets. Equity investments held in common stock of developing countries. The fair values of common stocks are determined by obtaining quoted prices on globally recognized securities exchanges (Level 1 inputs). The University also has an equity investment held in a commingled fund that is valued using NAV under the market approach. This investment is able to be redeemed on a short-term basis (Level 2 inputs). There are no significant restrictions on redemption and no unfunded future commitments to these investments.

Marketable Alternatives. Marketable Alternatives include Hedge funds which are investments that employ a variety of strategies including US and global long/short, event and diversified arbitrage. The funds seek to generate positive risk-adjusted returns across a range of market environments. A NAV is used to determine the fair value. 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. In a few instances, however, lock-ups of up to two years are in place, or the fund balance is in illiquid side pocket investments (Level 3 inputs).

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

Private Real Estate. The fair values of the investments in real estate partnerships have been estimated using the NAV of the ownership interest in partners' capital. 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 at NAV with the fund managers until the partnerships terminate, which range from 3 to 10 years. Partnership investments are not readily marketable and their estimated value is subject to uncertainty (Level 3 inputs).

Public Natural Resources. Equity investments relating to oil and gas exploration, supplies and equipment are held in a commingled fund that is valued using NAV under the market approach. These investments are able to be redeemed on a short-term basis (Level 1 inputs). There are no significant restrictions on redemption and no unfunded future commitments to these investments.

Private Natural Resources. The fair values of the investments in energy-related and mineral and mining partnerships have been estimated using the NAV of the ownership interest in partners' capital. 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 at NAV with the fund managers until the partnerships terminate, which range from 5 to 12 years. Partnership investments are not readily marketable and their estimated value is subject to uncertainty (Level 3 inputs).

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. 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 at NAV with the fund managers until the partnerships terminate, which range from 1 to 12 years. Partnership investments are not readily marketable and their estimated value is subject to uncertainty (Level 3 inputs). A special situations private equity investment fund is able to be redeemed on a short-term basis with no significant restrictions (Level 2 inputs).

Note 3 – Accounts, Pledges, and Notes Receivable

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

	June 30, 2020	June 30, 2019
Grants and Contracts	$ 53,951	$ 58,702
Student and General	40,555	36,453
Other Accrued Revenues	22,519	23,971
Less: Allowance for Doubtful Accounts	(3,679)	(7,458)
Total Accounts Receivable, Net	**113,346**	**111,668**
Pledges Receivable	65,651	91,919
Less: Allowance for Doubtful Pledges	(2,870)	(3,435)
Net Pledges Receivables	62,781	88,484
Less: Noncurrent Portion	(25,915)	(37,316)
Pledges Receivable, Current Portion	**36,866**	**51,168**
Perkins Loans	11,817	15,257
Institutional Loans	38,574	42,055
Other Student Loans and Notes Receivable	28,257	28,624
Less: Allowance for Doubtful Loans	(1,374)	(1,356)
Net Notes Receivable	77,274	84,580
Less: Noncurrent Portion	(61,624)	(76,222)
Notes Receivable, Current Portion	**15,650**	**8,358**
Federal Appropriations Receivable	1,122	5,735
Other Receivables, Current Portion	**$ 1,122**	**$ 5,735**

Note 4-Capital Assets (dollars in thousands)

Capital Assets Activity	Balance July 1, 2019	Additions	Retirements	Transfers	Balance June 30, 2020
Capital Assets, Not Being Depreciated:					
Land	$ 58,678	$ 4,801	$ 346	$ -	$ 63,133
Construction in Progress	136,991	117,193	-	(71,065)	183,119
Total Capital Assets, Not Being Depreciated	195,669	121,994	346	(71,065)	246,252
Capital Assets, Being Depreciated:					
Land Improvements	84,340	3,688	6,065	667	82,630
Infrastructure	225,357	9,058	397	6,690	240,708
Buildings	3,701,371	112,905	5,377	63,410	3,872,309
Equipment	671,246	63,240	27,049	298	707,735
Software	83,843	227	-	-	84,070
Total Capital Assets, Being Depreciated	4,766,157	189,118	38,888	71,065	4,987,452
Less Accumulated Depreciation:					
Land Improvements	65,771	2,578	6,040	-	62,309
Infrastructure	85,963	10,081	397	-	95,647
Buildings	1,790,310	125,368	4,931	-	1,910,747
Equipment	436,072	43,544	25,255	-	454,361
Software	62,874	5,363	-	-	68,237
Total Accumulated Depreciation	2,440,990	186,934	36,623	-	2,591,301
Total Capital Assets, Net of Accumulated Depreciation	**$ 2,520,836**	**$ 124,178**	**$ 2,611**	**$ -**	**$ 2,642,403**

Capital Assets Activity	Balance July 1, 2018	Additions	Retirements	Transfers	Balance June 30, 2019
Capital Assets, Not Being Depreciated:					
Land	$ 56,777	$ 1,903	$ 2	$ -	$ 58,678
Construction in Progress	74,071	159,604	-	(96,684)	136,991
Total Capital Assets, Not Being Depreciated	130,848	161,507	2	(96,684)	195,669
Capital Assets, Being Depreciated:					
Land Improvements	85,209	1,054	3,802	1,879	84,340
Infrastructure	208,955	1,386	-	15,016	225,357
Buildings	3,648,574	1,331	2,021	53,487	3,701,371
Equipment	641,987	51,470	23,044	833	671,246
Software	58,392	-	18	25,469	83,843
Total Capital Assets, Being Depreciated	4,643,117	55,241	28,885	96,684	4,766,157
Less Accumulated Depreciation:					
Land Improvements	67,195	2,378	3,802	-	65,771
Infrastructure	76,383	9,580	-	-	85,963
Buildings	1,659,516	132,601	1,807	-	1,790,310
Equipment	416,353	41,019	21,300	-	436,072
Software	58,370	4,522	18	-	62,874
Total Accumulated Depreciation	2,277,817	190,100	26,927	-	2,440,990
Total Capital Assets, Net of Accumulated Depreciation	**$ 2,496,148**	**$ 26,648**	**$ 1,960**	**$ -**	**$ 2,520,836**

During fiscal year 2020, the University incurred $28,969,000 in interest costs related to the ownership of capital assets.

Note 5 —Accounts Payable and Accrued Expenses

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

	June 30, 2020	June 30, 2019
Construction Payables	$ 20,185	$ 30,161
Accrued Insurance Liabilities	25,352	25,493
Interest Payable	18,462	20,507
Accrued Salaries and Wages	23,465	22,518
Vendor and Other Payables	112,759	95,041
Total Accounts Payable and Accrued Expenses	**$ 200,223**	**$ 193,720**

Note 6 — Debt Related to Capital Assets

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

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

Debt Related Liabilities	Balance July 1, 2018		Increases		Decreases		Balance June 30, 2019		Current Portion
Notes Payable	$ 5,982	$	-	$	572	$	5,410	$	455
Leases Payable to Affiliated Foundations	226,679		-		11,742		214,937		77,760
Bonds Payable									
Student Facilities System Revenue Bonds	339,570		-		17,315		322,255		65,010
Student Fee Bonds	370,015		90,135		30,625		429,525		32,975
Total Bonds Payable	709,585		90,135		47,940		751,780		97,985
Net Unamortized Premiums and Costs	72,217		14,493		10,878		75,832		10,161
Total Debt Related Liabilities	**$ 1,014,463**	**$**	**104,628**	**$**	**71,132**	**$**	**1,047,959**	**$**	**186,361**

Notes Payable. As of June 30, 2020 and 2019, the balance of notes outstanding was approximately $4,930,000 and $5,410,000, respectively, representing financing for various activities.

On November 15, 2015, the University entered into an agreement with Purdue Research Foundation (PRF) that transferred the Bowen Laboratory Facility property to the University in exchange for an agreement to pay the balance of the PRF debt attributable to the Bowen Lab. The initial balance was $7,070,000, and the balances at June 30, 2020 and 2019 were $4,930,000 and $5,385,000, respectively. The interest rate for this agreement ranges between 3-5% as of June 30, 2020 and 2019.

On June 10, 2010, the University entered into a loan agreement with PRF to refinance its capital lease with PRF. The agreement authorized the transfer of the Schneider Avenue building from PRF to the Hammond campus in exchange for the original promise to pay approximately $1,140,000 over thirteen annual payments. The outstanding balance of this note was $-0- and $25,000 as of June 30, 2020 and 2019. The interest rate for the note was fixed at 8.00%.

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

Issue	Issue Date	Original Issuance	Interest Rates	Final Maturity Date	Outstanding June 30, 2020	Outstanding June 30, 2019	Current Outstanding June 30, 2020
Certificates of Participation with Ross-Ade:							
Series 2006	2006	70,345	5.25%	2025	21,095	24,025	3,085
Series 2009B	2009	42,795	-	2019	-	36,385	-
Series 2011A	2011	32,185	0.11%*	2035	31,295	31,700	31,295
Series 2016A	2016	85,120	4.00-5.00%	2037	81,675	83,440	3,805
Direct Placement Certificates of Participation:							
Series 2014A	2014	21,955	2.66%	2027	18,180	19,050	895
Leases with Purdue Research Foundation:							
Kaplan	2012	1,335	5.63%	2022	246	359	120
Child Care Facility	2018	5,522	2.61%*	2033	4,643	4,923	287
NW Recreation Facility	2018	4,924	2.61%*	2031	4,125	4,379	260
Other Leases:							
Cisco	2018	23,458	2.52%	2022	7,206	10,676	3,559
					168,465	214,937	43,306
Net unamortized premiums and costs					12,253	14,017	1,658
Total					**$ 180,718**	**$ 228,954**	**$ 44,964**

**Variable interest rates are reset periodically and are based upon market conditions. Rates shown are as of June 30, 2020.*

Debt issuances are comprised of annual maturities, each of which may have a different interest rate. Table above reflects the rates in effect on 6/30/20.

The Certificates of Participation (COPs) are secured by certain real estate and the projects located on that real estate, the lease payments to the Ross-Ade Foundation, and a pledge of available income, except student fees and state appropriations. The University has entered into a lease purchase arrangement whereby on the termination of the stated lease, title to the land and buildings will be conveyed absolutely to the Trustees of the University. At any time during the lease term, the University has the right to acquire the entire title to the facility by paying the Ross-Ade Foundation an amount equal to the then outstanding indebtedness. The Ross-Ade Foundation has created a reserve for valuation to reduce the carrying value of certain properties leased to the University in an amount not greater than the proceeds to be received if disposal was made to the University. During the fiscal years ended June 30, 2020 and 2019, the University included approximately $31,295,000 and $31,700,000 in Current Liabilities related to variable rate Certificates of Participation (Series 2011A).

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, including the weekly remarketed variable rate COPS 2011A. The COPS 2014A were issued pursuant to the same terms and conditions as all other Certificates and were purchased by JPMorgan Chase Bank, N.A.

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

As of June 30, 2020 and 2019, leases payable included amounts relating to properties with a book value, net of accumulated depreciation, of approximately $218,220,000 and $220,058,000, respectively.

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

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

On May 31, 2019, the University completed an optional call from the last scheduled maturity on the outstanding variable rate certificates series. The certificates called were Certificates of Participation, Series 2011A ($245,000, July 1, 2035).

On June 15, 2016, the University issued Certificates of Participation, Series 2016A at par value of $85,120,000 and a premium of approximately $18,127,000 to fund the renovation and expansion of the Mollenkopf Football Performance Center at the West Lafayette campus, to pay for allowable construction period interest and costs of issuance, and to effect a cross-over refunding of a portion of Build America Certificates of Participation, Series 2009B (Direct Pay Option) effective July 1, 2019. Debt service on the Series 2016A refunding certificates due up to and including July 1, 2019 was paid from an irrevocable escrow held by the Escrow Trustee, Bank of New York Mellon. At the cross-over date, $34,130,000 was outstanding in Series 2009B and was called and paid for by the escrowed funds. The university estimates a reduction in its aggregate debt service payments over the life of the debt of approximately $2,579,000, due to the refunding. An economic loss (difference between the reacquisition cost and unamortized premium) of approximately $3,471,000 was created when the cross-over was effected on July 1, 2019 and will be amortized through 2031. During fiscal year 2020, no debt service was paid from capitalized interest, borrowed as part of COPS 2016A. During fiscal year 2019, debt service of $2,397,000 was paid from capitalized interest, borrowed as part of COPS 2016A. For fiscal years, 2020 and 2019, the annual debt service of $735,000 related to the crossover refunding was paid from securities held by the Escrow Trustee. Interest income earned on the escrowed securities during fiscal years 2020 and 2019 was approximately $52,000 and $19,000, respectively.

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

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

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

Bonds Payable. As of June 30, 2020 and 2019, the balance of bonds payable was approximately $887,147,000 and $813,595,000, 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, 2020	Total Outstanding June 30, 2019	Current Outstanding June 30, 2020
Student Facilities System Revenue Bonds:								
Series 2004A								
	Finance construction of Hammond student housing and parking garage facilities	2004	$ 28,100	0.11%*	2033	$ 16,145	$ 16,345	$ 16,145
Series 2005A								
	Finance construction and renovation of West Lafayette housing and food service facilities	2005	24,200	0.09%*	2029	5,855	5,930	5,855
Series 2007A								
	Refund a portion of Student Facilities System Revenue Bond Series 2003A and 2003B	2007	61,865	5.25%	2029	46,950	50,490	3,770
Series 2007C								
	Renovate a West Lafayette student housing facility, and finance construction on a new West Lafayette student housing facility	2007	61,725	0.09%*	2032	24,820	25,135	24,820
Series 2010A								
	Taxable Build America Bonds to finance the renovation of West Lafayette student housing facilities, and refund a portion of commercial paper	2010	24,985	4.20%	2020	16,775	18,025	16,775
Series 2011A								
	Refund a portion of Student Facilities System Revenue Bond Series 2004A, 2005A, and 2007C	2011	49,440	3.75-5.00%	2025	24,640	28,410	4,025
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	20,350	23,765	1,170
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	90,505	93,135	2,740
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	58,025	61,020	3,120
						304,065	322,255	78,420
Net unamortized premiums and costs						20,261	23,154	2,696
Total Student Facilities System Revenue Bonds						**$ 324,326**	**$ 345,409**	**$ 81,116**

Debt issuances are comprised of annual maturities, each of which may have a different interest rate. Table above reflects the rates in effect on 6/30/20.

**Variable interest rates are reset weekly and are based upon market conditions. Rates shown are as of June 30, 2020.*

Issuance and Description		Issue Date	Original Issuance	Interest Rates	Final Maturity Date	Total Outstanding June 30, 2020	Total Outstanding June 30, 2019	Current Outstanding June 30, 2020
Student Fee Bonds:								
Series U								
	Refund a portion of Student Fee Bond Series Q	2005	35,200	5.25%	2022	9,315	12,630	3,490
Series X								
	Finance construction of West Lafayette Health and Human Sciences facility, add a wing to West Lafayette Mechanical Engineering Building, West Lafayette power improvements, construct the Fort Wayne Student Services and Library Complex, for Repair & Rehabilitation projects, and refund a portion of commercial paper	2009	106,925	-	2019	-	5,265	-
Series Y								
	Refund Student Fee Bond Series S, T, and V	2010	74,130	5.00%	2020	4,300	8,390	4,300
Series Z-1								
	Finance a portion of construction of West Lafayette Student Fitness and Wellness Center, Fort Wayne Parking Garage, and West Lafayette Repair & Rehabilitation projects and refund Student Fee Bond Series H, K, L, O, a portion of Series R and a portion of commercial paper	2010	68,320	5.00%	2020	4,280	16,440	4,280
Series Z-2								
	Taxable Build America Bonds to finance a portion of construction of West Lafayette Student Fitness and Wellness Center, Fort Wayne Parking Garage, and West Lafayette Repair & Rehabilitation projects	2010	100,705	3.49-5.33%	2035	81,680	85,575	3,990
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	40,880	43,095	2,320
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	30,810	34,105	3,465
Series BB2								
	Taxable debt for reallocation of Drug Discovery from tax-exempt Series AA	2015	18,985	2.37-3.81%	2032	14,335	15,235	915
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	118,880	119,865	6,400
Series DD								
	Finance renovation and construction of Agricultural and Biological Engineering building and construction of BioScience Innovation building	2018	90,135	5.00%	2038	85,410	88,925	2,795
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	4.00-5.00%	2037	112,140	-	3,075
						502,030	429,525	35,030
Net unamortized premiums and costs						60,791	38,661	7,997
Total Student Fee Bonds						**$ 562,821**	**$ 468,186**	**$ 43,027**

Debt issuances are comprised of annual maturities, each of which may have a different interest rate. Table above reflects the rates in effect on 6/30/20.

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

Student Fee Bonds

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

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

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

Student Facilities System Revenue Bonds

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

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

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

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

As of June 30, 2020 and 2019, the University had $46,820,000 and $47,410,000 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 (including variable rate COPs Series 2011A), in whole or in part, at any time from the weekly rate to a rate determined pursuant to one of six additional interest rate modes: a daily rate, a monthly rate, a quarterly rate, a semiannual rate, or a term rate (each an "adjustable rate"), or a fixed rate in accordance with the procedures provided in the indenture. However, if the debt is converted in whole or in part to a fixed rate, the interest rate on the debt so converted may not be subsequently changed to an adjustable rate.

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

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

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

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

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

On May 31, 2019, the University completed an optional call from the last scheduled maturity on each of the outstanding variable rate bond series. The bonds called were: Student Facilities System Revenue Bonds, Series 2004A ($130,000, July 1, 2033); Student Facilities System Revenue Bonds, Series 2005A ($45,000, July 1, 2029); and Student Facilities System Revenue Bonds, Series 2007C ($195,000, July 1, 2032).

On September 18, 2018, the University issued Student Fee Bonds, Series DD at par value of $90,135,000 and a premium of approximately $14,493,000 to partially fund the construction of the BioScience Innovation building on the Hammond campus and Agricultural and Biological Engineering Renovation and Addition on the West Lafayette campus, and to pay for allowable costs of issuance.

Scheduled payments related to the debt 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**
2021	78,211	39,081	117,292	895	472	1,367
2022	57,815	38,194	96,009	920	448	1,368
2023	60,182	35,504	95,686	940	423	1,363
2024	59,940	32,969	92,909	965	397	1,362
2025	61,573	30,424	91,997	995	371	1,366
2026-2030	301,476	109,111	410,587	13,465	702	14,167
2031-2035	243,103	48,364	291,467	-	-	-
2036-2040	94,680	7,734	102,414	-	-	-
2041	4,330	87	4,417	-	-	-
	961,310	341,468	1,302,778	18,180	2,813	20,993
Net unamortized premiums and costs	93,305	-	93,305	-	-	-
	$ 1,054,615	$ 341,468	$ 1,396,083	$ 18,180	$ 2,813	$ 20,993

As of June 30, 2020 and 2019, the Deferred Outflows of Resources for debt refunding was $20,456,000 and $22,069,000, respectively.

