NEW ISSUE
BOOK-ENTRY-ONLY

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

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

PURDUE UNIVERSITY

$112,140,000
THE TRUSTEES OF PURDUE UNIVERSITY
Purdue University Student Fee Bonds, Series EE

Dated: Date of Delivery **Due: January 1, 2021, then July 1, as shown on the inside cover page**

The Trustees of Purdue University (the "Corporation") will issue its Purdue University Student Fee Bonds, Series EE, dated the date of delivery (the "Series EE Bonds"), in the original aggregate principal amount of $112,140,000*. The Series EE Bonds are being issued pursuant to resolutions adopted and actions authorized by the Board of Trustees of the Corporation and under an Amended and Restated Trust Indenture dated as of May 1, 1996, as heretofore supplemented and amended from time to time (the "Amended and Restated Indenture"), and as further supplemented by a Thirty-Second Supplemental Indenture dated as of May 1, 2020 (the "Thirty-Second Supplemental Indenture" and, collectively with the Amended and Restated Indenture, the "Indenture"), by and between the Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor to NBD Bank, N.A.), Indianapolis, Indiana, as trustee (the "Trustee"), for the purposes of (i) financing, refinancing, or reimbursing the Corporation for the costs of certain New Projects (as hereinafter defined), (ii) financing the current refunding of the Refunded Bonds (as hereinafter defined), and (iii) paying costs of issuance of the Series EE Bonds. See "PLAN OF FINANCE."

Interest on the Series EE Bonds is payable on January 1 and July 1 of each year, commencing January 1, 2021 by check mailed to the registered owners or by wire transfer to owners of $1,000,000 or more in aggregate principal amount who have requested the same of the Trustee. The Series EE Bonds are issuable only as fully registered bonds, and will be issued in denominations of $5,000 or any integral multiple thereof. The Series EE Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Series EE Bonds will be made in book-entry-only form, and purchasers of a beneficial interest in the Series EE Bonds will not receive physical delivery of the certificates representing their interests in the Series EE Bonds. The principal of and interest on the Series EE Bonds will be paid to DTC or its nominee as the registered owner of the Series EE Bonds. Disbursement of such payments to owners of beneficial interests in the Series EE Bonds will be the responsibility of DTC and its participants and indirect participants. See "DESCRIPTION OF SERIES EE BONDS--Book-Entry-Only System."

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

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

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

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

The Series EE Bonds are offered when, as and if issued by the Corporation and received by the Underwriters, subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by Ice Miller LLP, Indianapolis, Indiana, Bond Counsel and Disclosure Counsel. Certain legal matters will be passed on for the Corporation by its internal counsel, Steven R. Schultz, Esq., General Counsel to the Corporation, West Lafayette, Indiana, and for the Underwriters by Barnes & Thornburg LLP, Indianapolis, Indiana. Blue Rose Capital Advisors, LLC is serving as financial advisor to the Corporation. It is anticipated that the Series EE Bonds will be available for delivery to DTC in New York, New York, on or about May 27, 2020.

Morgan Stanley

BofA Securities **Ramirez & Co., Inc.**

Official Statement dated: May 12, 2020

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

$112,140,000
The Trustees of Purdue University
Purdue University Student Fee Bonds, Series EE

Due	Principal Amount	Interest Rate	Yield	Price	CUSIP[1]
January 1, 2021	$3,075,000	4.000%	0.550%	102.044%	746189YT0
July 1, 2021	2,850,000	5.000	0.600	104.792	746189YU7
July 1, 2022	6,665,000	5.000	0.660	109.011	746189YV5
July 1, 2023	7,005,000	5.000	0.720	113.073	746189YW3
July 1, 2024	5,375,000	5.000	0.830	116.752	746189YX1
July 1, 2025	5,420,000	5.000	0.940	120.148	746189YY9
July 1, 2026	5,695,000	5.000	1.020	123.458	746189YZ6
July 1, 2027	5,975,000	5.000	1.110	126.467	746189ZA0
July 1, 2028	6,275,000	5.000	1.200	129.227	746189ZB8
July 1, 2029	6,595,000	5.000	1.270	131.939	746189ZC6
July 1, 2030	6,920,000	5.000	1.360	134.223	746189ZD4
July 1, 2031*	7,270,000	5.000	1.490	132.781	746189ZE2
July 1, 2032*	7,630,000	5.000	1.610	131.466	746189ZF9
July 1, 2033*	8,015,000	5.000	1.710	130.381	746189ZG7
July 1, 2034*	8,415,000	5.000	1.750	129.951	746189ZH5
July 1, 2035*	8,835,000	5.000	1.800	129.415	746189ZJ1
July 1, 2036*	9,275,000	5.000	1.840	128.988	746189ZK8
July 1, 2037*	850,000	5.000	1.890	128.457	746189ZL6

* Priced to the par call date of July 1, 2030

[1] Copyright 2019, American Bankers Association. CUSIP data herein is provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers are provided for convenience and reference only. Neither the Corporation nor the Underwriters are responsible for the selection or use of the CUSIP numbers, nor is any representation made as to their correctness on the Series EE Bonds or as indicated above.