Lines of Credit

The University does not use lines of credit.

Defeased Bond Issues. The University defeases bonds by prepayment or issuing new debt. The University's defeased debt is shown below (dollars in thousands). US Treasury obligations have been purchased in amounts sufficient to pay principal and interest payments when due through call date, and with the exception of Student Fee Bonds, Series Z1, have been deposited in irrevocable trusts with the Trustee. Neither the defeased bonds nor the related trusts are reflected in the accompanying financial statements.

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

Description of Bonds	**Final Maturity/ Call Date**	**Amount Outstanding**	
		June 30, 2020	June 30, 2019
Student Facilities Systems Revenue Bonds:			
Student Facilities System Revenue Bonds, Series 2009B	7/1/2019	-	32,930
Student Fee Bonds:			
Student Fee Bonds, Series X	7/1/2019	-	61,570
Student Fee Bonds, Series Y	7/1/2020	35,380	35,380
Student Fee Bonds, Series Z1	7/1/2020	6,660	-

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

Fiscal Year	Lease Payments
2021	16,526
2022	6,197
2023	4,725
2024	4,118
2025	2,850
Total Future Minimum Payments	**$34,416**

Note 7— Other Debt Information

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

Liabilities	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion
Accrued Compensated Absences	$ 71,668	$ 31,729	$ 28,750	$ 74,647	$ 29,067
Other Post Employment Benefits	43,457	3,676	13,776	33,357	-
Funds Held in Trust for Others	7,299	12,173	483	18,989	-
Other Noncurrent Liabilities	15,967	9,042	-	25,009	-
Advances from Federal Government	15,211	315	7,008	8,518	-
Total	**$ 153,602**	**$ 56,935**	**$ 50,017**	**$ 160,520**	**$ 29,067**

Liabilities	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019	Current Portion
Accrued Compensated Absences	$ 66,801	$ 32,502	$ 27,635	71,668	$ 30,084
Other Post Employment Benefits	46,347	3,921	6,811	43,457	-
Funds Held in Trust for Others	7,241	58	-	7,299	-
Other Noncurrent Liabilities	2,661	13,306	-	15,967	-
Advances from Federal Government	14,935	276		15,211	-
Total	**$ 137,985**	**$ 50,063**	**$ 34,446**	**$ 153,602**	**$ 30,084**

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

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

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

At July 1, 2019, Purdue University plan membership consisted of the following:

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 $33,357,000 as of June 30, 2020 and $43,457,000 as of June 30, 2019 were determined with measurement/experience dates of July 1, 2019 and July 1, 2018, using an actuarial valuation as of July 1, 2019 and 2017, respectively, done in accordance with GASB Statement No. 75. The total OPEB liabilities in the June 30, 2019 and 2018 actuarial reports were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial assumptions:	
Inflation	2.50%
Projected salary increases	3.00%
Discount rate	3.50 % as of July 1, 2019; 3.87% as of July 1, 2018
Health care cost trend rate:	
Medical & Prescription Drug	7.25% graded to 4.5% over 11 years
Vision	3.00%
Administrative Costs	3.00%
Mortality Rates	As prescribed under IRS Regulations 1.431 (c)(6)-1 and 1.430(h)(3)-1, using static tables with separate tables for annuitants and nonannuitants (RP-2000 tables projected forward to the valuation year plus 7 years for annuitants and 15 years for nonannuitants)

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

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

Balance at June 30, 2019	**$ 43,457**
Changes for Year:	
Service Cost	2,023
Interest	1,653
Change of benefit terms	(755)
Differences between expected and actual experience	(2,219)
Changes of assumptions	(5,252)
Benefit payments, including refunds of member contributions	(5,550)
Net Change in Total OPEB Liability	(10,100)
Balance at June 30, 2020	**$ 33,357**

Changes of assumptions reflect a decrease in the discount rate from 3.87% to 3.50%.

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 (2.50%) or 1 percentage point higher (4.50%) than the current discount rate. Also shown is 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.

	1% Increase in Discount Rate 4.50%	Current Discount Rate 3.50%	1% Decrease in Discount Rate 2.50%
Total OPEB Liability	$ 31,395,851	$ 33,356,895	$ 35,504,058

	1% Increase in Health Care Cost Trend Rates	Current Health Care Cost Trend Rates	1% Decrease in Health Care Cost Trend Rates
Total OPEB Liability	$ 36,281,173	$ 33,356,895	$ 30,820,169

OPEB Expense and Deferred Inflows of Resources related to OPEB:

For the year ended June 30, 2020 and 2019, the University recognized OPEB expense of approximately $1,611,000 and $3,572,000, respectively. At June 30, 2020 and 2019, the University reported Deferred Inflows of Resources related to the Change of Assumptions in the amount of approximately $8,205,000 and $2,044,000, respectively, related to the Changes of Assumptions. At June 30, 2020 and 2019, the University reported Deferred Outflows of Resources in the amount of approximately $2,897,000 and $2,823,000, respectively, related to payments made beyond the measurement dates of July 1, 2019 and 2018.

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

Total Year Ended June 30,		
2021	$	(1,311)
2022		(1,311)
2023		(1,311)
2024		(1,311)
2025		(1,205)
Thereafter		(1,756)
Total	$	(8,205)

Note 8 - Operating Expenses by Function

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

June 30, 2020

Function	Compensation & Benefits	Supplies and Services	Depreciation	Scholarships, Fellowships & Student Awards	Total
Instruction	$ 752,754	$ 100,701	$ -	$ -	$ 853,455
Research	200,582	94,697	-	-	295,279
Extension and Public Service	104,989	41,357	-	-	146,346
Academic Support	101,421	63,767	-	-	165,188
Student Services	66,054	23,324	-	-	89,378
General Administration and Institutional Support	246,222	215,975	-	-	462,197
Physical Plant Operations and Maintenance	83,399	53,781	-	-	137,180
Depreciation	-	-	186,934	-	186,934
Student Aid	-	-	-	62,240	62,240
Auxiliary Enterprises	99,689	100,287	-	-	199,976
Total	**$ 1,655,110**	**$ 693,889**	**$ 186,934**	**$ 62,240**	**$ 2,598,173**

June 30, 2019

Function	Compensation & Benefits	Supplies and Services	Depreciation	Scholarships, Fellowships & Student Awards	Total
Instruction	$ 740,654	$ 108,824	$ -	$ -	$ 849,478
Research	200,794	94,431	-	-	295,225
Extension and Public Service	97,190	46,256	-	-	143,446
Academic Support	102,559	86,535	-	-	189,094
Student Services	68,199	26,525	-	-	94,724
General Administration and Institutional Support	265,867	228,749	-	-	494,616
Physical Plant Operations and Maintenance	82,388	58,999	-	-	141,387
Depreciation	-	-	190,100	-	190,100
Student Aid	-	-	-	65,666	65,666
Auxiliary Enterprises	100,772	90,060	-	-	190,832
Total	**$ 1,658,423**	**$ 740,379**	**$ 190,100**	**$ 65,666**	**$ 2,654,568**

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, 2020 and 2019, the University's contribution to FICA was approximately $68,232,000 and $66,740,000, 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, 2020, $12,171,000 has been retained under this provision, and is included in the Funds Held in Trust for Others liability.

Defined Contribution Plans. Certain employees of the University participate in defined contribution plans. Benefit provisions are established and/or amended by the Trustees. University defined contribution plans are all administered through Fidelity Investments. Plan contributions are made at the time the associated payroll is issued, so there is not a material outstanding liability at June 30, 2020 or 2019.

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, 2020 and 2019, there were 7,553 and 7,428 employees, respectively, participating in the plans with annual pay equal to approximately $712,361,000 and $688,081,000, respectively. For the years ended June 30, 2020 and 2019, the University made contributions totaling approximately $67,846,000 and $65,362,000, 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, 2020 and 2019, there were 2,547 and 2,384 employees, respectively, participating in the plan with annual pay equal to approximately $66,033,000 and $59,777,000, respectively. For the year ended June 30, 2020 and 2019, the University made base contributions totaling approximately $2,509,000 and $2,229,000, respectively, and matching contributions totaling approximately $2,170,000 and $2,042,000, 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 material outstanding liability at June 30, 2020 or June 30, 2019.

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, 2020 and 2019, there were 1,041 and 890 employees participating in the 457(b) plan with pay equal to approximately $41.6 and $47.4 million, respectively. For the periods ended June 30, 2020 and 2019, employees contributed $4.8 million and $4.3 million, respectively.

Likewise, all employees except interns, temporary, vacation relief, or call-in employees participate in the Purdue University Global, Inc. 403(b) Defined Contribution Retirement Savings Plan immediately upon commencement of employment. This plan features a non-elective employer contribution of 3% of participant's compensation. It also provides an employer matching contribution of 100% of elective deferrals up to 4% of compensation made to the Purdue University Global, Inc. 457(b) Deferred Compensation Plan. Three-year cliff vesting is in effect for the contributions in this plan. For the period ended June 30, 2020 and 2019, there were 2,047 and 1,865 employees participating in the 403(b) plan with pay equal to approximately $56.0 and $61.4 million. For the period ended June 30, 2020 and 2019 the University made contributions totaling $3.6 and $4.1 million to the plan.

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

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

PERF Hybrid. Regular clerical and service staff employed at least half-time and hired on or prior to September 8, 2013, participate in the Public Employees Retirement Fund (PERF) Hybrid Plan, a retirement program administered by Indiana Public Retirement System (INPRS), an agency of the state of Indiana.

PERF Hybrid was established to provide retirement benefits to plan members and beneficiaries. Benefit provisions are established and/or amended by the State of Indiana.

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

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

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

Full Retirement Benefit:

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

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

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

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

Retirement and Termination Benefit under PERF DC:

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

The required contributions to the PERF Hybrid plan are determined by INPRS Board of Trustees based on an actuarial valuation. For the years ended June 30, 2020 and 2019, 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, 2020 and 2019, there were 2,095 and 2,302 employees, respectively, participating in PERF Hybrid. The University's proportionate share of PERF Hybrid's Net Pension Liability, based on covered payroll of approximately $87,930,000 was 1.68768% for the measurement date June 30, 2019, 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 $55,779,000 and $58,681,000 as of June 30, 2020 and 2019.

The University made contributions to the plan totaling approximately $11,426,000 and $12,712,000 for the years ending June 30, 2020 and 2019, respectively. The amount of contribution made after the measurement date, which is shown as a deferred outflow was approximately $9,000,000 and $10,523,000 for the years ended June 30, 2020 and 2019, respectively. The proportionate shares of pension plan expense for the years ended June 30, 2020 and 2019 as calculated under GASB 68 guidance were approximately $8,828,000 and $9,201,000, less net amortization of deferred amounts of approximately $472,000 and $1,680,000, leaving a net pension expense of approximately $8,356,000 and $7,521,000.

Actuarial calculations reflect a long-term perspective and the significant assumptions used in the actuarial valuation to calculate the total pension liability follow. The valuation date for assets was June 30, 2019, and the valuation date for liabilities was June 30, 2018, with standard actuarial roll forward techniques used to project the total pension liability at June 30, 2019. The amortization method and period are Level Dollar Closed over 30 years. The actuarial cost method is entry age normal (Level Percent of Payroll) cost. The employer required contribution is determined using an asset smoothing method. The actuarial assumptions include a 6.75% investment rate of return (net of administrative expenses), inflation rate of 2.25% per year, projected salary increases of 2.5% - 4.25% per year, and 1% per year cost of living adjustments, all based on the period of 4 years ended June 30, 2014, the most recent study date. Mortality rates were based on the 2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006.

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

	Target Asset Allocation	Geometric Basis Long-Term Expected Real Rate of Return
Public Equity	22.0%	4.9%
Private Markets	14.0%	7.0%
Fixed Income - Ex Inflation-Linked	20.0%	2.5%
Fixed Income - Inflation-Linked	7.0%	1.3%
Commodities	8.0%	2.0%
Real Estate	7.0%	6.7%
Absolute Return	10.0%	2.9%
Risk Parity	12.0%	5.3%

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

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

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

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

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

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

	As of June 30, 2019	
	Deferred Outflows	**Deferred Inflows**
Differences between expected and actual experience	$ 767	$ 4
Net difference between projected and actual investment earnings on pension plan investments	1,738	-
Change of assumptions	140	9,422
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,174	2,732
Contribution made after the measurement date	10,523	-
Total Deferred Outflows and Inflows	$ 15,342	$ 12,158

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		
2020		(2,686)
2021		(4,557)
2022		(1,123)
2023		(205)
2024		-
Thereafter		-
Total	$	(8,571)

Police/Fire. A supplemental pension program for police officers and firefighters (Police/Fire) was authorized by the Trustees on March 13, 1990, and was established on July 1, 1990. In conjunction with other retirement plans offered by the University, this plan provides police officers and firefighters employed by the University with a total retirement benefit that is comparable to the benefits received by municipal police and fire personnel in Indiana. Benefit provisions are established and/or amended by the Trustees. The program is an agent single-employer defined benefit plan, funded through group annuities, and administered through the Teachers Insurance and Annuity Association (TIAA). The plan provides for vesting after the completion of 10 years of covered employment, and employees are eligible for normal retirement benefits after the completion of 20 years of covered employment, and attainment of 55 years of age. The normal benefit payable under this plan is an amount equal to 50% of the annual base salary of a 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 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. 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, 2020 and 2019, there were 107 and 98 employees, respectively, actively participating in Police/Fire. In addition to this there were 28 vested employees who had terminated and 92 retired participants. The University made contributions to this plan totaling approximately $20,000 and $268,000 for the years ending June 30, 2020 and 2019, respectively.

The pension benefit obligation was computed as part of an actuarial valuation performed as of July 1, 2019. The actuarial valuation was the projected unit credit actuarial cost method over 30 years. The actuarial assumptions include a 6.00% investment rate of return, projected salary increases of 2.5% per year, and 2.25% per year cost of living adjustments.

Valuation dates:
The valuation date was July 1, 2019.

Methods and assumptions used to determine most current contribution rate above:

Actuarial cost method	Projected unit credit
Cost of living increases	2.25% per year, compounded annually
Mortality rates:	
Pre-retirement	PubS-2010 generational table for non-annuitants projected with Scale MP-2019
Post-retirement	PubS-2010 generational table for annuitants projected with Scale MP-2019
Salary scale	2.50% per year, compounded annually

Three-Year-Trend Information (dollars in thousands)

Plan	Annual Required Contribution	Interest on Net Pension Obligation	Adjustment to Annual Required Contribution	Annual Pension Cost	Contributions Made [2]	Increase (Decrease) in Net Pension Obligation	Net Pension Obligation, Beginning of Year	Net Pension Obligation, End of Year	Percentage of APC Contributed
Police/Fire									
July 1, 2019	954	(192)	(4,344)	-	20	(20)	(1,492)	(1,512)	-
July 1, 2018	814	(135)	(3,149)	-	268	(268)	(1,224)	(1,492)	-
July 1, 2017	875	13	(811)	77	738	(661)	(563)	(1,224)	958%

[1] Actuarial data for 2020 was not available at the time of this report.
[2] Police/Fire contributions include interest earnings.

Cooperative Extension Service. As of June 30, 2020 and 2019, there were 2 and 8 staff members, respectively, with federal appointments employed by the Indiana Cooperative Extension Service and covered by the Federal Civil Service Retirement System. The University contributed $31,000 and $56,000, respectively, for the years ended June 30, 2020 and 2019 to this plan.

Note 10 – Component Units

Discretely Presented Component Units

Summary financial information as of and for the years ended June 30, 2020 and 2019, for the University's discretely presented component units are presented in the tables below.

Discretely Presented Component Unit Statement of Financial Position
As of June 30, 2020 (Dollars in Thousands)

	Purdue Research Foundation	Ross-Ade Foundation	PFW Foundation	Component Unit Total
Assets:				
Cash and Cash Equivalents	$ 16,493	$ 199	$ 825	$ 17,517
Accounts Receivable, Net	25,986	798	445	27,229
Other Assets	18,748	2	2	18,752
Investments	2,740,240	709	9,868	2,750,817
Lease Purchase Agreements	-	185,148	-	185,148
Notes Receivable, Net	31,918	1,079	-	32,997
Interest in Charitable Perpetual Trusts	15,799	-	-	15,799
Capital Assets, Net of Accumulated Depreciation	273,391	151	7,032	280,574
Total Assets	**$ 3,122,575**	**$ 188,086**	**$ 18,172**	**$ 3,328,833**
Liabilities:				
Accounts Payable and Accrued Expenses	$ 35,899	$ 2,714	$ 291	$ 38,904
Unearned Revenue	-	20,292	-	20,292
Due on Split Interest Agreements	42,406	-	-	42,406
Deposits Held in Custody for Others	1,829,899	-	-	1,829,899
Bonds (Net), Leases and Notes Payable	191,926	160,107	-	352,033
Other Liabilities	3,659	-	-	3,659
Total Liabilities	**2,103,789**	**183,113**	**291**	**2,287,193**
Net Assets:				
Without Donor Restrictions	282,067	-	6,006	288,073
With Donor Restrictions	736,719	4,973	11,875	753,567
Total Net Assets	**1,018,786**	**4,973**	**17,881**	**1,041,640**
Total Liabilities and Net Assets	**$ 3,122,575**	**$ 188,086**	**$ 18,172**	**$ 3,328,833**

Discretely Presented Component Unit Statement of Financial Position

As of June 30, 2019 (Dollars in Thousands)

	Purdue Research Foundation	Ross-Ade Foundation	PFW Foundation	Component Unit Total
Assets:				
Cash and Cash Equivalents	$ 20,905	$ 206	$ 325	$ 21,436
Accounts Receivable, Net	23,457	1,954	327	25,738
Other Assets	20,652	2	2	20,656
Investments	2,779,444	851	9,982	2,790,277
Lease Purchase Agreements	-	189,858	-	189,858
Notes Receivable, Net	28,505	1,079	-	29,584
Interest in Charitable Perpetual Trusts	16,124	-	-	16,124
Capital Assets, Net of Accumulated Depreciation	243,125	151	7,135	250,411
Irrevocable Trust	-	34,821	-	34,821
Total Assets	**$ 3,132,212**	**$ 228,922**	**$ 17,771**	**$ 3,378,905**
Liabilities:				
Accounts Payable and Accrued Expenses	$ 29,275	$ 3,912	$ 26	$ 33,213
Unearned Revenue	-	16,206	-	16,206
Due on Split Interest Agreements	47,287	-	-	47,287
Deposits Held in Custody for Others	1,826,770	-	-	1,826,770
Bonds (Net), Leases and Notes Payable	188,500	207,343	-	395,843
Other Liabilities	2,010	-	-	2,010
Total Liabilities	**2,093,842**	**227,461**	**26**	**2,321,329**
Net Assets:				
Without Donor Restrictions	276,977	-	6,220	283,197
With Donor Restrictions	761,393	1,461	11,525	774,379
Total Net Assets	**1,038,370**	**1,461**	**17,745**	**1,057,576**
Total Liabilities and Net Assets	**$ 3,132,212**	**$ 228,922**	**$ 17,771**	**$ 3,378,905**

Discretely Presented Component Unit Statement of Activities
For the Year Ended June 30, 2020 (Dollars in Thousands)

	Purdue Research Foundation	Ross-Ade Foundation	PFW Foundation	Component Unit Total
Revenue and Support				
Amount Received for Purdue University Research Projects	$ 706	$ -	$ -	$ 706
Less Payments to Purdue University	(706)	-	-	(706)
	-	-	-	-
Contributions	59,584	-	1,153	60,737
Income on Investments	18,245	4,600	371	23,216
Net Unrealized and Realized Gains (Losses)	(14,439)	(49)	(482)	(14,970)
Increase in Value of Split Interest Agreements	3,781	-	-	3,781
Decrease in Interests in Perpetual Trusts	(325)	-	-	(325)
Rents	24,236	8	426	24,670
Royalties	11,380	-	-	11,380
Other	36,054	-	81	36,135
Total Revenue and Support	**138,516**	**4,559**	**1,549**	**144,624**
Expenses and Losses				
Expenses for the Benefit of Purdue University				
Contributions to Purdue University	44,989	150	717	45,856
Patent and Royalty	8,755	-	-	8,755
Grants	581	-	-	581
Services for Purdue University	2,493	-	-	2,493
Other	2,716	-	571	3,287
Total Expenses for the Benefit of Purdue University	**59,534**	**150**	**1,288**	**60,972**
Administrative and Other Expenses				
Salaries and Benefits	39,307	-	-	39,307
Property Management	23,155	-	103	23,258
Professional Fees	12,632	-	-	12,632
Supplies	3,384	-	-	3,384
Interest	8,091	878	-	8,969
Research Park	554	-	-	554
Other	11,443	19	22	11,484
Total Administrative and Other Expenses	**98,566**	**897**	**125**	**99,588**
Change in Net Assets	(19,584)	3,512	136	(15,936)
Net Assets, Beginning of Period	1,038,370	1,461	17,745	1,057,576
Net Assets, End of Period	**$ 1,018,786**	**$ 4,973**	**$ 17,881**	**$ 1,041,640**

Discretely Presented Component Unit Statement of Activities
For the Year Ended June 30, 2019 (Dollars in Thousands)

	Purdue Research Foundation	Ross-Ade Foundation	PFW Foundation	Component Unit Total
Revenue and Support				
Amount Received for Purdue University Research Projects	$ 399	$ -	$ -	$ 399
Less Payments to Purdue University	(399)	-	-	(399)
	-	-	-	-
Contributions	35,474	-	1,289	36,763
Income on Investments	21,220	6,502	394	28,116
Net Unrealized and Realized Gains (Losses)	44,489	(488)	57	44,058
Increase in Value of Split Interest Agreements	2,598	-	-	2,598
Decrease in Interests in Perpetual Trusts	(11)	-	-	(11)
Rents	20,609	8	376	20,993
Royalties	4,078	-	-	4,078
Other	35,746	-	177	35,923
Total Revenue and Support	**164,203**	**6,022**	**2,293**	**172,518**
Expenses and Losses				
Expenses for the Benefit of Purdue University				
Contributions to Purdue University	36,096	163	1,753	38,012
Patent and Royalty	3,268	-	-	3,268
Grants	1,102	-	-	1,102
Services for Purdue University	2,569	-	-	2,569
Other	7,091	-	219	7,310
Total Expenses for the Benefit of Purdue University	**50,126**	**163**	**1,972**	**52,261**
Administrative and Other Expenses				
Salaries and Benefits	35,328	-	-	35,328
Property Management	19,459	-	103	19,562
Professional Fees	14,757	-	-	14,757
Supplies	1,782	-	-	1,782
Interest	7,546	6,473	-	14,019
Research Park	383	-	-	383
Other	12,550	16	10	12,576
Total Administrative and Other Expenses	**91,805**	**6,489**	**113**	**98,407**
Change in Net Assets	22,272	(630)	208	21,850
Net Assets, Beginning of Period	1,016,098	2,091	17,537	1,035,726
Net Assets, End of Period	**$ 1,038,370**	**$ 1,461**	**$ 17,745**	**$ 1,057,576**

Blended Component Unit

Condensed financial information for Purdue University Global, Inc., a blended component unit, before the elimination of certain intra-University transactions, as of and for the years ended June 30, 2020 and 2019.

Purdue University Global, Inc.

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

	2020	2019
Assets:		
Current Assets	$ 96,045	$ 54,081
Noncurrent Assets	21,562	30,181
Total Assets	**117,607**	**84,262**
Liabilities:		
Current Liabilities	142,798	97,386
Noncurrent Liabilities	22,492	13,467
Total Liabilities	**165,290**	**110,853**
Net Assets:		
Net Investment in Capital Assets	1,555	2,650
Unrestricted	(49,238)	(29,241)
Total Net Assets	**$ (47,683)**	**$ (26,591)**

Purdue University Global, Inc.

Blended Component Unit Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the Period Ended June 30 (Dollars in Thousands)

	2020	2019
Operating Revenues	$ 306,374	$ 301,463
Operating Expenses other than Depreciation	408,717	437,297
Depreciation Expense	1,306	1,238
Net Operating Loss	**(103,649)**	**(137,072)**
Non Operating Revenues	82,557	93,764
Decrease in Net Position	**(21,092)**	**(43,308)**
Net Assets, Beginning of Period	(26,591)	16,717
Net Assets, End of Period	**$ (47,683)**	**$ (26,591)**

Purdue University Global, Inc.

Blended Component Unit Condensed Statement of Cash Flows
For the Period Ended June 30 (Dollars in Thousands)

	2020	2019
Cash Used by Operating Activities	$ (50,651)	$ (113,635)
Cash Provided by Noncaptial Financing Activities	81,903	92,743
Cash Provided by Investing Activities	654	1,021
Cash Used by Capital and Related Financing Activities	(275)	(1,212)
Net Increase (Decrease) in Cash and Cash Equivalents	31,631	(21,083)
Cash and Cash Equivalents - Beginning of Period	45,327	66,410
Cash and Cash Equivalents - End of Period	**$ 76,958**	**$ 45,327**

Note 11 — Contingent Liabilities and Commitments

Legal Actions. In the normal course of its activities, the University is a party in various legal actions. There are two legal actions that are pending in Tippecanoe Circuit Court that need mentioning due to materiality levels. *Seslar v. Trustees of Purdue University*, Cause No. 79C01-2005-PL-59, and *Church, et al., v. Purdue University*, Cause No. 79C01-2006-PL-67, both pending in Tippecanoe Circuit Court, are putative class actions alleging that the University breached contracts with students or was unjustly enriched. Both suits arise from the COVID-19 pandemic, Executive Orders issued by the Governor of Indiana in March 2020 prohibiting the University from offering in-person instruction and separately prohibiting students from attending in-person classes, the University's consequent decisions to offer only remote, online instruction for the remainder of the Spring 2020 semester, and students' participation in that remote instruction. The plaintiffs in *Seslar* and *Church* contend that the University's remote instruction did not meet their expectations and breached a purported promise of instruction in physical classrooms. The plaintiffs also contend that the University should refund at least a portion of certain student fees, housing, and meal charges because, as alleged by the plaintiffs, the University limited access to the facilities and services the plaintiffs expected these fees and charges to cover. The University already has refunded or credited students who resided in but moved out of campus housing, but plaintiffs contend those refunds do not suffice. The plaintiffs in both cases propose to represent overlapping putative classes that potentially comprise all undergraduate students on all of the University's campuses.

The University believes the suits are without merit and intends to defend them vigorously. The University filed motions to dismiss both cases on August 7, 2020. As of this writing, the plaintiffs have not responded to those motions.

The University does not evaluate the likelihood of an unfavorable outcome because it is neither probable nor remote that there will be such an outcome. In addition, the University does not provide an estimate of the loss, or range of potential loss, in the event of an unfavorable outcome because the probability of the inaccuracy of such an estimate is more than slight.

Construction Projects. As of June 30, 2020 and 2019, contractual obligations for capital construction projects were approximately $116,294,000 and $104,452,000, 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 $250,000 per occurrence. There is $2,000,000 retention per occurrence or wrongful act for general, automobile, and professional and educators' legal liability coverage. The University retains the entire risk for medical benefits. For the fiscal year ended June 30, 2020 and 2019, the maximum liability to the University for job-related illness or injury was $950,000 and $850,000 per incident, respectively, 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, 2020 and 2019, the University reflected approximately $52,000 and $0, 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, 2020	June 30, 2019
Beginning Liability	$ 26,072	$ 28,202
Claims Incurred	137,565	131,879
Claims Payments	(137,774)	(134,009)
Ending Liability	**$ 25,863**	**$ 26,072**

Required Supplementary Information

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

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

Notes to Schedule:

No assets were accumulated in a trust.

Valuation date:
Valuations are performed every other year. The last valuation was July 1, 2019.

Methods and assumptions used to determine most current contribution rate above:

Inflation	2.5%
Projected salary increases	3.0%
Discount rates	3.5% as of July 1, 2019; 3.87% as of July 1, 2018
Healthcare cost trend rates:	
Medical & Prescription Drug	7.25% graded to 4.5% over 11 years
Vision	3.00%
Administrative Costs	3.00%
Mortality rates	As prescribed under IRS Regulations 1.431 (c)(6)-1 and 1.430 (h)(3)-1, using static tables with separate tables for annuitants and nonannuitants (RP-2000 tables projected forward to the valuation year plus 7 years for annuitants and 15 years for nonannuitants)

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

Required Supplementary Information

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

	2019*	2018*	2017*	2016*	2015*	2014*	2013*
Proportion of the Net Pension Liability	1.7%	1.7%	1.8%	1.8%	2.5%	2.8%	3.0%
Proportionate Share of the Net Pension Liability	$ 55,779	$ 58,681	$ 78,861	$ 82,044	$ 102,146	$ 74,323	$ 103,102
Covered-employee payroll	$ 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	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	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,

	2019*	2018*	2017*	2016*	2015*	2014*	2013*
Contractually required contribution	$ 9,848	$ 9,872	$ 9,822	$ 9,704	$ 13,431	$ 15,471	$ 13,894
Contributions in relation to the contractually required contribution	$ 9,848	$ 9,872	$ 9,822	$ 9,704	$ 13,431	$ 15,471	$ 13,894
Contribution deficiency	-	-	-	-	-	-	-
Covered-employee payroll	$ 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%	9.6%

**Based on INPRS previous fiscal year audit and report on allocation of pension amounts. Ie: FY2020 Purdue reported amounts based on INPRS FY2019 report.*

Notes to Schedule:

Valuation dates:
The valuation date for assets was June 30, 2019, and the valuation date for liabilities was June 30, 2018.

Methods and assumptions used to determine most current contribution rate above:

Actuarial cost method	Entry age normal – level percent of payroll
Amortization method	Level dollar - closed
Remaining amortization period	30 years
Inflation	2.25%
Projected salary increases	2.50% - 4.25%
Cost of living increases	1.00%
Mortality rates	2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006.

Changes in Benefit Terms: None

Changes in Assumptions: None

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

Required Supplementary Information

Schedule of Changes in Net Pension Liability
Purdue Police and Fire Supplemental Pension Plan
(Dollar Amounts in Thousands)

June 30,

	2019*	2018	2017	2016	2015	2014	2013
Total pension liability							
Service cost	$ 815	$ 875	$ 862	$ 837	$ 812	$ 780	$ 767
Interest	1,954	3,814	3,672	398	1,804	3,462	2,389
Differences between expected and actual experience	31	(2,571)	(2,051)	1,191	(522)	(2,123)	(1,739)
Changes of assumptions	1,510	(1,281)	(207)	(14)	440	47	45
Benefit payments, including refunds of contributions	(1,409)	(1,317)	(1,278)	(1,289)	(1,172)	(1,049)	(1,011)
Net change in total pension liability	2,901	(480)	998	1,123	1,362	1,117	451
Total pension liability - beginning	31,900	32,380	31,382	30,259	28,897	27,780	27,329
Total pension liability - ending (a)	$ 34,801	$ 31,900	$ 32,380	$ 31,382	$ 30,259	$ 28,897	$ 27,780
Plan fiduciary net position							
Contributions - employer	$ 268	$ 738	$ 528	$ 725	$ 1,068	$ 1,307	$ 1,166
Contributions - employee	179	157	158	167	158	155	159
Net investment income	2,245	3,851	3,590	380	1,751	3,243	2,057
Benefit payments, including refunds of contributions	(1,409)	(1,317)	(1,278)	(1,289)	(1,172)	(1,049)	(1,011)
Net change in plan fiduciary net position	1,283	3,429	2,998	(17)	1,805	3,656	2,371
Plan fiduciary net position - beginning	37,680	34,251	31,253	31,270	29,465	25,809	23,438
Plan fiduciary net position - ending (b)	$ 38,963	$ 37,680	$ 34,251	$ 31,253	$ 31,270	$ 29,465	$ 25,809
Net pension liability ending (a) - (b)	$ (4,162)	$ (5,780)	$ (1,871)	$ 129	$ (1,011)	$ (568)	$ 1,971

*Actuarial data for 2020 was not available at the time of this report.

Schedule of Net Pension Liability (Surplus)
Purdue Police and Fire Supplemental Pension Plan
(Dollar Amounts in Thousands)

June 30,

	2019*	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net Pension Liability (Surplus)	$ (4,162)	$ (5,780)	$ (1,871)	$ 129	$ (1,011)	$ (568)	$ 1,971	$ 3,891	$ 3,825	$ 2,968
Covered Employee Payroll	$ 6,887	$ 6,060	$ 5,612	$ 6,493	$ 5,816	$ 5,803	$ 5,611	$ 5,648	$ 5,677	$ 5,582
Pension Liability (Surplus) as a percentage of covered payroll	-60.4%	-95.4%	-33.3%	2.0%	-17.4%	-9.8%	35.1%	68.9%	67.4%	53.2%

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

June 30,

	2019*	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	$ -	$ -	$ 77	$ 790	$ 483	$ 585	$ 1,030	$ 1,286	$ 1,182	$ 956
Contributions made	$ 20	$ 268	$ 738	$ 528	$ 725	$ 1,068	$ 1,307	$ 1,166	$ 976	$ 878
Contribution deficiency (surplus)	$ (1,513)	$ (1,493)	$ (1,225)	$ (564)	$ (826)	$ (584)	$ (101)	$ 176	$ 56	$ (150)
Covered Employee Payroll	$ 6,887	$ 6,060	$ 5,612	$ 6,493	$ 5,816	$ 5,803	$ 5,611	$ 5,648	$ 5,677	$ 5,582
Contributions as a percentage of covered employee payroll	0.3%	4.4%	13.2%	8.1%	12.5%	18.4%	23.3%	20.6%	17.2%	15.7%

*Actuarial data for 2020 was not available at the time of this report.

Notes to Schedule:

Valuation dates:
The valuation date was July 1, 2019.

Methods and assumptions used to determine most current contribution rate above:

Actuarial cost method	Projected unit credit
Cost of living increases	2.25% per year, compounded annually
Mortality rates:	
Pre-retirement	PubS-2010 generational table for non-annuitants projected with Scale MP-2019
Post-retirement	PubS-2010 generational table for annuitants projected with Scale MP-2019
Salary scale	2.50% per year, compounded annually

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

Total In-State Enrollment by County

Fall, 2019-20 Academic Year

The overall (in-state and out-of-state) enrollment at Purdue University was 65,718 students for the 2019-20 fall semester. The breakdown was West Lafayette, 44,551, Northwest, 10,006, Fort Wayne, 10,208, Statewide Technology, 953. Enrollment numbers do not include 6,025 Purdue University students at Indiana University-Purdue University Indianapolis. Although students came to Purdue from all over the world, 58% system-wide came from within Indiana.

County	West Lafayette	Regional Campuses	Statewide Technology Locations	Total
Adams	54	413	-	467
Allen	901	5,196	-	6,097
Bartholomew	258	4	72	334
Benton	93	4	3	100
Blackford	16	14	1	31
Boone	602	9	2	613
Brown	19	1	3	23
Carroll	100	5	3	108
Cass	124	7	10	141
Clark	107	13	75	195
Clay	26	2	-	28
Clinton	151	8	8	167
Crawford	1	-	-	1
Daviess	33	2	-	35
De Kalb	78	391	-	469
Dearborn	91	-	2	93
Decatur	78	-	10	88
Delaware	114	23	12	149
Dubois	107	3	4	114
Elkhart	348	170	25	543
Fayette	25	3	10	38
Floyd	125	9	47	181
Fountain	80	4	1	85
Franklin	93	-	5	98
Fulton	69	130	1	200
Gibson	50	4	6	60
Grant	90	56	7	153
Greene	32	5	2	39
Hamilton	2,480	69	39	2,588
Hancock	365	18	6	389
Harrison	38	-	25	63
Hendricks	769	22	5	796
Henry	76	11	17	104
Howard	231	22	49	302
Huntington	69	291	1	361
Jackson	79	3	10	92
Jasper	145	168	-	313
Jay	24	12	1	37
Jefferson	38	2	6	46
Jennings	19	1	6	26
Johnson	439	17	13	469
Knox	33	2	4	39
Kosciusko	205	476	-	681
La Porte	284	825	5	1,114
Lagrange	54	165	-	219
Lake	1,177	5,168	1	6,346
Lawrence	70	3	2	75
Madison	199	26	58	283
Marion	1,702	140	13	1,855
Marshall	133	53	8	194
Martin	12	-	3	15
Miami	55	61	16	132
Monroe	193	17	1	211
Montgomery	157	2	4	163
Morgan	114	6	1	121
Newton	47	83	-	130
Noble	85	394	-	479
Ohio	3	-	-	3
Orange	23	1	2	26
Owen	30	-	-	30
Parke	27	2	-	29
Perry	14	2	2	18
Pike	8	1	4	13
Porter	607	1,396	3	2,006
Posey	45	1	1	47
Pulaski	49	31	1	81
Putnam	80	3	-	83
Randolph	53	13	6	72
Ripley	51	2	6	59
Rush	31	1	2	34
Scott	15	-	14	29
Shelby	68	7	3	78
Spencer	32	-	1	33
St Joseph	750	152	67	969
Starke	27	90	-	117
Steuben	60	143	-	203
Sullivan	22	1	2	25
Switzerland	5	1	-	6
Tippecanoe	2,591	47	102	2,740
Tipton	50	-	11	61
Union	12	1	4	17
Vanderburgh	239	10	3	252
Vermillion	17	1	-	18
Vigo	109	12	1	122
Wabash	71	105	-	176
Warren	38	1	2	41
Warrick	129	6	1	136
Washington	34	-	7	41
Wayne	68	7	32	107
Wells	81	365	-	446
White	187	11	3	201
Whitley	72	360	-	432
Unknown	969	100	1	1,070
Total	**19,824**	**17,406**	**884**	**38,114**

ACKNOWLEDGEMENTS

The following staff members of the Treasurer's Office prepared the 2019-2020 Financial Report.