THE TRUSTEES OF PURDUE UNIVERSITY
West Lafayette, Indiana

[1] Term expires June 2020
[2] Effective March 31, 2020 with the retirement of Dan Hasler
[3] Effective May 1, 2020 as Betty Vandenbosch steps down from her role as Chancellor

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

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

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

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

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CORPORATION AND THE TERMS OF THE OFFERING, INCLUDING THE MERIT AND RISK INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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SUMMARY STATEMENT

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

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

The main campus of Purdue University is located in West Lafayette, about 60 miles northwest of Indianapolis. Purdue Northwest maintains regional campuses in the northwestern cities of Hammond and Westville. Purdue Fort Wayne is in northeastern Indiana. One additional regional campus is operated jointly with Indiana University in Indianapolis. The West Lafayette campus is organized academically into ten colleges. Undergraduate, masters and doctorate degrees are awarded in each school. Purdue University's 2019 Fall semester headcount enrollment for all campuses exceeded 65,700, excluding the Indianapolis campus. An additional 6,025 Purdue students attended the Indiana University-Purdue University campus in Indianapolis. See APPENDIX A.

On March 22, 2018 the Corporation closed on its acquisition of the institutional operations and assets of Kaplan University from Graham Holdings Company. The Corporation operates the former Kaplan University as Purdue University Global, which is a nonprofit public benefit corporation controlled and supervised by the Corporation. Purdue University Global provides online educational services, and relies on tuition and fundraising to cover its operating expenses (with no state appropriations). Purdue University Global had approximately 30,000 students enrolled at January 2020. See "Acquisition of Kaplan University Launches Purdue University Global" in APPENDIX A. Purdue University Global is a separate legal entity and the tuition and student fees it charges to and collects from its students do **not** constitute "Student Fees" within the meaning of the Indenture for purposes of securing the Student Fee Bonds or providing a source of payment for the Student Fee Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR STUDENT FEE BONDS -- Student Fees."

PURPOSES OF ISSUE. The Corporation's Purdue University Student Fee Bonds, Series EE (the "Series EE Bonds"), are being issued (i) to finance, refinance, or reimburse the costs of (a) the Engineering and Polytechnic Gateway Building on the Corporation's West Lafayette campus, and (b) the new Veterinary Medicine Teaching Hospital on the Corporation's West Lafayette campus, each as hereinafter described (the "New Projects"), (ii) to finance the current refunding of The Trustees of Purdue University Tax-Exempt Purdue University Student Fee Bonds, Series Z-1 (the "Series Z-1 Bonds"), excluding the July 1, 2020 maturity (the "Refunded Bonds"), and (iii) to pay certain costs of issuance of the Series EE Bonds. See "PLAN OF FINANCE."

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

STUDENT FEES. The term "Student Fees" means all academic fees (including tuition) however denominated, assessed by the Corporation against all students attending Purdue University, except fees which may be subsequently released from the lien of the Indenture, as provided therein. Purdue University Global is a separate legal entity and the tuition and student fees it charges to and collects from its students do **not** constitute "Student Fees" within the meaning of the Indenture for purposes of securing the Student Fee Bonds or providing a source of payment for the Student Fee Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR STUDENT FEE BONDS -- Student Fees."

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

DEBT SERVICE COVERAGE. The following debt service coverage summary is based on Student Fees for the Fiscal Years ended June 30, 2019 and June 30, 2018, and the Maximum Annual Debt Service on all Outstanding Student Fee Bonds, after giving effect to the issuance of the Series EE Bonds.

	2019	2018
	(in thousands)	
Student Fees[1]	$853,211	$798,272
Coverage[2]	15.24 x	14.26 x

[1] Excludes fees charged and collected by Purdue University Global, which do not constitute Student Fees.
[2] Maximum Annual Debt Service (in thousands) (FY 2021) ($55,979,962).

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

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

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

CONTINUING DISCLOSURE. Pursuant to the continuing disclosure requirements promulgated by the Securities and Exchange Commission in SEC Rule 15c2-12, as amended (the "Rule"), the Corporation has executed and delivered a Second Amended and Restated Continuing Disclosure Undertaking Agreement dated as of May 1, 2020 (the "Second Restated Undertaking"), pursuant to which the Corporation will agree to provide (i) on an annual basis to the Municipal Securities Rulemaking Board ("MSRB") certain annual financial and operating information, and (ii) notice to the MSRB upon the occurrence of certain reportable events more fully described herein. See "CONTINUING DISCLOSURE" herein. In order to assist the Underwriters in complying with the Underwriters' obligations pursuant to the Rule, the Corporation represents that 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.