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APPENDIX C

SUMMARY OF LEGAL DOCUMENTS:
2021 INDENTURE AND THE INDENTURE, AMENDED 2009 LEASE, 2014A LEASE AND 2001 LEASE

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THE 2021 INDENTURE AND THE INDENTURE

The following is a brief summary of certain provisions of the 2021 Indenture and the Indenture and does not purport to comprehensively describe those documents in their entirety.

Definitions

As used in this Appendix the following definitions shall apply:

"1996 Indenture" means the Trust Indenture, dated as of November 15, 1996, between the Foundation and the Trustee, pursuant to which the Series 1996 Certificates were issued.

"2001 Lease" means the Lease-Purchase Agreement, dated as of November 1, 2001, regarding the Stadium Project, by and between the Corporation and the Foundation, as the same may be amended, modified or supplemented by any amendments or modifications thereof and supplements thereto entered into in accordance with the provisions thereof.

"2001 Lease Amendment" means the Amendment to Lease-Purchase Agreement, dated as of May 15, 2016, which amended the 2001 Lease.

"2006 Indenture" means the Trust Indenture, dated as of November 15, 2006, between the Foundation and the Trustee, which supplements the 1996 Indenture and pursuant to which the Series 2006 Certificates were issued.

"2009 Indenture" means the Trust Indenture, dated as of August 15, 2009, between the Foundation and Trustee, pursuant to which the Series 2009 Certificates were issued.

"2009 Lease" means the Lease-Purchase and Sublease Agreement, dated as of August 15, 2009, between the Foundation and the Corporation, as amended.

"2009 Project" means the renovation of Mackey Arena and related or adjacent athletic improvements as described more fully in the 2009 Indenture.

"2011 Indenture" means the Trust Indenture, dated as of February 15, 2011, between the Foundation and the Trustee, pursuant to which the Series 2011A Certificates were issued.

"2014A Indenture" means the Trust Indenture, dated as of February 15, 2014, between the Foundation and the Trustee, pursuant to which the Series 2014A Certificate was issued.

"2014A Lease" means the Softball Stadium Sublease Agreement, dated as of February 15, 2014, constituting a lease-purchase agreement between the Foundation and the Corporation, as the same may be amended, modified or supplemented by any amendments or modifications thereof and supplements thereto.

"2014A Project" means the softball stadium complex, related site work and infrastructure and associated facilities located at the northwest athletic site of the Corporation's West Lafayette campus.

"2016A Amendment" means the Amendment to Lease-Purchase and Sublease Agreement, dated as of May 15, 2016, related to the 2009 Lease and to the development of the 2016A Project.

"2016A Indenture" means the Trust Indenture, dated as of May 15, 2016, between the Foundation and the Trustee, pursuant to which the Series 2016A Certificates were issued.

"2016A Project" means the Mollenkopf Athletic Center Renovation and Football Performance Complex Addition.

"2021 Indenture" means the Trust Indenture between the Foundation and the Trustee dated as of April 1, 2021, pursuant to which the Series 2021A Certificates and the Series 2021B Certificates will be issued.

"Additional Leases" means lease-purchase agreements between the Foundation, as lessor, and the Corporation, as lessee, which are assigned to the Trustee pursuant to supplements to the Indenture in connection with the issuance of Additional Participation Certificates.

"Additional Certificates" means Certificates issued pursuant to the Indenture including Section 1.09 of the 1996 Indenture and the 2021 Indenture.

"Amended 2009 Lease" means the 2009 Lease, as amended by the 2016A Amendment.

"Certificate Fund" means the fund created in the Indenture.

"Certificate Holder," "holder" or "owner" means the registered owner of any Participation Certificate as the names appear on the registration books maintained by the Trustee.

"Certificates" or "Participation Certificates" means the Series 2021 Certificates, the Series 2016A Certificates, the Series 2014A Certificate, the Series 2006 Certificates and any Additional Certificates.

"Code" means the Internal Revenue Code of 1986 as amended or supplemented, and any successor provisions of law, and any applicable Treasury regulations appertaining thereto.

"Corporation" means The Trustees of Purdue University, a body corporate created by the General Assembly of the State of Indiana, and its lawful successors.

"Eligible Investments" means those investment instruments permitted by the Rebate Agreement.

"Extraordinary Services" and "Extraordinary Expenses" means all services rendered and all reasonable expenses properly incurred by the Trustee under the 2021 Indenture other than Ordinary Services and Ordinary Expenses.

"Foundation" means Ross-Ade Foundation and its lawful successors and assigns, including any surviving, resulting or transferee corporation.

"Indenture" means the 1996 Indenture, as supplemented by the 2021 Indenture, the 2014A Indenture and the 2009 Indenture, and as amended and supplemented by the 2016A Indenture and the 2006 Indenture.

"Leases" means the 2001 Lease (together with the 2001 Lease Amendment), the Amended 2009 Lease (together with the 2016A Amendment), the 2014A Lease and any Additional Leases.

"Lessee Representative" means the person designated by the Corporation to act as its representative with respect to the 2021 Indenture.

"Lessor Representative" means the person designated by the Foundation to act as its representative with respect to the 2021 Indenture.

"Mackey Lease" means the Mackey Complex Lease Agreement, dated as of August 15, 2009, between the Corporation and the Foundation, as amended from time to time, which underlies a portion of the Amended 2009 Lease.

"Ordinary Services" and "Ordinary Expenses" means those services normally rendered and those expenses normally incurred by a trustee under instruments similar to the 2021 Indenture.

"Original Date" means May 12, 2021.

"Original Purchaser" with respect to the Series 2021 Certificates means Wells Fargo Bank, N.A., as representative of the Underwriters.

"Outstanding Certificates" or "Certificates Outstanding" means all Participation Certificates which have been executed and delivered by the Trustee under the Indenture except:

(a) Certificates canceled on surrender, exchange or transfer or canceled because of payment or redemption;

(b) Certificates for the payment or redemption of which sufficient cash funds shall have been theretofore irrevocably deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Participation Certificates), or which are deemed to have been paid and discharged, pursuant to the provisions of the Indenture; provided that if such Certificates are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee, shall have been filed with the Trustee; and

(c) Participation Certificates in lieu of which others have been executed under Section 2.06 of the Indenture.

"Person" means natural persons, firms, associations, corporations and public bodies.

"Projects" means the 2016A Project, the 2014A Project, the 2009 Project and the Stadium Project, together with other "Projects" financed or refinanced under the Indenture.

"Rebate Agreement" means the Rebate Agreement, dated as of April 1, 2021.

"Refunded 2006 Certificates" means the Series 2006 Participation Certificates maturing on July 1, 2021, to be refunded by the Series 2021A Participation Certificates.

"Refunded 2011A Certificates" means all of the outstanding Series 2011A Participation Certificates, to be refunded in whole by the Series 2021A Participation Certificates together with certain Corporation Funds.

"Refunded 2014A Certificate" means the Series 2014A Participation Certificate maturing on July 1, 2021, to be refunded by the Series 2021A Participation Certificates.

"Refunded 2016A Certificates" means the Series 2016A Participation Certificates maturing on July 1, 2021, to be refunded by the Series 2021A Participation Certificates.

"Series 1996 Participation Certificates" means the Certificates of Participation, Series 1996, in the original aggregate principal amount of $25,330,000, dated as of November 15, 1996, none of which remain Outstanding.

"Series 1998 Participation Certificates" means the Certificates of Participation, Series 1998, in the original aggregate principal amount of $11,380,000, dated as of November 1, 1998, none of which remain Outstanding.

"Series 2001B Certificates" means the Taxable Certificates of Participation, Series 2001B, in the original aggregate principal amount of $10,000,000, dated November 15, 2001, none of which remain Outstanding.

"Series 2006 Participation Certificates" means the Certificates of Participation, Series 2006, in the original aggregate principal amount of $70,345,000, dated December 1, 2006.

"Series 2009A Participation Certificates" means the Tax-Exempt Certificates of Participation, Series 2009A, in the original aggregate principal amount of $7,600,000, dated September 9, 2009, none of which remain Outstanding.

"Series 2009B Participation Certificates" means Taxable Certificates of Participation, Series 2009B (Build America Certificates - Direct Pay Option), in the original aggregate principal amount of $42,795,000, dated September 9, 2009, none of which remain Outstanding.

"Series 2011A Participation Certificates" means the Certificates of Participation, Series 2011A (Adjustable Demand), in the original aggregate principal amount of $32,185,000, dated February 16, 2011.

"Series 2014A Participation Certificate" means the single Certificate of Participation, Series 2014A, in a maximum principal amount of $21,955,000, dated February 20, 2014.

"Series 2016A Participation Certificates" means the Certificates of Participation, Series 2016A, in the original aggregate principal amount of $85,120,000, dated May 15, 2016.

"Series 2021 Certificate Expense Account" means the account of the Project Fund created pursuant to the 2021 Indenture.

"Series 2021 Participation Certificates" means, collectively, the Series 2021A Participation Certificates and the Series 2021B Participation Certificates.

"Series 2021 Refunding Account" means the account of the Project Fund created pursuant to the 2021 Indenture.

"Series 2021A Certificates" means the Certificates of Participation, Series 2021A, in the original aggregate principal amount of $29,935,000, evidencing a proportionate interest of the owners thereof in rental payments under the Leases to be made by the Corporation, as Lessee, and identified in the 2021 Indenture.

"Series 2021B Participation Certificates" means the Taxable Certificates of Participation, Series 2021B, in the original aggregate principal amount of $2,350,000, evidencing a proportionate interest of the owners thereof in rental payments under the Leases to be made by the Corporation, as lessee, and identified in the 2021 Indenture.

"Stadium Project" means the land, buildings, structures, furnishings, equipment and other athletic facilities refinanced with the Series 2006 Certificates and leased under the 2001 Lease and any amendments or supplements to the 2001 Lease, including the 2001 Lease Amendment, together with any subsequent athletic facilities financed pursuant to supplemental indentures hereto, excluding those facility components originally financed with the Series 2001B Certificates.

"Trustee" means The Bank of New York Mellon Trust Company, N.A. and its successors and assigns, including any surviving, resulting or transferee corporation, and any successor trustee at the time serving as successor trustee under the Indenture.

"Undertaking Agreement" means the Second Amended and Restated Continuing Disclosure Undertaking Agreement, dated May 27, 2020, as supplemented by a First Supplement to Second Amended and Restated Continuing Disclosure Undertaking Agreement dated May 12, 2021, of the Corporation, as supplemented and amended from time to time.

<u>Application of Series 2021 Certificate Proceeds and Project Fund</u>

The proceeds of the Series 2021 Certificates shall be deposited (or transferred as the case may be) by the Trustee as follows:

(i) $233,227.66 from proceeds of the Series 2021A Participation Certificates to (or to the order of) the Foundation into the Series 2021 Certificate Expense Account of the Project Fund, for payment of costs of issuance allocable to the Series 2021 Certificates as prescribed in the Rebate Agreement;

(ii) $39,647,161.00 from the proceeds of the Series 2021A Participation Certificates to the Series 2021 Refunding Account of the Project Fund (to be held by the Trustee, which is hereby established with the Trustee) for use toward the refunding of the Refunded 2006 Certificates, the Refunded 2014A Certificate, the Refunded 2016A Certificates, and the Refunded 2011A Certificates;

(iii) $20,299.86 from proceeds of the Series 2021B Participation Certificates to (or to the order of) the Foundation into the Series 2021 Certificate Expense Account of the Project Fund, for payment of costs of issuance allocable to the Series 2021B Certificates as prescribed in the Rebate Agreement; and

(iv) $387,712.50 from the proceeds of the Series 2021B Participation Certificates to the Series 2006 Account of the Certificate Fund, $217,654.50 from the proceeds of the Series 2021B Participation Certificates to the Series 2014A Account of the Certificate Fund and $1,718,050.00 from the proceeds of the Series 2021B Participation Certificates to the Series 2016A Account of the Certificate Fund, for use toward paying the interest coming due on July 1, 2021 on the Series 2006 Certificates maturing on and after July 1, 2022, the Series 2014A Certificate maturing on and after July 1, 2022, and the Series 2016A Certificates maturing on and after July 1, 2022, respectively.

In addition, on or prior to the date of issuance and delivery of the Series 2021 Certificates the Corporation shall transfer funds to the Trustee, for deposit into the Series 2021 Refunding Account of the Project Fund, for use toward the refunding of the Refunded 2011A Certificates.

Certificate Fund and Rebate Fund

Under the Indenture the Trustee holds in trust the Certificate Fund and the Rebate Fund.

There shall be deposited into the Certificate Fund, as and when received (a) all moneys received by the Trustee under and pursuant to any of the provisions of the Leases which are to be paid into the Certificate Fund; and (b) any moneys received by the Trustee from the sale or disposition of the Projects.

All moneys deposited in the Certificate Fund shall be invested as provided in the 2021 Indenture and Rebate Agreement. Investment earnings derived therefrom shall be available for transfer to the Rebate Fund upon the written direction of the Corporation to satisfy the rebate requirement, if any, to the United States of America and thereafter shall be applied to the payment of the Trustee's fees for Ordinary and Extraordinary Services and Ordinary and Extraordinary Expenses due and payable at such time. All moneys deposited in the Certificate Fund that are not needed to pay the principal of and premium, if any, and interest on the Certificates or to transfer to the Rebate Fund or to pay the Trustee's fees for Ordinary Services and Ordinary Expenses shall be applied by the Trustee as a credit to reduce the next immediately succeeding rent payment to become due under the Leases or, if the final rent payment has been made or provided for, shall be returned to the Corporation.

Except as provided above with respect to investment earnings, moneys in the Certificate Fund shall be used solely for the payment of the principal of and premium, if any, and interest on the Certificates and the payment of the Trustee's fees for its Ordinary Expenses and Ordinary Services (as defined in the Indenture); provided that no Trustee's fees may be paid from a rent payment deposited in the Certificate Fund until after all payments of principal of and premium, if any, and interest on the Certificates due within twenty (20) days of the receipt of such rent payment shall have been made; and provided further, that no part of said moneys in the Certificate Fund (other than any amounts paid into the Certificate Fund under the terms of the Leases for use in the exercise of the Corporation's option to purchase the Projects or designated by the Foundation or the Corporation under the terms of the Indenture for the purpose of redemption in accordance with the terms of the Indenture) shall be used to redeem, prior to maturity, any part of the Certificates Outstanding.

The Rebate Fund shall be used to make any rebate to the United States of America required to prevent the Certificates (other than those intended to be taxable and so designated and except for any Build America Certificates) from becoming "arbitrage bonds" under the Code. The Foundation shall cause the rebate amount to be calculated in the manner and in the intervals as required by Section 148(f) of the Code. Such calculations shall be provided to the Trustee as soon as practicable after the completion thereof. If a deposit to the Rebate Fund is required, the Foundation shall transfer moneys equal to such amount to the Rebate Fund from moneys on deposit in the Project Fund. If such amounts are not sufficient to make such deposit, then the Trustee shall transfer moneys from the Certificate Fund to make up the deficiency in the required deposit. If the amounts held in such funds are not sufficient to make the required deposit, then the Trustee shall notify the Foundation, which shall request the Corporation to make the additional payment under the Lease. 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 direction from the Foundation transfer such amount to the Certificate Fund.

No later than 60 days after the date of issuance and delivery of the Series 2021A Certificates, and every five years thereafter, the Trustee shall, upon written request of the Foundation, pay to the United States of America 90% of the amount required to be on deposit in the Rebate Fund with respect to the Series 2021A Certificates as of such payment date. Not later than 60 days after final retirement of the Series 2021A Certificates, the Trustee shall, upon written request from the Foundation, pay to the United States of America 100% of the balance remaining in the Rebate Fund with respect to the Series 2021A Certificates.

Investment of Funds

The original proceeds of the Series 2021 Certificates held as a part of the Project Fund shall be invested by the Foundation in Eligible Investments. All moneys in the Certificate Fund shall be invested by the Trustee at the written direction of the Foundation in Eligible Investments. The type, amount and maturity shall be such so that the moneys invested will be available to make payments from the respective funds in accordance with the provisions of the Leases and the Indenture as applicable. Any such investment may be purchased from the Trustee, and such investments shall be deemed at all times a part of the Project Fund or the Certificate Fund, as appropriate, and the interest accruing thereon and any profit realized therefrom shall be credited to the respective fund or account and any loss resulting from such investments shall be charged to the respective fund or account. The Trustee shall sell and reduce to cash a sufficient portion of investments in the Certificate Fund under the provisions of this Section whenever the cash balance in the Certificate Fund is insufficient to pay the current interest and principal requirements on the Certificates when due. The Trustee shall not be liable for any losses occurring as a result of any such sales of investments. The Trustee shall have no responsibility with respect to the compliance by the Corporation or the Foundation with respect to any covenant herein regarding investments made in accordance with this Article, other than to use its best reasonable efforts to comply with instructions from the Foundation regarding such investments. Since the investments permitted by this Section have been included at the request of the Foundation and the making of such investments will be subject to the Foundation's direction, the Trustee specifically disclaims any obligation to the Foundation or the Corporation for any loss arising from, or tax consequences of, investments pursuant to the provisions of this Section.

All moneys in the Series 2021 Refunding Account of the Project Fund shall be utilized by the Trustee for the refunding of the Refunded Series 2006 Certificates, the Refunded Series 2011A Certificates, the Refunded Series 2014A Certificate and the Refunded Series 2016A Certificates.