CORONAVIRUS OUTBREAK. Public health epidemics or outbreaks could adversely impact the Corporation's operations. 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 has now spread to several other countries and infections have been reported globally, including in the United States. On March 11, 2020, the World Health Organization proclaimed the coronavirus (COVID-19) to be a pandemic. The emergence of COVID-19 and the spread thereof is an emerging and evolving issue. The extent to which the coronavirus will impact the Corporation's operations and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak. The continued spread of the coronavirus in the United States could have a material adverse effect on the Corporation's operations and its financial condition, including a negative impact on the University's collections of tuition and fees and other amounts necessary for the operation of the Corporation. Revenues may be adversely affected and appropriations from the State of Indiana may decline. Donations and research activities may be adversely affected as well. However, any such effects on the Corporation's finances or operations cannot be predicted. Accordingly, the Corporation makes no representations regarding the economic impact of the COVID-19 pandemic on the Corporation or its financial position.

The Corporation issued an update on March 10 directing all faculty and staff to move their courses to online or alternative delivery following the completion of spring break on March 23 and continuing throughout the end of the semester. The campus remained open after spring break; however, students were required to take all courses online. Students in the residence halls were given the option of choosing whether to return to campus or not after spring break, although the Corporation strongly encouraged all students to return home if possible. The Corporation has provided students at the West Lafayette campus with a $750 housing credit/refund, and all unused "dining dollars" are being rolled over or refunded. Students at the Purdue Northwest campus were provided refunds of a $450 or $500 credit or refund based on room type; students at the Fort Wayne campus were provided a $500 credit or refund. The estimated total impact of these refunds is expected to be approximately $9,500,000. Only essential activities, including research, are continuing on the campuses. All sponsored events involving external visitors have been suspended and all gatherings involving multiple people have been cancelled. Traditional commencement has been cancelled and replaced by an on-demand online option. All summer study abroad programs have been cancelled. In addition, the Corporation suspended all international and domestic air travel for faculty and staff. No ground travel is allowed to any state which has declared a public health emergency due to coronavirus, and travel within the State of Indiana has been limited to "essential" travel only.

University President Mitch Daniels has announced that all Corporation employees will be paid through the end of the fiscal year on June 30, 2020, or the end of their academic contract, at a minimum. However, pay raises scheduled to become effective at the outset of the new fiscal year on July 1 have been suspended. A call center and website (https://coronaviruspurdue.edu/) has been established to answer questions from students, parents, faculty and staff about the impact of the COVID-19 disease. The Corporation also has established a Safe Campus Task Force to propose new practices, procedures, approaches and operations to be implemented in the Fall of 2020 to limit the degree of illness and manage it effectively. In addition, the Corporation expects to receive funds allocated for higher education relief under the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). If received, the Corporation anticipates that this funding could have a net benefit of approximately $17.4 million to help offset costs associated with the outbreak of COVID-19. See also "LITIGATION – Other Proceedings" herein.

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 which may be forthcoming form 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.

OFFICIAL STATEMENT

$112,140,000
The Trustees of Purdue University
Purdue University Student Fee Bonds, Series EE

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the appendices, is to set forth information concerning the issuance and sale by The Trustees of Purdue University (the "Corporation"), of $112,140,000 aggregate principal amount of its Purdue University Student Fee Bonds, Series EE (the "Series EE Bonds").

The Series EE Bonds are being issued under Indiana Code 21-34-6 through 10, as amended (the "Act"), and pursuant to resolutions adopted by and actions authorized by the Board of Trustees of the Corporation (the "Board"), and in accordance with the provisions of an Amended and Restated Trust Indenture, dated as of May 1, 1996, by and between the Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor to NBD Bank, N.A.), Indianapolis, Indiana, as trustee (the "Trustee"), as supplemented and amended from time to time (the "Amended and Restated Indenture"), and as further supplemented by the Thirty-Second Supplemental Indenture dated as of May 1, 2020, by and between the Corporation and the Trustee (the "Thirty-Second Supplemental Indenture"). The Amended and Restated Indenture, as supplemented by the Thirty-Second Supplemental Indenture, is referred to herein as the "Indenture."