All proceeds of the Series 2021B Participation Certificates deposited to the Series 2006 Account of the Certificate Fund, the Series 2014A Account of the Certificate Fund and the Series 2016A Account of the Certificate Fund, shall be utilized by the Trustee on July 1, 2021 to pay interest coming due on July 1, 2021 on the Series 2006 Certificates maturing on and after July 1, 2022, the Series 2014A Certificate maturing on and after July 1, 2022 and the Series 2016A Certificates maturing on and after July 1, 2022, respectively.

Covenants of Foundation and Trustee

The Foundation and the Trustee covenant in the 2021 Indenture, among other things, that:

(a) There will be paid, solely from the Trust Estate, the principal of and premium, if any, and interest on every Certificate on the dates and at the place and in the manner mentioned in the Certificates according to the true intent and meaning thereof.

(b) There will be faithful observation and performance at all times of all agreements, covenants, undertakings, stipulations and provisions contained in the Indenture and in any and every Certificate executed and delivered under the Indenture pertaining to the Certificates or the Lease.

(c) Except as otherwise provided in the Indenture and the Leases, the Trustee and the Foundation will not sell or otherwise dispose of all or any part of the Projects or create or suffer to be created any debt, lien or charge thereon, or make any other pledge or assignment of or create any lien or encumbrance upon the rentals, revenues and other income, charges and moneys realized from the lease, sale or other disposition of the Projects other than the pledge and assignment thereof under the Indenture.

(d) Pursuant to the provisions of the Leases, the Corporation has agreed to pay all lawful taxes, assessments and charges at any time levied or assessed upon or against the Projects, or any part thereof, provided, however, that this shall not require the payment of any such taxes, assessments or charges if the same are not required to be paid under the provisions of the Leases.

(e) Pursuant to the provisions of the Leases, the Corporation has agreed at its own expense to cause the Projects to be kept in good repair and good condition, and the Corporation may, at its own expense, from time to time undertake additions, remodeling, modifications and improvements to the Projects under the terms and conditions set forth in the Leases.

(f) The Leases and any amendments or supplements thereto, the Indenture and any amendments or supplements hereto, and all necessary financing statements, amendments thereto, continuation statements and instruments of similar character relating to the pledges made to secure the Certificates, shall be recorded and filed by, or on behalf of, the Foundation in such manner and in such places as may be required by law in order to fully preserve and protect the security of the Certificate holders and the rights of the Trustee.

(g) The Leases, certified counterparts of which will have been filed with the Trustee upon delivery of the Series 2021 Certificates, set forth the covenants and obligations of the Corporation, and subsequent to the issuance of the Series 2021 Certificates and prior to payment of the Certificates in full or provision for payment thereof in accordance with the provisions thereof, the Leases may not be effectively amended, changed, modified, altered or terminated (other than as provided in the Indenture) without the prior written consent of the Trustee, and reference is hereby made to the Leases for a detailed statement of said covenants and obligations of the Corporation under the Leases, and the Trustee in its name may enforce all obligations of the Corporation under and pursuant to the Leases for and on behalf of the Certificate holders.

(h) The Trustee covenants that it shall do all things on its part necessary to maintain the Leases in effect in accordance with the terms thereof and will take all actions necessary to enforce and protect its rights under the Lease, including actions at law and in equity, as may be appropriate.

(i) The Foundation covenants that it will restrict the use of the proceeds of the Series 2021A Certificates and moneys in the Certificate Fund in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time of the delivery of and payment for the Certificates, so that the Series 2021A Certificates will not constitute arbitrage bonds under Section 148 of the Code. The Treasurer of the Foundation and any officer of the Trustee having responsibility with respect to the Leases or issuance of the Series 2021A Certificates is authorized and directed, alone or in conjunction with any other officer, employee, consultant or agent of the Foundation, the Corporation or the Trustee, to give an appropriate certificate for inclusion in the transcript of proceedings, setting forth the reasonable expectations on the date of delivery of and payment for the Series 2021A Certificates regarding the amount and use of the proceeds of the Series 2021A Certificates pursuant to said Sections 148.

(j) The Foundation covenants that it will not permit the Projects to be used by nongovernmental persons in such a manner as to cause the Series 2021A Certificates to be or become "private activity bonds" within the meaning of Section 141 of the Code of 1986.

(k) The Foundation covenants that it will not take any action nor fail to take any action that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Series 2021A Certificates pursuant to Section 103 of the Code, nor will the Foundation act in any other manner which would adversely affect such exclusion. The foregoing covenant is based solely on existing law in effect and in existence on the date of delivery of the Series 2021A Certificates.

(l) <u>Tax Covenants</u>. The Foundation covenants that it will not take any action nor fail to take any action that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Series 2021A Certificates nor will the Foundation or the Trustee (to the extent it exercises its own discretion) act in any other manner which would adversely affect such exclusion. The foregoing covenant is based solely on existing law in effect and in existence on the date of delivery of the Series 2021A Certificates.

It shall not be an event of default under the Indenture if the interest on the Series 2021A Certificates becomes includable in gross income for federal income tax purposes or otherwise subject to federal income taxes pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the Series 2021A Certificates.

Representations and Warranties of Foundation

The Foundation represents, warrants and agrees in the Indenture, as follows:

(a) The Foundation is a duly organized and validly existing corporation in good standing under the laws of the State of Indiana and has the full corporate power and authority to own its property and assets and to transact the business in which it is engaged or presently proposes to engage; and has the full corporate power and authority to execute, deliver and carry out the terms and provisions of the Indenture, the Leases and any other documents connected herewith or therewith to which it is a party and has taken all necessary corporate action to authorize the execution and delivery of the 2021 Indenture and any other documents connected herewith or therewith to which it is a party and the carrying out by it of the terms and provisions hereof and thereof.

(b) No default and no condition, event or act which, with the giving of notice or lapse of time, or both, could become a default, exist under the Indenture, the Leases or any other document connected herewith or therewith to which the Foundation is a party or by which it is bound.

(c) Neither the execution and delivery of the 2021 Indenture or any other documents connected herewith or therewith to which the Foundation is a party, nor the consummation of the transactions herein and therein contemplated, nor the compliance with the terms and provisions hereof and thereof, will contravene any provision of present law, statute, rule or regulation to which it is subject or any judgment, decree, order, franchise or permit applicable to it, or will conflict or will be inconsistent with, or will result in any breach of, any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge, security interest or encumbrance upon any property or assets of it pursuant to the terms of any indenture, mortgage, deed of trust, agreement or other instrument to which it is a party or by which it or its property may be subject (other than the 2021 Indenture), or violate any provision of its Articles of Incorporation or By-Laws.

(d) There are no actions, suits or proceedings pending, or to the Foundation's knowledge threatened, against or affecting it or its property before any court or before any governmental or administrative body or agency (domestic or foreign), the outcome of which might have a material adverse effect upon the Foundation's ability to meet and carry out its obligations under the Indenture, the Leases or any other documents connected herewith or therewith to which it is a party, or of preventing or interfering with the execution or delivery of, or carrying out the provisions of, the foregoing instruments or agreements.

(e) No consent or approval of, or exemption by, any governmental or public body or authority, which has not now been obtained, is required to authorize, or is required in connection with, the execution, delivery and performance by the Foundation of the Indenture, the Leases or the taking of any action hereby or thereby contemplated; nor is any filing, recording, registration, giving of notice or other similar action required or permitted by law, which has not now been performed, to establish, perfect, protect or preserve the rights and titles, interests, remedies, powers or privileges of the Trustee hereunder or thereunder.

Insurance

The Foundation covenants that it will carry, or will cause other persons to carry for its benefit with respect to the Projects, with the Trustee as a co-loss payee (except as to general liability coverage), such insurance coverage as the Corporation would customarily maintain with respect to its other properties, including but not limited to that commonly known as builder's risk insurance, fire and extended coverage and comprehensive general liability coverage.

The policies evidencing all such insurance shall contain the customary provisions and such other provisions and endorsements as the Corporation shall reasonably require. Certificates of insurance showing the Trustee as co-loss payee shall be forwarded by the Foundation to the Trustee.

Subordination to Rights of Corporation

The Indenture and the rights and privileges hereunder of the Trustee and the Certificate holders are specifically made subject and subordinate to the rights and privileges of the Corporation set forth in the applicable Leases. The Corporation shall be permitted to possess, use and enjoy the respective Projects so as to carry out its obligations under the Leases.

Granting of Easements

The Foundation, at the request of the Corporation, may grant or release easements, licenses, rights-of-way and other rights or privileges in the nature of easements with respect to each Project, which the Foundation, acting upon the advice of the Corporation, determines are necessary or desirable for the use of such Project and which will not result in any reduction of rent payable under the applicable Lease to the Trustee. Any consideration paid for such grant or release shall be prorated between the Corporation and the Foundation as their interests may appear and any amounts received by the Foundation under this Section shall be submitted to the Trustee and deposited in the Certificate Fund. The Foundation shall, upon request of the Corporation, certify that the rights or privileges so granted or released are no longer part of such Project for purposes of the Indenture.

Events of Default and Remedies

Events of default under the Indenture include:

(a) Default in the payment of any interest on any Certificates when and as the same shall have become due; or

(b) Default in the payment of the principal of or any premium on any Certificate when and as the same shall become due, whether at the stated maturity thereof, or by call for redemption; or

(c) Failure by the Corporation to insure the Projects or any portion thereof, to the extent and in the manner required by the terms of the Leases; or

(d) Default in the performance or observance of any other of the covenants, agreements or conditions included in the Indenture or in the Certificates which default shall continue unremedied for a period of sixty (60) days after written notice thereof has been sent by the Trustee to the Foundation or a default on the part of the Corporation under the Leases, other than as described in clause (c) above, which default shall continue unremedied for a period of sixty (60) days after written notice thereof has been sent by the Trustee or the Foundation to the Corporation; or

(e) If any representation, warranty or statement made by the Foundation in the Indenture or otherwise in writing in connection therewith, or in any certificate or statement signed by an officer of the Foundation and furnished pursuant to any provision of the Indenture, shall be breached or shall prove to be untrue in any material respect on the date as of which made; or

(f) Ejection of the Corporation from any material portion of the Projects and the use and occupancy thereof by reason of a defect in title to the Projects; or

(g) Default in the performance of any obligation or in the observance of any covenant imposed on the Foundation under the Leases; or

(h) The assignment of any rights under the Indenture or any interest therein by the Foundation or the conveyance or encumbrance in any way of any material portion of the Projects by the Foundation without the written consent of the Trustee; or

(i) The filing of a petition in bankruptcy by or against the Foundation, or the appointment of a receiver or trustee of the property of the Foundation, or the filing by the Foundation of a petition for reorganization under any of the provisions of the bankruptcy laws or of any other law, state or federal, or the making of an assignment by the Foundation for the benefit of creditors, or the judgment of the Foundation as insolvent by any state or federal court of competent jurisdiction; or

(j) The refusal of the Foundation to permit the Trustee or its representatives to enter upon and inspect the Projects at all reasonable times, or the failure by the Foundation to comply with any requirement of any governmental authority having jurisdiction which relates to the Projects within sixty (60) days after notice in writing of such requirements has been given to the Foundation; or

(k) The legal documents, evidence of title, title opinion or survey are subject to objections or encumbrances other than those mentioned in this Indenture or are in form not reasonably satisfactory to the Trustee.

The term "default" shall mean default in the performance or observance of any of the covenants, agreements or conditions contained in the Indenture or in the Certificates or default on the part of the Corporation under the Leases, exclusive of any period of grace required to constitute a default an "event of default" as hereinabove or therein provided. If a default shall occur under the provisions of this Section, the Trustee shall immediately give written notice of such default to the Corporation.

Upon the happening and continuance of any event of default, the Trustee may, and upon written request of the holders of twenty-five percent (25%) in principal amount of the Certificates then outstanding and upon being indemnified to its reasonable satisfaction shall, declare the principal amount of and interest accrued on all Outstanding Certificates immediately due and payable; subject, however, to the rights of the holders of 51% in principal amount of all the Outstanding Certificates to annul such declaration if all such events have been cured, all arrears of interest have been paid and all other indebtedness secured by the Indenture (except the principal and interest not then due) has also been paid.

Surrender of Possession of Projects; Rights and Duties of Trustee in Possession

Under the terms of the Leases, upon the failure of the Corporation to pay rentals as due or upon the occurrence of a default under any of the Leases and the continuance of such default for a period of sixty (60) days after written notice to correct such default, the Corporation, upon demand of the Trustee, as lessor (which demand may be made at the discretion of the Trustee as provided in the Indenture), shall forthwith surrender the possession of the corresponding Project. Thereafter, it shall be lawful for, and the Trustee, subject to the Indenture, agrees to, take possession of all or any part of the corresponding Project, and to hold and manage the same, and from time to time to make all needful repairs and improvements as the Trustee shall be deemed wise; and the Trustee may lease the corresponding Project or any part thereof in its name and collect, receive and sequester the rentals, revenues and other income, charges and moneys therefrom, and out of the same and any moneys received from any receiver of any part thereof pay, and/or set up proper reserves for the payment of, all proper costs and expenses of so taking, holding and managing the same, including reasonable compensation to the Trustee, its agents and counsel, and any charges of the Trustee under the Indenture, and any taxes and assessments and other charges prior to the lien of the Indenture which the Trustee may deem it wise to pay, and all expenses of such repairs and improvements, and apply the remainder of the moneys so received in accordance with the provisions of the Indenture. Whenever all that is due upon the Certificates shall have been paid and all defaults made good, the Trustee shall surrender possession to the Corporation, its successors or assigns; the same right of entry, however, to exist upon any subsequent event of default.

While in possession of such property the Trustee shall render to the Corporation and also to the holders of all Certificates at their addresses shown on the registration books maintained by the Trustee pursuant to the 2021 Indenture, upon their written request, a summarized statement of income and expenditures in connection therewith.

Other Remedies: Rights of Certificate Holders

Upon the occurrence of an event of default the Trustee may, as an alternative, either after entry or without entry, pursue any available remedy to enforce the payment of the principal of and premium, if any, and interest on the Certificates then outstanding or of compliance with any other obligation or requirement of the Indenture.

Subject to the 2021 Indenture, if an event of default shall have occurred, and if requested so to do by the holders of at least twenty-five percent in aggregate principal amount of Certificates then outstanding, and indemnified as provided in the 2021 Indenture, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel, shall deem most expedient in the interests of the holders or owners of the Certificates.

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to the holder or owners of the Certificates) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the holders or owners of the Certificates hereunder or now or hereafter existing.

No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be a waiver of any such default or event of default or acquiescence therein; and every such right and power 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 holders or owners of the Certificates, shall extend or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon.

In exercising its rights given the Trustee under the Indenture, the Trustee shall take such action as, in the judgment of the Trustee, applying the standards described in the 2021 Indenture, would best serve the interests of the holders of the Certificates.

Right of Certificate Holders to Direct Proceedings

Anything in the Indenture to the contrary notwithstanding, the holders of a majority in aggregate principal amount of Certificates then outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the 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 thereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

Waiver of Events of Default

The Trustee may in its discretion waive any event of default under the Indenture and its consequences and rescind any declaration of maturity of principal, and shall do so upon the written request of the holders of at least (1) 51% in aggregate principal amount of all the Certificates then outstanding in respect of which default in the payment of principal and/or interest exists, or (2)

51% in principal amount of all Certificates then outstanding in case of any other default; provided, however, that there shall not be waived (a) any event of default in the payment of the principal of any Outstanding Certificates at the date of maturity specified therein or (b) any default in the payment when due of the interest on any such Certificates and there shall be no rescission of a declaration of maturity unless prior to such waiver or rescission, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Certificates in respect of which such default shall have occurred on overdue installments of interest or all arrears of payments of principal when due, as the case may be, and all expenses of the Trustee, in connection with such default, shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Corporation, the Foundation, the Trustee and the Certificate holders shall be restored to their former positions and rights under the Indenture respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Application of Moneys

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, be deposited in the Certificate Fund and all moneys in the Certificate Fund shall be applied as follows:

(a) Unless the principal of all the Certificates shall have become or have been declared due and payable, all such moneys shall be applied:

First -- To the payment of the persons entitled thereto of all installments of interest then due on the Certificates, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, of the persons entitled thereto, without any discrimination or privilege; and

Second -- To the payment of the persons entitled thereto of the unpaid principal of any of the Certificates which shall have become due (other than Certificates previously called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, with interest on such Certificates from the respective dates upon which they become due and if the amount available shall not be sufficient to pay in full all Certificates due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the person entitled thereto without any discrimination or privilege.

(b) If the principal of all the Certificates shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Certificates, without preference or priority of principal over interest or of interest over principal, or of any installment of interest or of preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Certificate over any other Certificate, ratably, according to the amount due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

Whenever moneys are to be applied as stated above, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any moneys and of the fixing of any such date, and shall not be required to make payment to the holder of any Certificate until such Certificate shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever (i) all Certificates and interest thereon have been paid, (ii) all expenses and charges of the Trustee and paying agents have been paid, and (iii) any rebate owed to the United States of America under Section 148 of the Code has been paid, any balance remaining in the Certificate Fund shall be paid to the Corporation as provided in the Indenture.

Supplemental Indentures

The Foundation and the Trustee, without obtaining the approval of the holders of Certificates, may enter into supplemental indentures to cure any ambiguity or formal defect or omission in the Indenture or to grant to the Trustee for the benefit of such holders any additional rights, remedies, powers, authority or security that may be lawfully granted; or to provide for the issuance of Additional Certificates on a parity to finance or refinance additional athletic or parking facilities. See "Additional Participation Certificates" herein.

The holders of not less than 51% in aggregate principal amount of the Certificates then outstanding shall have the right, from time to time except when contrary to the Indenture, to approve the execution by the Foundation and the Trustee of such supplemental indentures, except no supplemental indenture shall permit:

(a) An extension of the maturity of the principal of or interest on any Certificate without the consent of the holder of each Certificate so affected;

(b) A reduction in the principal amount of any Certificate or the redemption premium or the rate of interest without the consent of the holder of each Certificate so affected;

(c) A preference or priority of any Certificate or Certificates over any other Certificate or Certificates without the consent of the holders of all Certificates then outstanding; or

(d) A reduction in the aggregate principal amount of the Certificates required for consent to supplemental indentures without the consent of the holders of all Certificates then outstanding.