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

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

Under the Indenture, the Corporation has issued and has outstanding as of March 31, 2020, $396,550,000 in cumulative aggregate principal amount of its (i) Purdue University Student Fee Bonds, Series U (the "Series U Bonds"); (ii) Purdue University Student Fee Bonds, Series Y (the "Series Y Bonds"); (iii) Tax-Exempt Purdue University Student Fee Bonds, Series Z-1 (the "Series Z-1 Bonds"); (iv) Taxable Purdue University Student Fee Bonds, Series Z-2 (Build America Bonds – Direct Pay Option) (the "Series Z-2 Bonds"); (v) Purdue University Student Fee Bonds, Series AA (the "Series AA Bonds"); (vi) Tax-Exempt Purdue University Student Fee Bonds, Series BB-1 (the "Series BB-1 Bonds"); (vii) Taxable Purdue University Student Fee Bonds, Series BB-2 (the "Series BB-2 Bonds"); (viii) Purdue University Student Fee Bonds, Series CC (the "Series CC Bonds"); and (ix) Purdue University Student Fee Bonds, Series DD (the "Series DD Bonds") (the Bonds referred to in clauses (i) through (ix) are collectively referred to as the "Outstanding Student Fee Bonds"). The Series Z-1 Bonds, excluding the July 1, 2020 maturity (the "Refunded Bonds"), are being refunded by the Series EE Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR STUDENT FEE BONDS -- Outstanding Student Fee Bonds." The Series EE Bonds are issued on a parity with the Outstanding Student Fee Bonds and any additional Parity Bonds (as hereinafter defined) issued by the Corporation under the Indenture (the Outstanding Student Fee Bonds and the Series EE Bonds, together with any Additional Bonds (as hereinafter defined) issued by the Corporation under the Indenture, are collectively referred to as the "Student Fee Bonds"). See "SECURITY AND SOURCES OF PAYMENT FOR STUDENT FEE BONDS."

"Student Fees" means all academic fees (including tuition), however denominated, assessed by the Corporation against students attending Purdue University (the "University"), except fees which may be subsequently released from the lien of the Indenture, as provided therein. Fees charged and collected by Purdue University Global do not constitute Student Fees. The Corporation has covenanted and agreed in the Indenture to pay the Trustee on or before each Interest Payment Date, Student Fees sufficient to pay the principal of and interest due on the Series EE Bonds and all Parity Bonds. Such amounts will be deposited in the Sinking Fund. Student Fees, prior to their deposit with the Trustee as required by the Indenture, may be used as general operating funds of the Corporation.

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

The Corporation has entered into a Second Amended and Restated Continuing Disclosure Undertaking Agreement for the benefit of the beneficial owners of the Series EE Bonds, obligating itself to provide certain continuing disclosure as described in detail in "CONTINUING DISCLOSURE" herein.

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

PURPOSES OF SERIES EE BONDS

The Series EE Bonds are being issued for the purposes of (i) financing, refinancing and reimbursing the Corporation for the costs of the New Projects, and (ii) financing the refunding of the Refunded Bonds, as described under the caption "PLAN OF FINANCE." A portion of the proceeds of the Series EE Bonds will be used to pay for the costs of issuance of the Series EE Bonds.

DESCRIPTION OF SERIES EE BONDS

General

The Series EE Bonds will be issued in the aggregate principal amount of $112,140,000 and will be dated and bear interest from the date of issuance. The Series EE Bonds will bear interest (payable January 1 and July 1 of each year, with the first interest payment being January 1, 2021 (each, an "Interest Payment Date")) at the rates and will mature on the dates and in the principal amounts set forth on the inside cover page of this Official Statement. Interest on the Series EE Bonds will be computed on the basis of a 360-day year, consisting of twelve 30-day months.

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

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

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

Redemption

Optional Redemption of Series EE Bonds. The Series EE Bonds maturing on or after July 1, 2031, are subject to redemption prior to maturity at the option of the Corporation at any time on or after July 1, 2030, in whole or in part, in any order of maturity designated by the Corporation (less than all of the Series EE Bonds of a single maturity to be selected by lot in such manner as may be designated by the Trustee), at a redemption price of 100% of the principal amount of each Series EE Bond to be redeemed, plus accrued interest to the date of redemption.

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

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

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

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

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

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

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

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series EE Bonds. The Series EE Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series EE Bond certificate will be issued for the Series EE Bonds (designating each maturity thereof and the interest rate for each maturity or within a maturity) and will be deposited with DTC.

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

Purchases of Series EE Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series EE Bonds on DTC's records. The ownership interest of each actual purchaser of each Series EE Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series EE Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series EE Bonds, except in the event that use of the book-entry system for the Series EE Bonds is discontinued.

To facilitate subsequent transfers, all Series EE Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series EE Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series EE Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series EE Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series EE Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series EE Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

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

Disclaimer

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

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

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

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

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

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

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

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

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

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

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

Payment of Principal and Interest on Series EE Bonds

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

Interest Account. The Trustee shall establish and maintain, so long as any Series EE Bonds are outstanding, a separate account within the Sinking Fund created by the Indenture known as the Series EE Interest Account. The Trustee will allocate from amounts in the Sinking Fund to the Series EE Interest Account amounts which are sufficient to pay interest on the Outstanding Series EE Bonds as such becomes due. On or before the first day of each January and July, commencing January 1, 2021 (or, if such day is not a Business Day, then on the first Business Day after such day), the Trustee will deposit in the Series EE Interest Account moneys received from the Corporation in an amount equal to the difference, if any, between (a) the interest due on the Series EE Bonds on such Interest Payment Date and (b) the amount of money on deposit in the Series EE Interest Account available to pay such interest on the Series EE Bonds. Moneys on deposit in the Series EE Interest Account shall be used by the Trustee to pay interest on the Series EE Bonds on regularly scheduled Interest Payment Dates.