Lease Amendments

The Corporation and the Trustee may without the consent of or notice to the Certificate Holders consent to any amendment, change or modification of the Leases or any other documents in connection therewith, as may be required (i) by the provisions of the Leases and the Indenture, (ii) for the purpose of curing any ambiguity, inconsistency or formal defect or omission or (iii) in connection with any other change therein which, in the judgment of the Trustee, having relied on an opinion of Bond Counsel, is not to the prejudice of the Trustee or the holders of the Certificates.

Except for the amendments, changes, or modifications as provided in the preceding paragraph, the Trustee will not consent to any amendment, change or modification of the Leases which would change the rental payments required to be paid under the terms of the Leases or which would alter, change or amend the obligations of the Foundation under the Indenture or any other documents in connection therewith, without notice to and the written approval or consent of the holders of all of the then outstanding Certificates, or to any other amendment, change or modification of the Leases or any other documents in connection herewith or therewith, without publication of notice and the written approval or consent of the holders of not less than 51% in aggregate principal amount of the Certificates at the time outstanding given and procured.

Possession Until Default, Defeasance, Payment, Release

If, prior to the last maturity date of any Outstanding Certificates or prior to their redemption date (if Certificates have been or are to be called for redemption), the Trustee shall hold sufficient funds as described in the next succeeding paragraph and there shall have been paid all fees and charges of the Trustee due or to become due through the date on which the Certificates are to be retired (whether at maturity or by redemption), then the lien of the Indenture with respect to such Certificates shall thereafter be imposed only on the moneys and direct obligations of the United States of America held by the Trustee and payment of the principal of and premium, if any, and interest on those Outstanding Certificates shall be made solely from said moneys and direct obligations of the United States of America and the holders of those Certificates shall not be entitled to enforce payment of any principal of or premium or interest on those Certificates from any other source.

Within the meaning of the preceding paragraph, sufficient funds are held:

(i) if the Trustee shall hold, in trust for and irrevocably committed to the payment of the principal of and premium, if any, and interest on the Certificates, sufficient moneys, or

(ii) if the Trustee shall hold, in trust for and irrevocably committed to the payment of the principal of and premium, if any, and interest on the Certificates, noncallable direct obligations of the United States of America of such maturities and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (likewise to be held in trust and committed), be sufficient together with moneys referred to in subsection (i) above, for the payment, at their maturity or redemption date, of the principal of the Certificates together with the redemption premium, if any, and interest accrued to the date of maturity or redemption, as the case may be, or if default in such payment shall have occurred on such date then to the date of the tender of such payment; provided, that if any Certificates are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or provision satisfactory to the Trustee shall have been duly made for the giving of such notice. Any income or interest earned by, or increment to, the investments held under this section shall, to the extent not required for the purposes of this section, be transferred to the Certificate Fund.

Release of Indenture and Payment of Certificates

When (a) all of the Certificates shall have matured according to their terms or have been called for redemption and the date set for such redemption has occurred and all Certificates presented have been redeemed, or (b) all of the Certificates appertaining thereto have been paid and discharged or the Trustee holds sufficient moneys together with any amounts held by the Trustee for the payment of any Certificates not surrendered on their maturity date or redemption date, and (c) there shall have been paid all fees and charges of the Trustee due, then the Indenture shall cease, determine and become null and void, and thereupon the Trustee shall release the Indenture including the cancellation and discharge of the lien thereof, and execute and deliver such instruments in writing as shall be requisite to satisfy the lien thereof and to enter on the records such satisfaction and discharge as may be reasonably required, and, if the Corporation has exercised its option to purchase the Projects or has fully discharged and performed its obligations under the Leases, the Trustee shall assign and deliver to the Corporation any property at the time subject to the lien of the Indenture which may then be in its possession, except such cash and investments as are held by the Trustee for the payment of principal, interest and premium, if any, on retirement of the Certificates.

Additional Participation Certificates

The Trustee, at the written direction of the Foundation or the Corporation, to the extent permitted by law, shall cause to be issued Additional Certificates from time to time to provide for (i) the refunding of Outstanding Certificates in whole or in part, (ii) refunding of certificates of participation in other leases to the Corporation, (iii) the completion of any athletic or parking project or (iv) the financing or refinancing of additional athletic or parking projects; provided that the issuance of such Additional Certificates shall not result in the interest on the Certificates Outstanding immediately prior to such issuance, if tax-exempt, losing the exclusion from gross income for federal income tax purposes. Before any Additional Certificates are executed there shall be delivered to the Trustee the items required by the Indenture. Any series of Additional Certificates shall have maturities, interest rates, interest payment dates, denominations and other terms as provided in the supplemental indenture entered into in connection with such Additional Certificates, and the proceeds thereof shall be held, invested and paid out as therein provided, provided that such terms and provisions shall not be otherwise inconsistent with the Indenture.

Before any Additional Certificates authorized by the 1996 Indenture and the 2021 Indenture shall be executed and delivered by the Trustee, there shall be filed with the Trustee:

1. A written request from the Foundation to the Trustee for the execution and delivery of the Additional Certificates.

2. An original executed counterpart of the supplemental indenture entered into in connection with the execution and delivery of the Additional Certificates, in which supplemental indenture the Foundation, in order to secure the payment of the principal of and premium, if any, and interest on the Certificates, and to secure the performance and observance of all covenants and conditions in the Indenture and the Certificates contained, pledges, mortgages and assigns to the Trustee, and grants to the Trustee a security interest in, all right, title and interest of the Foundation in, to or under the property leased by the Foundation to the Corporation under the Additional Leases described in paragraph 3 below.

3. Executed Additional Leases relating to any additional facilities financed or refinanced thereby, which Additional Leases require the Corporation to pay rent to the Foundation at times and in amounts sufficient to pay the principal of and premium, if any, and interest on such Additional Participation Certificates and the fees for all Ordinary Services and Extraordinary Services and all Ordinary Expenses and Extraordinary Expenses related thereto.

4. The written opinion of counsel satisfactory to the Trustee, to the effect that the documents submitted to the Trustee in connection with the request then being made comply with the requirements of the Indenture, that all filings required to be made under the 2021 Indenture have been made, and that in his opinion all conditions precedent to the delivery of such Additional Certificates have been fulfilled.

5. The written opinion of nationally recognized bond counsel (who may also be the counsel referred to above in paragraph 4) that the Certificates the issuance of which is then applied for, when duly executed, delivered, and authenticated by the Trustee, will be valid and legal special obligations in accordance with their terms and will be secured by the Indenture with all Certificates at the time outstanding hereunder.

6. Executed assignments of the Additional Leases described in paragraph 3 above.

7. The written opinion of counsel to the Corporation (or nationally recognized bond counsel) to the effect that the Corporation's obligations to make lease rental payments, as described in paragraph 3 above, are valid and binding obligations of the Corporation, enforceable in accordance with their terms (which opinion may be subject to standard limitations, exceptions and qualifications).

8. Such other documents as may be necessary and appropriate hereunder.

When the foregoing documents have been duly filed and the Additional Certificates have been executed, the Trustee shall deliver them to or upon the order of the original purchaser thereof, but only upon payment to the Trustee of the aggregate purchase price provided in the supplemental indenture referred to in the numbered paragraph 2 above, and accrued interest to the date of delivery.

The proceeds of the sale of the Additional Certificates shall be used solely for the purpose of paying costs for which such Additional Certificates shall have been issued.

Trustee's Fees, Charges and Expenses

On or after the date on which the Series 2021 Certificates are first delivered to the Original Purchaser, the fees for Ordinary Services and Ordinary Expenses of the Trustee to be performed under the Indenture in connection with the authorization, issuance, delivery and payment of such series of Certificates shall be withdrawn by the Trustee from time to time from the Certificate Fund in payment of such Ordinary Services and Ordinary Expenses, in accordance with the Indenture. The Trustee shall be entitled to reasonable fees and charges of the Trustee for necessary Extraordinary Services and Extraordinary Expenses under the Indenture, provided, that either the Foundation or the holders of at least 25% in aggregate principal amount of Certificates then outstanding may, without creating a default under the Indenture, contest in good faith the necessity for any such Extraordinary Services and Extraordinary Expenses and the reasonableness of any such fees, charges or expenses. Amounts equal to the necessary Extraordinary Services and Extraordinary Expenses of the Trustee under the Indenture shall be withdrawn by the Trustee from time to time from the Certificate Fund in payment of such Extraordinary Services and Extraordinary Expenses in accordance with Section 1.06 hereof; provided, however, that in the event the amount of money in the Certificate Fund is insufficient to satisfy in full the amount due with respect to such Extraordinary Services and Extraordinary Expenses, then the amount unsatisfied shall be cumulated and paid in succeeding years from the balance remaining in the Certificate Fund after first having paid all principal of and premium, if any, and interest on the Certificates which is then next due and payable and its annual fee for its Ordinary Services and Ordinary Expenses then due at the time payment is sought by the Trustee. In the event that upon the termination of the Indenture, at the time that all Certificates issued hereunder have been paid at maturity or through redemption or have been defeased, the Corporation and the Foundation jointly and severally agree to promptly pay any remaining unpaid fees for Ordinary Services and Extraordinary Services and Ordinary Expenses and Extraordinary Expenses.

Appointment of Successor Trustee

In case the Trustee shall resign or be removed, or be dissolved, or otherwise become incapable of acting under the Indenture, 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 shall be appointed by the Foundation; provided that if a successor Trustee is not so appointed within ten days after the notice of resignation is mailed or instrument of removal is delivered, respectively, or the Trustee is dissolved, taken under control or otherwise incapable of action as above provided, then the holders of a majority in aggregate principal amount of Certificates then outstanding, by an instrument or concurrent instruments in writing signed by or on behalf of such holders, may designate a successor Trustee. Every such successor Trustee appointed shall be a trust company or bank in good standing, duly authorized to exercise trust powers within the State of Indiana, having a reported capital and surplus of not less than $50,000,000 and willing to accept the trusteeship under the terms and conditions of the Indenture.

THE AMENDED 2009 LEASE

The following is a brief summary of certain provisions of the 2009 Lease as amended by the 2016A Amendment (collectively, the "Amended 2009 Lease"), and does not purport to comprehensively describe the documents in their entirety.

Leasing

In the 2016A Amendment, the Foundation leases to the Corporation the 2016A Project, and certain adjoining facilities, utilities and appurtenances located on the Purdue University Campus at West Lafayette, Indiana for a term ending on September 9, 2049, unless expressly extended in writing by the parties or earlier terminated as described below. See "Option to Purchase Leased Property by the Corporation" and "Condemnation."

In the Amended 2009 Lease, the Foundation leases to the Corporation the 2009 Project, consisting of Mackey Arena and certain adjoining facilities, utilities and appurtenances located on the Purdue University Campus at West Lafayette, Indiana, for a term of 40 years, beginning on August 15, 2009 and ending on the day prior to such date 40 years thereafter, unless expressly extended in writing by the parties or earlier terminated as described below. See "Option to Purchase Leased Property by the Corporation" and "Condemnation."

Source of Rental Payments

The Corporation will pay rental under the Amended 2009 Lease during its term in yearly amounts equal to the Foundation's debt service on the applicable Certificates, plus fees for the Trustee, coordinated in installments in time and amount to match and enable the Foundation to meet and comply with the periodic debt service payment dates as established under the Certificates. The Corporation shall receive credit toward rentals for earnings or other amounts available to the Foundation, related to proceeds from its financing of the costs related to the Leased Property and amounts in sinking or reserve funds, if any. All rentals payable under the terms of the Amended 2009 Lease shall be paid by the Corporation to the Trustee, or to such other bank or trust company as may from time to time succeed such bank as Trustee. All payments made by the Corporation to the Trustee shall be considered as payment to the Foundation of the rentals payable thereunder.

Corporation's Obligations Payable From and Subject to Available Funds

The Corporation has covenanted and agreed that it will use and apply any available funds, to the extent necessary, for the purpose of satisfying its obligations under the Amended 2009 Lease; provided, however, that (i) mandatory student fees (which include all academic fees, however denominated, assessed by the Corporation against students attending Purdue University) and (ii) appropriations from the State of Indiana, shall not be considered available for the payment of such obligations. Notwithstanding any other provisions of the Amended 2009 Lease, the obligations imposed upon the Corporation by the Amended 2009 Lease for the payment of rent or making of other expenditures of money shall be and remain subject to the availability of funds which may lawfully be used by the Corporation for such purposes. No obligation imposed on the Corporation under the Amended 2009 Lease shall be or become an obligation, indebtedness or liability of the State of Indiana.

Additional Rental Payments and Other Charges

Additional Rental Payments. The Corporation shall pay as further rental for the Leased Property all real property taxes and assessments levied against the Leased Property, payable during the term of the Amended 2009 Lease. Any and all such payments shall be made and satisfactory evidence of such payments in the form of receipts shall be furnished to the Foundation by the Corporation, at least three (3) days before the last day upon which the same must be paid to avoid delinquency. In case the Corporation shall in good faith desire to contest the validity of any such tax or assessment, and shall so notify the Foundation, and shall famish bond with surety to the approval of the Foundation conditioned upon the payment of the charges so desired to be contested and all damages or losses resulting to the Foundation from the nonpayment thereof when due, the Corporation shall not be obligated to pay the same until such contests shall have been determined.

Public Utility Charges. The Corporation shall pay all charges for gas, electricity, water, light, heat or power, telephone or other communications services, sewage treatment or disposal, or other utility equipment or services used on or in connection with the Leased Property and to indemnify, to the extent permitted by law, the Foundation and save it harmless against any liability or damages on such account.

Repairs and Maintenance

The Corporation covenants throughout the term of the Amended 2009 Lease, at its sole cost and expense, to maintain the Leased Property (including any roadways, sidewalks, parking lots and curbs thereon or adjacent thereto) and to keep the same in good order and condition, excepting reasonable wear and tear, and promptly at the Corporation's own cost or expense to make all necessary repairs, interior and exterior, structural and nonstructural, ordinary as well as extraordinary, foreseen as well as unforeseen, to the Leased Property as may be required to satisfy this covenant. The term "repairs" shall include replacements or renewals when necessary.

All items of equipment and personal property initially furnished by the Foundation shall remain the property of the Foundation during the term of the Amended 2009 Lease, but shall be maintained and kept in repair by the Corporation. When, in the judgment of the Corporation, any such item is no longer useful or usable, it shall be retired, and may be disposed of by the Corporation which shall no longer be responsible for its maintenance. The Corporation may replace any such retired items, and all replacements shall be owned by the Corporation. Any original items of equipment or other personal property remaining upon termination of the Amended 2009 Lease (other than by reason of default by the Corporation) shall thereupon become the property of Corporation.

Damage or Destruction

The Corporation covenants and agrees that, in the case of damage to, or destruction of, any improvements located on or constituting a part of the Leased Property, the Corporation will promptly, at its sole cost and expense, repair or replace the same as nearly as possible to their condition immediately prior to such damage or destruction, to the extent necessary to restore the value and utility of such improvements. The Corporation's obligation to make payment of the rent and all other charges on the part of the Corporation to be paid, and to perform all other covenants

or agreements on the part of the Corporation to be performed, shall not be affected by any such damage or destruction, regardless of the cause thereof.

Insurance

During the term of the Amended 2009 Lease, the Corporation shall at its expense procure and at all times keep and maintain in force for the benefit of the Foundation and the Corporation such insurance coverage with respect to the Leased Property as the Corporation would customarily maintain with respect to its other properties, including but not limited to fire and extended risk coverage and comprehensive general liability coverage. The policies evidencing all such insurance shall contain customary provisions, and such other provisions and endorsements as the Foundation may reasonably require. All such policies shall be issued in amounts and by companies satisfactory to the Foundation. The proceeds of such policies (other than liability policies) shall be first applied, to the extent necessary, to satisfy the Corporation's obligations described under the caption "Damage or Destruction," and, if any excess proceeds remain, such excess shall become the sole property of the Corporation.

Corporation's Use, Occupancy. Management and Control

The Corporation covenants and agrees that it will use, occupy, manage and control the Leased Property in the exercise of its responsibilities for the management and operation of the Purdue University Campus at West Lafayette, Indiana, for the educational and other purposes of Purdue University, in a manner consistent with the desired tax status of the Series 2016A Certificates, and in the discharge of its statutory responsibilities, and for the management, operation and servicing of said institution. All revenues derived by the Corporation from the operation of the Leased Property shall belong to the Corporation and all expenses incurred in connection with said operation shall be paid by the Corporation.

General Covenants

The Corporation shall not assign the Amended 2009 Lease or sublet any part of the Leased Property without the prior consent of the Foundation nor, in any event, in such manner as to adversely affect the tax-exempt status of the rents.

Option to Purchase Leased Property by the Corporation

The Foundation has granted to the Corporation the right and option, upon sixty (60) days' written notice to the Foundation and the Trustee, to terminate the Amended 2009 Lease with respect to the 2016A Project or the 2009 Project and purchase the Leased Property at a price equal to either (i) the sum of the then unpaid principal, premium, if any, and accrued interest to the date of redemption of the Certificates, plus any other amounts due and payable by the Corporation under the Amended 2009 Lease, or (ii) the amount sufficient to defease the Certificates under the terms of the Indenture, including all costs and expenses incurred in connection therewith, plus all other amounts due and payable by the Corporation under the Amended 2009 Lease. Upon the exercise of the option to purchase granted in the Amended 2009 Lease, the Foundation will, upon payment of the option price, convey the Leased Property to the Corporation, subject only to existing streets and utility or other easements, if any. Thereupon, the Amended 2009 Lease will terminate. All expenses incurred by the Foundation in connection with such transfer of title shall be paid or reimbursed by the Corporation.

If the Corporation does not exercise its option to purchase the Leased Property described in the preceding paragraph, then upon the expiration of the Amended 2009 Lease and the full discharge and performance by the Corporation of its obligations under the Amended 2009 Lease, the Leased Property will be transferred to the Corporation.

Defaults

If the Corporation shall default (a) in the payment of any rentals or other sums payable to the Foundation under the Amended 2009 Lease, or in the payment of any other sum in the Amended 2009 Lease required to be paid for the Foundation; or (b) in the observance of any other covenant, agreement or condition in the Amended 2009 Lease, and such default shall continue for sixty (60) days after written notice to correct the same; then, in any or either of such events, the Foundation may proceed to protect and enforce its rights by suit or suits in equity or at law in any court of competent jurisdiction, whether for specific performance of any covenant or agreement contained in the Amended 2009 Lease, or for the enforcement of any other appropriate legal or equitable remedy; or the Foundation, at its option, without further notice, may terminate the Amended 2009 Lease and take possession of the Leased Property, and the Corporation covenants to surrender the same forthwith upon demand. The Foundation's option to terminate the Amended 2009 Lease and take possession of the Leased Property shall be equally applicable as the remedy in the event the Corporation is unable to meet its rental obligations under the Amended 2009 Lease as a result of a lack of available funds, as described under the caption "Corporation's Obligations Payable From and Subject to Available Funds."