Principal Account. The Trustee shall establish and maintain, so long as any Series EE Bonds are outstanding, a separate account within the Sinking Fund to be known as the Series EE Principal Account. All payments made by the Corporation in respect to principal of the Series EE Bonds shall be deposited as and when received by the Trustee in the Series EE Principal Account. On or before January 1, 2021, then on or before the first day of each July, commencing July 1, 2021 (or, if such day is not a Business Day, then on the first Business Day after such day), the Trustee will deposit in the Series EE Principal Account moneys received from the Corporation in an amount equal to the difference, if any, between (a) the principal amount of Series EE Bonds maturing on such January 1 or on such July 1 and (b) the amount of money then on deposit in the Series EE Principal Account available to pay the principal of the Series EE Bonds. Moneys on deposit in the Series EE Principal Account shall be used by the Trustee to pay the principal of the Series EE Bonds when due.

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

Transfer and Exchange of Series EE Bonds

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

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

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

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

Upon surrender for transfer or exchange of any of the Series EE Bonds at the corporate trust operations office of the Bond Registrar, the Corporation shall execute, and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees, a new fully registered Series EE Bond or Series EE Bonds of the same maturity of authorized denominations for a like aggregate principal amount. Any Series EE Bond or Series EE Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of any Series EE Bond or Series EE Bonds of the same maturity of other authorized denominations. The Trustee will not be required to transfer or exchange any Series EE Bond after notice calling such Series EE Bond or portion thereof for redemption has been mailed or during the period of

15 days prior to the mailing of a notice of redemption of any Series EE Bond of the same maturity. No service charge or payment shall be required to be made by the Owner of any Series EE Bond requesting an exchange, registration or transfer of any Series EE Bond, but the Corporation, the Trustee and the Bond Registrar may require payment of a sum sufficient to cover any tax, fee or other governmental charge required to be paid with respect to such exchange, registration or transfer. For a more detailed description, see "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

SECURITY AND SOURCES OF PAYMENT FOR STUDENT FEE BONDS

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

Student Fees

"Student Fees" means all academic fees (including tuition), however denominated, assessed by the Corporation against students attending Purdue University, except fees which may be subsequently released from the lien of the Indenture, as provided therein. Fees charged and collected by Purdue University Global do not constitute Student Fees. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE -- Partial Release of Lien on Student Fees."

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

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

Purdue University Global is a separate legal entity and the tuition and student fees it charges to and collects from its students do **not** constitute "Student Fees" within the meaning of the Indenture for purposes of securing the Student Fee Bonds or providing a source of payment for the Student Fee Bonds.

Reserve Fund

While a Reserve Fund has been established pursuant to the Indenture, no Reserve Fund Requirement (as hereinafter defined) exists for the Series EE Bonds (or any other Student Fee Bonds which are Outstanding). Accordingly, the Series EE Bonds will have no claim on the Reserve Fund. However, the Corporation may issue Additional Bonds at some later date which will have a claim on the Reserve Fund in the manner prescribed in the Indenture. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE--Flow of Funds."

Fee Covenant

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

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

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

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

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

Issuance of Additional Bonds

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

Additional Bonds may be issued from time to time by the Corporation if actual Student Fees received by the Corporation during the preceding Fiscal Year shall be equal to or greater than 1.0 times the Maximum Annual Debt Service to become due in the succeeding Fiscal Years for the payment of principal and interest charges on the Outstanding Parity Bonds under the

Indenture and on the Parity Bonds then to be authenticated and delivered. In addition, Additional Bonds may be authorized and executed by the Corporation and authenticated and delivered by the Trustee without the necessity for compliance with the aforementioned test when necessary or appropriate, in the opinion of the Trustee, to avoid a default under the Indenture.

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

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

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

Outstanding Student Fee Bonds

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

Obligation	Delivery Date	Final Maturity	Original Amount Issued	Amount Outstanding as of March 31, 2020
Series U Bonds	July 20, 2005	July 1, 2022	$35,200,000	$9,315,000
Series Y Bonds	March 17, 2010	July 1, 2020	74,130,000	4,300,000
Series Z-1 Bonds[1]	November 23, 2010	July 1, 2024	68,320,000	10,940,000
Series Z-2 Bonds	November 23, 2010	July 1, 2035	100,705,000	81,680,000
Series AA Bonds	August 9, 2012	July 1, 2032	54,555,000	40,880,000
Series BB-1 Bonds	January 7, 2015	July 1, 2034	48,630,000	30,810,000
Series BB-2 Bonds	January 7, 2015	July 1, 2032	18,985,000	14,335,000
Series CC Bonds	May 26, 2016	July 1, 2036	121,885,000	118,880,000
Series DD Bonds	September 18, 2018	July 1, 2038	90,135,000	85,410,000

[1] The Refunded Bonds will be redeemed on July 1, 2020 and the remaining Series Z-1 Bonds will be paid at maturity on July 1, 2020.

The Act further provides general authorization for the incurrence of indebtedness by the Corporation, for miscellaneous purposes, subject to approvals from the General Assembly (unless, after the issuance thereof, the total amount of outstanding bonds issued by the Corporation without General Assembly approval will not exceed $2,000,000), the Governor, the

State Budget Committee and State Budget Agency. As of August 1, 2018, the Corporation has no indebtedness outstanding which does not have General Assembly approval.

The Act also provides for the incurrence of indebtedness by the Corporation to finance qualified energy savings projects, subject to any necessary approvals from the Governor, the State Budget Committee and State Budget Agency, if annual operating savings arising from the project are reasonably expected to be at least equal to annual debt service requirements on the indebtedness. The Corporation has previously used a tax-exempt commercial program to finance, on an interim basis, among other things, the costs of various projects which may be financed on a permanent basis with Student Fee Bonds (or auxiliary revenue bonds). This program was fully paid in January, 2015 and ended on April 1, 2018.

DEBT SERVICE COVERAGE

The following debt service coverage summary is based on Student Fees for the Fiscal Years ended June 30, 2019 and June 30, 2018, and the Maximum Annual Debt Service on all Outstanding Student Fee Bonds, after giving effect to the issuance of the Series EE Bonds.

	2019	2018
	(in thousands)	
Student Fees[1]	$853,211	$798,272
Coverage[2]	15.24 x	14.26 x

[1] Excludes fees charged and collected by Purdue University Global, which do not constitute Student Fees.
[2] Maximum Annual Debt Service (in thousands) (FY 2021) ($55,979,962).

ANNUAL DEBT SERVICE REQUIREMENTS

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

Fiscal Year Ending June 30	Series U Bonds	Series Y Bonds	Series Z-1 Bonds[1]	Series Z-2 Bonds[2]	Series AA Bonds	Series BB-1 Bonds	Series BB-2 Bonds	Series CC Bonds	Series DD Bonds	Series EE Bonds	Total[3]
2021	$3,887,425	$4,407,500	$4,387,000	$7,827,524	$4,109,688	$4,867,875	$1,384,455	$11,723,100	$6,995,625	$6,389,771	$55,979,962
2022	3,066,394			7,769,873	4,107,663	4,285,125	1,386,204	15,941,725	6,992,375	8,232,000	51,781,358
2023	3,068,488			7,718,778	4,108,288	4,015,875	1,380,634	15,939,850	6,991,875	11,809,125	55,032,913
2024				7,662,587	4,107,538	4,015,875	1,382,959	15,904,850	6,983,875	11,807,375	51,865,058
2025				8,316,058	4,110,038	4,008,375	1,377,754	15,905,225	6,983,000	9,867,875	50,568,324
2026				8,536,312	4,110,413	3,998,250	1,373,607	15,888,975	6,978,750	9,643,000	50,529,306
2027				8,446,262	4,108,413	3,990,125	1,375,938	15,387,350	6,975,750	9,640,125	49,923,962
2028				8,338,905	4,103,788	1,087,750	1,376,854	15,010,000	6,968,625	9,628,375	46,514,296
2029				8,226,310	4,105,963	1,084,375	1,376,355	10,129,325	6,966,875	9,622,125	41,511,328
2030				8,113,088	4,108,088	1,092,375	1,374,442	2,237,000	6,960,000	9,620,375	33,505,367
2031				8,003,590	4,107,413	1,087,325	1,374,331	2,233,125	6,952,625	9,607,500	33,365,909
2032				5,580,277	4,105,000	1,096,450	1,370,874	2,235,250	6,944,250	9,602,750	30,934,852
2033				5,499,714	4,110,731	1,085,625	1,370,609	2,233,125	6,944,125	9,590,250	30,834,179
2034				5,410,616		2,381,000		2,226,750	6,936,625	9,584,125	26,539,116
2035				5,322,717		902,000		2,225,875	6,926,375	9,573,375	24,950,342
2036				5,225,750				2,225,125	6,922,625	9,562,125	23,935,625
2037								2,224,250	6,914,625	9,549,375	18,688,250
2038									6,906,750	871,250	7,778,000
2039									6,898,250		6,898,250

[1] Excludes the Refunded Bonds and includes only the Series Z-1 Bonds maturing on July 1, 2020.
[2] Not reduced by federal subsidy payments for Build America Bonds.
[3] Totals may not sum due to rounding.

PLAN OF FINANCE

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

The New Projects

Engineering and Polytechnic Gateway Building

The Engineering and Polytechnic Gateway Building project will be comprised of the construction of an approximately 145,000 gross square foot building to house project-based instructional space and teaching labs, design studios, collaborative spaces and administrative office space for the College of Engineering and Purdue Polytechnic Institute. The building will be located on the eastern end of the Corporation's main academic campus in West Lafayette, and will require the demolition of existing facilities on the site. The project will serve as a new gateway to the academic campus and provide an eastern terminus to the Student Success Corridor. Construction began in March 2020 with expected completion in December 2022. The estimated total project cost of $140,000,000 will be funded with $60,000,000 in proceeds from the Series EE Bonds and $80,000,000 in gift funds and University funds.