In the event of such termination, the Corporation and the Foundation shall mutually endeavor to reach a satisfactory settlement of the Foundation's claims against the Corporation, as the basis for the transfer of ownership and possession of the Leased Property to the Corporation, in the manner which, absent such default, would have occurred upon expiration of the Amended 2009 Lease, as described above.

The exercise by the Foundation of the above right to terminate the Amended 2009 Lease shall not release the Corporation from the performance of any obligation under the Amended 2009 Lease maturing prior to the Foundation's actual entry into possession. No waiver by the Foundation of any right to terminate the Amended 2009 Lease upon any default shall operate to waive such right upon the same or other default subsequently occurring.

Condemnation

If the entire Leased Property should be taken by any governmental body having the power of eminent domain, the Amended 2009 Lease shall terminate effective on the date when the Corporation is deprived of possession of the Leased Property. In such event the Corporation's obligations as to rentals or other payments to the Foundation, shall be accelerated, but shall be limited to the difference, if any, between the amount of the Option Price under the Amended 2009 Lease and the proceeds of the condemnation which shall be payable to the Foundation, and each party shall look to the condemning authority for compensation for any and all damage, loss and injury it may have incurred by reason of such taking and condemnation. In the event part but less than all of the Leased Property should be so taken, the Amended 2009 Lease shall not terminate, but the Corporation's obligations thereunder as to payment of rentals and other amounts shall be decreased by the amount of compensation payable to the Foundation by the condemning authority. The Foundation shall transfer the proceeds of any condemnation award to the Trustee, together with any accelerated Rental Payments by the Corporation to repay or defease allocable Certificates in full.

THE 2014A LEASE

The following is a brief summary of certain provisions of the 2014A Lease and does not purport to comprehensively describe the document in its entirety.

Leasing

In the 2014A Lease, the Foundation leases to the Corporation the 2014A Project and certain adjoining facilities, utilities and appurtenances located on the Purdue University Campus at West Lafayette, Indiana, for a term of 40 years, beginning on the date of issuance of the Series 2014A Certificate and ending on the day prior to such date 40 years thereafter, unless expressly extended in writing by the parties or earlier terminated as described below. See "Option to Purchase Leased Property by the Corporation" and "Condemnation."

Source of Rental Payments

Rental Payments. The Corporation will pay rental under the 2014A Lease during its term in yearly amounts equal to the Foundation's debt service on the applicable Certificates, plus fees for the Trustee, coordinated in installments in time and amount to match and enable the Foundation to meet and comply with the periodic debt service payment dates as established under the Certificates. The Corporation shall receive credit toward rentals for earnings or other amounts available to the Foundation, related to proceeds from its financing of the costs related to the Leased Property and amounts in sinking or reserve funds, if any. All rentals payable under the terms of the 2014A Lease shall be paid by the Corporation to the Trustee, or to such other bank or trust company as may from time to time succeed such bank as Trustee. All payments made by the Corporation to the Trustee shall be considered as payment to the Foundation of the rentals payable thereunder.

Corporation's Obligations Payable from and Subject to Available Funds

The Corporation has covenanted and agreed that it will use and apply any available funds, to the extent necessary, for the purpose of satisfying its obligations under the 2014A Lease; provided, however, that (i) mandatory student fees (which include all academic fees, however denominated, assessed by the Corporation against students attending Purdue University) and (ii) appropriations from the State of Indiana, shall not be considered available for the payment of such obligations. Notwithstanding any other provisions of the 2014A Lease, the obligations imposed upon the Corporation by the 2014A Lease for the payment of rent or making of other expenditures of money shall be and remain subject to the availability of funds which may lawfully be used by the Corporation for such purposes. No obligation imposed on the Corporation under the 2014A Lease shall be or become an obligation, indebtedness or liability of the State of Indiana.

Additional Rental Payments and Other Charges

Additional Rental Payments. The Corporation shall pay as further rental for the Leased Property all real property taxes and assessments levied against the Leased Property, payable during the term of the 2014A Lease. Any and all such payments shall be made and satisfactory evidence of such payments in the form of receipts shall be furnished to the Foundation by the Corporation, at least three (3) days before the last day upon which the same must be paid to avoid delinquency. In case the Corporation shall in good faith desire to contest the validity of any such tax or assessment, and shall so notify the Foundation, and shall famish bond with surety to the approval of the Foundation conditioned upon the payment of the charges so desired to be contested and all damages or losses resulting to the Foundation from the nonpayment thereof when due, the Corporation shall not be obligated to pay the same until such contests shall have been determined.

Public Utility Charges. The Corporation shall pay all charges for gas, electricity, water, light, heat or power, telephone or other communications services, sewage treatment or disposal, or other utility equipment or services used on or in connection with the Leased Property and to indemnify, to the extent permitted by law, the Foundation and save it harmless against any liability or damages on such account.

Repairs and Maintenance

The Corporation covenants throughout the term of the 2014A Lease, at its sole cost and expense, to maintain the Leased Property (including any roadways, sidewalks, parking lots and curbs thereon or adjacent thereto) and to keep the same in good order and condition, excepting reasonable wear and tear, and promptly at the Corporation's own cost or expense to make all necessary repairs, interior and exterior, structural and nonstructural, ordinary as well as extraordinary, foreseen as well as unforeseen, to the Leased Property as may be required to satisfy this covenant. The term "repairs" shall include replacements or renewals when necessary.

All items of equipment and personal property initially furnished by the Foundation shall remain the property of the Foundation during the term of the 2014A Lease, but shall be maintained and kept in repair by the Corporation. When, in the judgment of the Corporation, any such item is no longer useful or usable, it shall be retired, and may be disposed of by the Corporation which shall no longer be responsible for its maintenance. The Corporation may replace any such retired items, and all replacements shall be owned by the Corporation. Any original items of equipment or other personal property remaining upon termination of the 2014A Lease (other than by reason of default by the Corporation) shall thereupon become the property of Corporation.

Damage or Destruction

The Corporation covenants and agrees that, in the case of damage to, or destruction of, any improvements located on or constituting a part of the Leased Property, the Corporation will promptly, at its sole cost and expense, repair or replace the same as nearly as possible to their condition immediately prior to such damage or destruction, to the extent necessary to restore the value and utility of such improvements. The Corporation's obligation to make payment of the rent and all other charges on the part of the Corporation to be paid, and to perform all other covenants

or agreements on the part of the Corporation to be performed, shall not be affected by any such damage or destruction, regardless of the cause thereof.

Insurance

During the term of the 2014A Lease, the Corporation shall at its expense procure and at all times keep and maintain in force for the benefit of the Foundation and the Corporation such insurance coverage with respect to the Leased Property as the Corporation would customarily maintain with respect to its other properties, including but not limited to fire and extended risk coverage and comprehensive general liability coverage. The policies evidencing all such insurance shall contain customary provisions, and such other provisions and endorsements as the Foundation may reasonably require. All such policies shall be issued in amounts and by companies satisfactory to the Foundation. The proceeds of such policies (other than liability policies) shall be first applied, to the extent necessary, to satisfy the Corporation's obligations described under the caption "Damage or Destruction," and, if any excess proceeds remain, such excess shall become the sole property of the Corporation.

Corporation's Use, Occupancy. Management and Control

The Corporation covenants and agrees that it will use, occupy, manage and control the Leased Property in the exercise of its responsibilities for the management and operation of the Purdue University Campus at West Lafayette, Indiana, for the educational and other purposes of Purdue University, in a manner consistent with the desired tax status of the 2014A Certificate and the Series 2006 Certificates, and in the discharge of its statutory responsibilities, and for the management, operation and servicing of said institution. All revenues derived by the Corporation from the operation of the Leased Property shall belong to the Corporation and all expenses incurred in connection with said operation shall be paid by the Corporation.

General Covenants

The Corporation shall not assign the 2014A Lease or sublet any part of the Leased Property without the prior consent of the Foundation nor, in any event, in such manner as to adversely affect the tax-exempt status of the rents.

Option to Purchase Leased Property by the Corporation

The Foundation has granted to the Corporation the right and option, upon sixty (60) days' written notice to the Foundation and the Trustee, to terminate the 2014A Lease and purchase the Leased Property at a price equal to either (i) the sum of the then unpaid principal, premium, if any, and accrued interest to the date of redemption of the Certificates, plus any other amounts due and payable by the Corporation under the 2014A Lease, or (ii) the amount sufficient to defease the Certificates under the terms of the Indenture, including all costs and expenses incurred in connection therewith, plus all other amounts due and payable by the Corporation under the 2014A Lease. Upon the exercise of the option to purchase granted in the 2014A Lease, the Foundation will, upon payment of the option price, convey the Leased Property to the Corporation, subject only to existing streets and utility or other easements, if any. Thereupon, the 2014A Lease will terminate. All expenses incurred by the Foundation in connection with such transfer of title shall be paid or reimbursed by the Corporation.

If the Corporation does not exercise its option to purchase the Leased Property described in the preceding paragraph, then upon the expiration of the 2014A Lease and the full discharge and performance by the Corporation of its obligations under the 2014A Lease, the Leased Property will be transferred to the Corporation.

Defaults

If the Corporation shall default (a) in the payment of any rentals or other sums payable to the Foundation under the 2014A Lease, or in the payment of any other sum in the 2014A Lease required to be paid for the Foundation; or (b) in the observance of any other covenant, agreement or condition in the 2014A Lease, and such default shall continue for sixty (60) days after written notice to correct the same; then, in any or either of such events, the Foundation may proceed to protect and enforce its rights by suit or suits in equity or at law in any court of competent jurisdiction, whether for specific performance of any covenant or agreement contained in the 2014A Lease, or for the enforcement of any other appropriate legal or equitable remedy; or the Foundation, at its option, without further notice, may terminate the 2014A Lease and take possession of the Leased Property, and the Corporation covenants to surrender the same forthwith upon demand. The Foundation's option to terminate the 2014A Lease and take possession of the Leased Property shall be equally applicable as the remedy in the event the Corporation is unable to meet its rental obligations under the 2014A Lease as a result of a lack of available funds, as described under the caption "Corporation's Obligations Payable From and Subject to Available Funds."

In the event of such termination, the Corporation and the Foundation shall mutually endeavor to reach a satisfactory settlement of the Foundation's claims against the Corporation, as the basis for the transfer of ownership and possession of the Leased Property to the Corporation, in the manner which, absent such default, would have occurred upon expiration of the 2014A Lease, as described above.

The exercise by the Foundation of the above right to terminate the 2014A Lease shall not release the Corporation from the performance of any obligation under the 2014A Lease maturing prior to the Foundation's actual entry into possession. No waiver by the Foundation of any right to terminate the 2014A Lease upon any default shall operate to waive such right upon the same or other default subsequently occurring.

Condemnation

If the entire Leased Property should be taken by any governmental body having the power of eminent domain, the 2014A Lease shall terminate effective on the date when the Corporation is deprived of possession of the Leased Property. In such event the Corporation's obligations as to rentals or other payments to the Foundation, shall be accelerated, but shall be limited to the difference, if any, between the amount of the Option Price under the 2014A Lease and the proceeds of the condemnation which shall be payable to the Foundation, and each party shall look to the condemning authority for compensation for any and all damage, loss and injury it may have incurred by reason of such taking and condemnation. In the event part but less than all of the Leased Property should be so taken, the 2014A Lease shall not terminate, but the Corporation's obligations thereunder as to payment of rentals and other amounts shall be decreased by the amount of compensation payable to the Foundation by the condemning authority. The Foundation shall transfer the proceeds of any condemnation award to the Trustee, together with any accelerated Rental Payments by the Corporation to repay or defease allocable Certificates in full.

THE 2001 LEASE

The following is a brief summary of certain provisions of the 2001 Lease and does not purport to comprehensively describe the documents in its entirety.

Leasing

In the 2001 Lease, the Foundation leases to the Corporation the Leased Property, consisting of Ross-Ade Stadium and certain adjoining facilities, utilities and appurtenances located on the Purdue University Campus at West Lafayette, Indiana, for a term of 40 years, beginning on the date of issuance of the Corporation's Certificates of Participation, Series 2001A and Series 2001B and ending on the day prior to such date 40 years thereafter, unless expressly extended in writing by the parties or earlier terminated as described below. See "Option to Purchase Leased Property by the Corporation" and "Condemnation."

Source of Rental Payments

Rental Payments. The Corporation will pay rental under the 2001 Lease during its term in yearly amounts equal to the Foundation's debt service on the applicable Certificates, plus fees for the Trustee, coordinated in installments in time and amount to match and enable the Foundation to meet and comply with the periodic debt service payment dates as established under the Certificates. The Corporation shall receive credit toward rentals for earnings or other amounts available to the Foundation, related to proceeds from its financing of the costs related to the Leased Property and amounts in sinking or reserve funds, if any. All rentals payable under the terms of the 2001 Lease shall be paid by the Corporation to the Trustee, or to such other bank or trust company as may from time to time succeed such bank as Trustee. All payments made by the Corporation to the Trustee shall be considered as payment to the Foundation of the rentals payable thereunder.

Corporation's Obligations Payable From and Subject to Available Funds

The Corporation has covenanted and agreed that it will use and apply any available funds, to the extent necessary, for the purpose of satisfying its obligations under the 2001 Lease; provided, however, that (i) mandatory student fees (which include all academic fees, however denominated, assessed by the Corporation against students attending Purdue University) and (ii) appropriations from the State of Indiana, shall not be considered available for the payment of such obligations. Notwithstanding any other provisions of the 2001 Lease, the obligations imposed upon the Corporation by the 2001 Lease for the payment of rent or making of other expenditures of money shall be and remain subject to the availability of funds which may lawfully be used by the Corporation for such purposes. No obligation imposed on the Corporation under the 2001 Lease shall be or become an obligation, indebtedness or liability of the State of Indiana.

Additional Rental Payments and Other Charges

Additional Rental Payments. The Corporation shall pay as further rental for the Leased Property all real property taxes and assessments levied against the Leased Property, payable during the term of the 2001 Lease. Any and all such payments shall be made and satisfactory evidence of such payments in the form of receipts shall be furnished to the Foundation by the Corporation, at least three (3) days before the last day upon which the same must be paid to avoid delinquency. In case the Corporation shall in good faith desire to contest the validity of any such tax or assessment, and shall so notify the Foundation, and shall famish bond with surety to the approval of the Foundation conditioned upon the payment of the charges so desired to be contested and all damages or losses resulting to the Foundation from the nonpayment thereof when due, the Corporation shall not be obligated to pay the same until such contests shall have been determined.

Public Utility Charges. The Corporation shall pay all charges for gas, electricity, water, light, heat or power, telephone or other communications services, sewage treatment or disposal, or other utility equipment or services used on or in connection with the Leased Property and to indemnify, to the extent permitted by law, the Foundation and save it harmless against any liability or damages on such account.

Repairs and Maintenance

The Corporation covenants throughout the term of the 2001 Lease, at its sole cost and expense, to maintain the Leased Property (including any roadways, sidewalks, parking lots and curbs thereon or adjacent thereto) and to keep the same in good order and condition, excepting reasonable wear and tear, and promptly at the Corporation's own cost or expense to make all necessary repairs, interior and exterior, structural and nonstructural, ordinary as well as extraordinary, foreseen as well as unforeseen, to the Leased Property as may be required to satisfy this covenant. The term "repairs" shall include replacements or renewals when necessary.

All items of equipment and personal property initially furnished by the Foundation shall remain the property of the Foundation during the term of the 2001 Lease, but shall be maintained and kept in repair by the Corporation. When, in the judgment of the Corporation, any such item is no longer useful or usable, it shall be retired, and may be disposed of by the Corporation which shall no longer be responsible for its maintenance. The Corporation may replace any such retired items, and all replacements shall be owned by the Corporation. Any original items of equipment or other personal property remaining upon termination of the 2001 Lease (other than by reason of default by the Corporation) shall thereupon become the property of Corporation.

Damage or Destruction

The Corporation covenants and agrees that, in the case of damage to, or destruction of, any improvements located on or constituting a part of the Leased Property, the Corporation will promptly, at its sole cost and expense, repair or replace the same as nearly as possible to their condition immediately prior to such damage or destruction, to the extent necessary to restore the value and utility of such improvements. The Corporation's obligation to make payment of the rent and all other charges on the part of the Corporation to be paid, and to perform all other covenants

or agreements on the part of the Corporation to be performed, shall not be affected by any such damage or destruction, regardless of the cause thereof.

Insurance

During the term of the 2001 Lease, the Corporation shall at its expense procure and at all times keep and maintain in force for the benefit of the Foundation and the Corporation such insurance coverage with respect to the Leased Property as the Corporation would customarily maintain with respect to its other properties, including but not limited to fire and extended risk coverage and comprehensive general liability coverage. The policies evidencing all such insurance shall contain customary provisions, and such other provisions and endorsements as the Foundation may reasonably require. All such policies shall be issued in amounts and by companies satisfactory to the Foundation. The proceeds of such policies (other than liability policies) shall be first applied, to the extent necessary, to satisfy the Corporation's obligations described under the caption "Damage or Destruction," and, if any excess proceeds remain, such excess shall become the sole property of the Corporation.

Corporation's Use, Occupancy. Management and Control

The Corporation covenants and agrees that it will use, occupy, manage and control the Leased Property in the exercise of its responsibilities for the management and operation of the Purdue University Campus at West Lafayette, Indiana, for the educational and other purposes of Purdue University, in a manner consistent with the desired tax status of the Series 2014A Certificate and Series 2006 Certificates, and in the discharge of its statutory responsibilities, and for the management, operation and servicing of said institution. All revenues derived by the Corporation from the operation of the Leased Property shall belong to the Corporation and all expenses incurred in connection with said operation shall be paid by the Corporation.

General Covenants

The Corporation shall not assign the 2001 Lease or sublet any part of the Leased Property without the prior consent of the Foundation nor, in any event, in such manner as to adversely affect the tax-exempt status of the rents.

Option to Purchase Leased Property by the Corporation

The Foundation has granted to the Corporation the right and option, upon sixty (60) days' written notice to the Foundation and the Trustee, to terminate the 2001 Lease and purchase the Leased Property at a price equal to either (i) the sum of the then unpaid principal, premium, if any, and accrued interest to the date of redemption of the Certificates, plus any other amounts due and payable by the Corporation under the 2001 Lease, or (ii) the amount sufficient to defease the Certificates under the terms of the Indenture, including all costs and expenses incurred in connection therewith, plus all other amounts due and payable by the Corporation under the 2001 Lease. Upon the exercise of the option to purchase granted in the 2001 Lease, the Foundation will, upon payment of the option price, convey the Leased Property to the Corporation, subject only to existing streets and utility or other easements, if any. Thereupon, the 2001 Lease will terminate. All expenses incurred by the Foundation in connection with such transfer of title shall be paid or reimbursed by the Corporation.