Veterinary Medicine Teaching Hospital

The Veterinary Medicine Teaching Hospital project will be comprised of the construction of an approximately 78,500 gross square foot equine hospital, an approximately 62,000 gross square foot small animal hospital, and an approximately 24,000 gross square foot farm animal hospital. The facilities will be located on the West Lafayette campus adjacent to the existing Lynn Hall of Veterinary Medicine, which will continue to be occupied by the College of Veterinary Medicine upon completion of the new facilities. The new hospitals will house receiving, waiting rooms, exam rooms, surgery, anesthesia, radiology, cardiology, physiology, physical therapy, internal medicine, ophthalmology, soft tissue, orthopedics, intensive care unit, intermediate care, theriogenology, recovery and supply space. The new Veterinary Medicine Teaching Hospital will meet the standards of accreditation by the American Veterinary Medical Association Council on Education, provide state-of-the-art facilities and teaching environments and have the capability to remain adaptive to technology advancements in veterinary medicine. The new facilities will provide the opportunity for an increased class size (from 84 to 120), caseload growth, greater teaching opportunities and additional clinical revenue for hospital operation. Construction began in March 2020 with expected completion in March 2022. The estimated total project cost of $108,000,000 will be funded with $73,000,000 in proceeds from the Series EE Bonds and $35,000,000 in gift funds and University funds.

The Refunding

The Series EE Bonds are being issued in part for the purpose of financing the current refunding in part of the Corporation's outstanding Series Z-1 Bonds, comprised of the Series Z-1 Bonds maturing on July 1, 2021 through and including July 1, 2024, but excluding the Series Z-1 Bonds maturing on July 1, 2020 (referred to herein as the "Refunded Bonds"). The Series Z-1 Bonds maturing on July 1, 2020 will be paid at maturity from Corporation funds. The Refunded

Bonds, comprised of the Series Z-1 Bonds maturing on and after July 1, 2021, will be redeemed on a call date of July 1, 2020, at a redemption price of 100% of the principal amount to be redeemed, without any premium, plus accrued interest to the redemption date.

The Prior Projects financed or refinanced by proceeds of the Refunded Bonds included:

Prior Projects Financed by Series Z-1

Repair and Rehabilitation Projects: This portion of the Prior Projects was comprised of a variety of repair and rehabilitation projects on the West Lafayette campus.

Prior Projects Re-Financed by Series Z-1

Series R Projects:

(a) Construction of the Chiller Project, comprised of a steel frame building and a three-cell cooling tower structure, on the West Lafayette campus.

(b) The Recreational Sports Center Renovation Project on the West Lafayette campus.

ESTIMATED SOURCES AND USES OF FUNDS

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

Sources of Funds:	
Principal Amount of Series EE Bonds	$112,140,000.00
Original Issue Premium/Discount	28,202,937.70
Equity Contribution[1]	115,165,025.00
Estimated Investment Earnings[2]	343,820.00
Total Sources of Funds	$255,851,782.70
Uses of Funds:	
Engineering and Polytechnic Gateway Building	$140,126,736.00
Veterinary Medicine Teaching Hospital	108,217,084.00
Deposit for the Refunding	6,825,025.00
Underwriters' Discount	299,678.30
Costs of Issuance	383,259.40
Total Uses of Funds	$255,851,782.70

[1] The Corporation will contribute $80,000,000 in gift funds and University funds toward the Engineering and Polytechnic Gateway Building. The Corporation will contribute $35,000,000 in gift funds and University funds toward the Veterinary Medicine Teaching Hospital. In addition, the Corporation will contribute $165,025 toward the refunding of the Refunded Bonds, representing the accrued interest coming due on the Refunded Bonds on the call date of July 1, 2020.
[2] Includes interest earnings on Project Fund at 0.50%

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

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

Definitions

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

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

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

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

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

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

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

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

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

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

"New Projects" means (i) the acquisition, construction and equipping of the Engineering and Polytechnic Gateway Building on the Corporation's West Lafayette campus, and (ii) the acquisition, constructing and equipping of the new Veterinary Medicine Teaching Hospital on the Corporation's West Lafayette campus.

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

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

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

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

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

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

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

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

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

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

2. Escrowed Municipals;

3. Bonds, debentures or notes or other evidences of indebtedness issued or guaranteed by any of the following agencies: Export-Import Bank of the United States;

Federal National Mortgage Association; Government National Mortgage Association; Federal Financing Bank; Federal Intermediate Credit Bank; Bank for Cooperatives; Federal Land Bank; Federal Home Loan Bank; Farmers Home Administration; Federal Farm Credit Banks; and The Federal Home Loan Mortgage Association;

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

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

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

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

"Prior Projects" means the projects financed or refinanced using proceeds of the Refunded Bonds, as described in Appendix E hereto.