If the Corporation does not exercise its option to purchase the Leased Property described in the preceding paragraph, then upon the expiration of the 2001 Lease and the full discharge and performance by the Corporation of its obligations under the 2001 Lease, the Leased Property will be transferred to the Corporation.

Defaults

If the Corporation shall default (a) in the payment of any rentals or other sums payable to the Foundation under the 2001 Lease, or in the payment of any other sum in the 2001 Lease required to be paid for the Foundation; or (b) in the observance of any other covenant, agreement or condition in the 2001 Lease, and such default shall continue for sixty (60) days after written notice to correct the same; then, in any or either of such events, the Foundation may proceed to protect and enforce its rights by suit or suits in equity or at law in any court of competent jurisdiction, whether for specific performance of any covenant or agreement contained in the 2001 Lease, or for the enforcement of any other appropriate legal or equitable remedy; or the Foundation, at its option, without further notice, may terminate the 2001 Lease and take possession of the Leased Property, and the Corporation covenants to surrender the same forthwith upon demand. The Foundation's option to terminate the 2001 Lease and take possession of the Leased Property shall be equally applicable as the remedy in the event the Corporation is unable to meet its rental obligations under the 2001 Lease as a result of a lack of available funds, as described under the caption "Corporation's Obligations Payable From and Subject to Available Funds."

In the event of such termination, the Corporation and the Foundation shall mutually endeavor to reach a satisfactory settlement of the Foundation's claims against the Corporation, as the basis for the transfer of ownership and possession of the Leased Property to the Corporation, in the manner which, absent such default, would have occurred upon expiration of the 2001 Lease, as described above.

The exercise by the Foundation of the above right to terminate the 2001 Lease shall not release the Corporation from the performance of any obligation under the 2001 Lease maturing prior to the Foundation's actual entry into possession. No waiver by the Foundation of any right to terminate the 2001 Lease upon any default shall operate to waive such right upon the same or other default subsequently occurring.

Condemnation

If the entire Leased Property should be taken by any governmental body having the power of eminent domain, the 2001 Lease shall terminate effective on the date when the Corporation is deprived of possession of the Leased Property. In such event the Corporation shall have no further obligations as to rentals or other payments to the Foundation, and each party shall look to the condemning authority for compensation for any and all damage, loss and injury it may have incurred by reason of such taking and condemnation. In the event part but less than all of the Leased Property should be so taken, the 2001 Lease shall not terminate, but the Corporation's obligations thereunder as to payment of rentals and other amounts shall be decreased by the amount of compensation payable to the Foundation by the condemning authority.

APPENDIX D-1

FORM OF OPINION OF BOND COUNSEL FOR THE SERIES 2021A CERTIFICATES

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May 12, 2021

Wells Fargo Bank, N.A.,
as representative of the Underwriters
New York, New York

The Trustees of Purdue University
West Lafayette, Indiana

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

Ross-Ade Foundation
West Lafayette, Indiana

Re: Certificates of Participation, Series 2021A, Evidencing a Proportionate Interest of Owners Thereof in Lease Payments to Be Made by The Trustees of Purdue University, as Lessee; Total Issue $29,935,000

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), of Certificates of Participation, Series 2021A, originally dated the date hereof in the aggregate principal amount of $29,935,000 (the "Series 2021A Certificates"). Each of the Series 2021A Certificates represents a proportionate interest of the owners thereof in lease payments to be made by The Trustees of Purdue University, as Lessee (the "Corporation") under certain lease purchase agreements described in the 2021 Indenture (as defined below) (collectively, the "Leases"), to the Corporation from the Ross-Ade Foundation, as Lessor (the "Foundation") of certain property described in the Leases, all as described in the Trust Indenture, dated as of April 1, 2021 (the "2021 Indenture") (which supplements and amends a Trust Indenture dated as of November 15, 1996, a Trust Indenture dated as of November 15, 2006, a Trust Indenture dated as of August 15, 2009, a Trust Indenture dated as of February 15, 2011, a Trust Indenture dated as of February 15, 2014 and a Trust Indenture dated as of May 15, 2016 (collectively, the "Indenture")), between the Foundation and the Trustee, pursuant to which the Series 2021A Certificates are issued and secured. The Foundation has assigned its interest in the Leases to the Trustee. We have relied upon a certified transcript of proceedings, including the opinion of Steven R. Schultz, Esq., General Counsel to the Corporation, as counsel to the Corporation, as well as other certificates and representations of the Corporation, the Foundation and the Trustee, including the Arbitrage and Federal Tax Certificate of The Trustees of Purdue University (the "Tax Covenants"), and have not undertaken to verify any facts by independent investigation.

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

1. The 2021 Indenture has been duly authorized, executed and delivered by the Foundation, and assuming due authorization, execution and delivery thereof by the Trustee, is a valid and binding agreement of the Foundation, enforceable in accordance with its terms.

2. The Series 2021A Certificates have been duly authorized, executed and issued and are the valid and binding obligations of the Trustee, enforceable in accordance with their terms.

3. Under existing laws, judicial decisions, regulations, and rulings, the interest on the Series 2021A Certificates is exempt from income taxes in the State of Indiana.

4. Under existing federal statutes, laws, regulations, rulings and judicial decisions, the interest on the Series 2021A Certificates paid from that portion of the lease rental payments designated as interest is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), is not a specific preference item for purposes of the federal alternative minimum tax. This opinion is conditioned on continuing compliance by the Corporation, the Foundation and the Trustee with the Tax Covenants. Failure to comply with the Tax Covenants could cause interest on the Series 2021A Certificates to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue.

It is to be understood that the rights of the owners of the Series 2021A Certificates, the Corporation, the Foundation and the Trustee and the enforceability of the Series 2021A Certificates, the Indenture and the Leases may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore and hereafter enacted and their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity. It is to be understood that the rights of the owners of the Series 2021A Certificates, the Corporation, the Foundation and the Trustee and the enforceability of the Series 2021A Certificates, the Indenture and the Leases 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-2

FORM OF OPINION OF BOND COUNSEL
FOR THE SERIES 2021B CERTIFICATES

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May 12, 2021

Wells Fargo Bank, N.A.,
as representative of the Underwriters
New York, New York

The Trustees of Purdue University
West Lafayette, Indiana

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

Ross-Ade Foundation
West Lafayette, Indiana

Re: Taxable Certificates of Participation, Series 2021B, Evidencing a Proportionate Interest of Owners Thereof in Lease Payments to Be Made by The Trustees of Purdue University, as Lessee; Total Issue $2,350,000

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), of Taxable Certificates of Participation, Series 2021B, originally dated the date hereof in the aggregate principal amount of $2,350,000 (the "Series 2021B Certificates"). Each of the Series 2021B Certificates represents a proportionate interest of the owners thereof in lease payments to be made by The Trustees of Purdue University, as Lessee (the "Corporation") under certain lease purchase agreements described in the 2021 Indenture (as defined below) (collectively, the "Leases"), to the Corporation from the Ross-Ade Foundation, as Lessor (the "Foundation") of certain property described in the Leases, all as described in the Trust Indenture, dated as of April 1, 2021 (the "2021 Indenture") (which supplements and amends a Trust Indenture dated as of November 15, 1996, a Trust Indenture dated as of November 15, 2006, a Trust Indenture dated as of August 15, 2009, a Trust Indenture dated as of February 15, 2011, a Trust Indenture dated as of February 15, 2014 and a Trust Indenture dated as of May 15, 2016 (collectively, the "Indenture")), between the Foundation and the Trustee, pursuant to which the Series 2021B Certificates are issued and secured. The Foundation has assigned its interest in the Leases to the Trustee. We have relied upon a certified transcript of proceedings, including the opinion of Steven R. Schultz, Esq., General Counsel to the Corporation, as counsel to the Corporation, as well as other certificates and representations of the Corporation, the Foundation and the Trustee, and have not undertaken to verify any facts by independent investigation.

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

1. The 2021 Indenture has been duly authorized, executed and delivered by the Foundation, and assuming due authorization, execution and delivery thereof by the Trustee, is a valid and binding agreement of the Foundation, enforceable in accordance with its terms.

2. The Series 2021B Certificates have been duly authorized, executed and issued and are the valid and binding obligations of the Trustee, enforceable in accordance with their terms.

3. Under existing laws, judicial decisions, regulations, and rulings, the interest on the Series 2021B Certificates is exempt from income taxes in the State of Indiana.

It is to be understood that the rights of the owners of the Series 2021B Certificates, the Corporation, the Foundation and the Trustee and the enforceability of the Series 2021B Certificates, the Indenture and the Leases may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore and hereafter enacted and their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity. It is to be understood that the rights of the owners of the Series 2021B Certificates, the Corporation, the Foundation and the Trustee and the enforceability of the Series 2021B Certificates, the Indenture and the Leases 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 E

SUMMARY OF CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

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SUMMARY OF CONTINUING DISCLOSURE UNDERTAKING

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 supplemented by a First Supplement to Second Amended and Restated Continuing Disclosure Undertaking Agreement, dated May 12, 2021 (as supplemented, the "Undertaking").

Each Underwriter, by its agreement to purchase any Series 2021 Certificates, accepts and assents to the Undertaking and the exchange of (i) such agreement for (ii) the promises of Corporation, and assigns all its rights under the Undertaking to the holders of Series 2021 Certificates or Beneficial Owners (as such terms are defined in the Undertaking). Beneficial Owners and holders of Bonds (including the Series 2021 Certificates) are named as third party beneficiaries of the Undertaking.

Pursuant to the terms of the Undertaking, the Corporation will agree to provide the following information while any of the Series 2021 Certificates are Outstanding:

- Audited Financial Statements. To the Municipal Securities Rulemaking Board ("MSRB"), when and if available, the audited financial statements of the Corporation for each fiscal year of the Corporation, beginning with the fiscal year ending June 30, 2021, 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, 2021, annual financial information of the Corporation for such fiscal year, other than the audited financial statements described above, including (i) unaudited financial statements of the Corporation if audited financial statements are not available and (ii) operating data (excluding any demographic information or forecasts) of the general type provided under the following headings in this Official Statement (collectively, the "Annual Information"); provided, however, that the updating information may be provided in such format as the Corporation deems appropriate:

  ANNUAL DEBT SERVICE REQUIREMENTS

  (Total Debt Service Column Only)

  APPENDIX A

  — Student Admissions
  — Tuition and Fees
  — Student Enrollment
  — Financial Operations of the Corporation
  — State Appropriations
  — Student Financial Aid
  — Endowment and Similar Funds

— Related Foundations
— Fund Raising Activity
— Grants and Contracts
— Other Outstanding Indebtedness
— Physical Property

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.

- Reportable Events. In a timely manner within 10 business days of the occurrence of any of the following events, to the MSRB:

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material events, notices or determinations with respect to the tax status of the Obligations, or other material events affecting the tax status of the Obligations;
(7) modifications to rights of security holders, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution or sale of property securing repayment of the Obligations, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the Obligor;
(13) the consummation of a merger, consolidation, or acquisition involving the Obligor or the sale of all or substantially all of the assets of the Obligor, 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;
(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
(15) 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

(16) 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.

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

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

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

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

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

Remedy. The sole remedy against the Corporation for any failure to carry out any provision of the Undertaking will be for specific performance of the Corporation's disclosure obligations under the Undertaking and not for money damages of any kind or in any amount or for any other remedy. The Corporation's failure to honor its covenants under the Undertaking will not constitute a breach or default of the Series 2021 Certificates, the Indenture or any other agreement to which the Corporation is a party.

In the event the Corporation fails to provide any information required of it by the terms of the Undertaking, any holder or beneficial owner of Series 2021 Certificates 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 2021 Certificates 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 2021 Certificates 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 2021 Certificates 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 2021 Certificates 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 2021 Certificates, as determined either by (A) any person selected by the Corporation that is unaffiliated with the Corporation (including the Trustee under the Indenture, or nationally recognized bond counsel) or (B) an approving vote of the holders of 51% or more of Outstanding Series 2021 Certificates as required under the Indenture at the time of such amendment or modification; or (b) such amendment or modification (including an amendment or modification which rescinds the Undertaking) is permitted by the Rule, as then in effect.

Prior Compliance. In order to assist the Underwriters in complying with the Underwriters' obligations pursuant to the Rule, the Corporation represents that, except as described below, it is not aware of any instances in the previous five years in which the Corporation has failed to comply in any material respect with its previous undertakings. The Annual Information filed by the University following the fiscal year end June 30, 2016 was complete Annual Information, but failed to reference the CUSIP Numbers for the Series 2016A Certificates.

APPENDIX F

FORM OF OPINION OF COUNSEL TO THE CORPORATION

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May 12, 2021

The Trustees of Purdue University
West Lafayette, Indiana

Wells Fargo Bank, N.A.,
as representative of the Underwriters
New York, New York

Ice Miller LLP
Indianapolis, Indiana

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

Re: Certificates of Participation, Series 2021A, and Taxable Certificates of Participation, Series 2021B, Evidencing a Proportionate Interest of Owners Thereof in Lease Payments to Be Made By The Trustees of Purdue University (together, the "Certificates"); Total Issue $32,285,000

Ladies and Gentlemen:

The undersigned is General Counsel to The Trustees of Purdue University (the "Corporation") and in such capacity has examined and is familiar with the following:

1. The Certificate Purchase Agreement dated April 6, 2021, including Exhibit A thereto (the "Purchase Agreement");

2. The Rebate Agreement dated as of April 1, 2021, by and among the Corporation, the Foundation and the Trustee (the "Rebate Agreement");

3. The First Supplement to Second Amended and Restated Continuing Disclosure Undertaking Agreement dated May 12, 2021, to a Second Amended and Restated Continuing Disclosure Undertaking Agreement dated May 27, 2020, of the Corporation (the "Undertaking Agreement");

4. All proceedings of the Corporation authorizing the execution and delivery of Exhibit A to the Purchase Agreement, the Rebate Agreement and the Undertaking Agreement (collectively, the "Corporation Documents");

5. The applicable constitutional provisions and laws of the State of Indiana; and

6. Resolutions relating to the transactions referred to herein by the Board of Trustees of the Corporation dated February 5, 2021 and by the Board of Directors of the Foundation on February 15, 2021.

Based upon the foregoing, and upon examination of such other documents and instruments as we have deemed necessary to enable us to render this opinion, we are of the opinion that:

(i) The Corporation is a duly organized statutory body corporate of the State of Indiana and is validly existing and is in good standing as such and has the authority and power to enter into the Corporation Documents;

(ii) The Corporation had and now has full authority and power to execute and deliver the Corporation Documents, and said documents have been duly authorized, executed and delivered by the Corporation and are the legal, valid and binding obligations of the Corporation enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought;

(iii) The execution and delivery of the Corporation Documents and the performance by the Corporation of its obligations thereunder, do not and will not constitute a default under or conflict with or violate any provisions of the constitution or statutes of the State of Indiana or any state or federal administrative regulation or other decree by which the Corporation is bound or any indenture, agreement, contract or other instrument to which the Corporation is a party or by which it or any of its property is bound;

(iv) The resolutions of the Corporation authorizing the approval, execution and delivery by the Corporation's Treasurer of the Corporation Documents (A) were duly adopted at a meeting of the governing body of the Corporation, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, (B) have not been amended, and (C) remain in full force and effect;

(v) To the best of our knowledge, the information contained in the Official Statement dated April 6, 2021, under the headings "Introduction", "Plan of Finance", "Security and Sources of Payments for the Series 2021 Certificates", "Ross-Ade Foundation", "Litigation" and Appendix A (except for statistical and financial data therein as to which we offer no opinion) does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(vi) The Corporation has duly authorized the taking of any and all action necessary to carry out and give effect to the transactions contemplated to be performed on its part by the Corporation Documents and other documents to which it is a party referred to in this opinion;

(vii) To the best of our knowledge, no stop-order suspending the execution and delivery of the Corporation Documents is in effect and no proceedings for that purpose are pending before or threatened by the Securities and Exchange Commission or any regulatory body of the State of Indiana; and

(viii) To the best of our knowledge, there is no action, suit or proceeding or investigation at law or in equity or before any court, public board or body pending or threatened, or any basis for such, against the Corporation affecting the organization, existence or boundaries of the Corporation or the titles of its officers to their respective offices or seeking to restrain or enjoin the issuance, sale or delivery of the Certificates, the payment of rentals under the Leases (as defined in the Corporation Documents), or the pledge by the Foundation of its interest in the rental payments to the Trustee, or contesting the validity or enforceability of the Corporation Documents or contesting the power of the Corporation or its authority to enter into, adopt or perform its obligations under the Corporation Documents wherein an unfavorable decision, ruling or finding would have a materially adverse effect on the Corporation or would adversely affect the Corporation's ability to perform its obligations under the Corporation Documents or adversely affect the validity or enforceability of the Certificates, the Corporation Documents or any other agreement or instrument to which the Corporation is a party or the performance of any of the Corporation's obligations under the Corporation Documents, including the payment of rentals under the Leases; and

(ix) With respect to the enforceability of any document or instrument, this opinion is subject to the qualifications that: (a) the enforceability of such document or instrument may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance and similar laws relating to or affecting the enforcement of creditors' rights; (b) the enforceability of equitable rights and remedies provided for in such document or instrument is subject to judicial discretion, and the enforceability of such document or instrument may be limited by general principles of equity; (c) any provision of such document or instrument which purports to release, exculpate or exempt any person from any liability, or to require indemnification of or contribution to any person for any liability, may be unenforceable; (d) the enforceability of such document or instrument may be limited by public policy; and (e) certain remedial, waiver and other provisions of such document or instrument may be unenforceable, provided, however, that in our opinion the unenforceability of those provisions would not, subject to the other qualifications set forth herein, affect the validity of such document or instrument or prevent the practical realization of the benefits thereof.

This letter speaks only as of its date. We undertake no obligation to advise you or any other person of any change of law or fact that occurs after the date of this letter, even though such change may affect a legal analysis, a legal conclusion or an informational confirmation in this letter. This letter may be relied upon by only you and only in connection with the issuance and purchase by the Underwriters of the Certificates, and may not be used or relied upon by you for any other purpose or by any other person for any purpose whatsoever, without in each instance our prior written consent.

Very truly yours,

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