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

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

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

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

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

"Rebate Agreement" means the Construction and Rebate Agreement between the Corporation and the Trustee, dated as of May 1, 2020.

"Refunded Bonds" means a portion of the outstanding principal amount of the Corporation's Series Z-1 Bonds, comprised of all of the outstanding Series Z-1 Bonds maturing on July 1, 2021 through and including July 1, 2024, but excluding the outstanding Series Z-1 Bonds maturing on July 1, 2020, all as described in Appendix D hereto.

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

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

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

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

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

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

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

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

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

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

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

"Series DD Bonds" means the Purdue University Student Fee Bonds, Series DD, in the initial aggregate principal amount of Ninety Million One Hundred Thirty-Five Thousand Dollars ($90,135,000), and any Student Fee Bonds in substitution or replacement therefor.

"Series EE Bonds" means the Purdue University Student Fee Bonds, Series EE, in the initial aggregate principal amount of One Hundred Thirteen Million Seven Hundred Ninety-Five Thousand Dollars ($112,140,000), and any Student Fee Bonds in substitution or replacement therefor.

"Student Fees" means all academic fees (including tuition), however denominated, assessed by the Corporation against students attending Purdue University, except fees which may be subsequently released from the lien of the Indenture, as provide therein. Fees charged and collected by Purdue University Global do not constitute Student Fees.

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

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

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

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

Flow of Funds

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

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

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

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

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

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

Series EE Project Fund. Pursuant to the Rebate Agreement, the Corporation will establish a separate fund to be known as the Series EE Project Fund (the "Series EE Project Fund"), into which a portion of the proceeds of the Series EE Bonds will be deposited to be used by the Corporation for the purposes of funding the costs of the Project and refunding the Refunded Bonds.

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

> Engineering and Polytechnic Gateway Building Account. A portion of the proceeds of the Series EE Bonds will be deposited into the "Engineering and Polytechnic Gateway Building Account."
>
> Veterinary Medicine Teaching Hospital Account. A portion of the proceeds of the Series EE Bonds will be deposited into the "Veterinary Medicine Teaching Hospital Account."
>
> Amounts in the Engineering and Polytechnic Gateway Building Account, and in the Veterinary Medicine Teaching Hospital Account, will be applied only toward the cost of (or to reimburse the Corporation for payment theretofore made by it on account of) the applicable New Project. Upon the completion of the New Projects, any balance of moneys in either Account may, at the option of the Corporation, be (i) applied to pay other costs associated to the equipping and furnishing of the New Projects, to the extent permitted under federal tax laws and regulations, (ii) transferred to the Series EE Interest Account of the Sinking Fund to pay interest on the Series EE Bonds, (iii) transferred to the Series EE Principal Account of the Sinking Fund to pay principal of the Series EE Bonds, (iv) deposited in the Rebate Fund, or (v) transferred to an additional project account as provided in the Indenture and the Rebate Agreement.
>
> If at any time it becomes impossible or impractical for the Corporation to expend moneys deposited in the Accounts described above, the Corporation may transfer such moneys to a new account for a different project in accordance with the requirements of the Indenture and the Rebate Agreement.
>
> Earnings Account. Amounts in the "Earnings Account" shall, at the option of the Corporation, (i) be used as needed to pay costs of the New Projects, or any other costs associated with the equipping, landscaping or furnishing of the New Projects, prior to the completion of construction of the New Projects; or (ii) if funds are available, be applied to pay construction period interest. After completion of the New Projects, amounts held in the Earnings Account may, at the option of the Corporation, (i) be transferred to the Rebate Fund established pursuant to the Rebate Agreement; (ii) be deposited in the Series EE Interest Account of the Sinking Fund, to pay interest on the Series EE Bonds; (iii) be deposited in the Series EE Principal Account of the Sinking Fund, to pay principal of the

Series EE Bonds; or (iv) be transferred to an additional project account, if any, described above.

Expense Account. The Corporation will establish a separate account in the Series EE Project Fund to be known as the "Expense Account," to the credit of which a deposit shall be made from the proceeds of the Series EE Bonds. Moneys on deposit in the Expense Account will be applied to pay certain costs of issuing the Series EE Bonds. Any moneys remaining in the Expense Account after on December 15, 2020 will be transferred to the Series EE Interest Account of the Sinking Fund.

Refunding Account. The Corporation will establish a separate account in the Series EE Project Fund to be known as the "Refunding Account," to the credit of when a deposit shall be made from the proceeds of the Series EE Bonds, together with a deposit of Corporation funds. Moneys on deposit in the Refunding Account will be transferred immediately to the Series Z-1 Sinking Fund and will be applied by the Trustee to payment in full of the redemption price coming due on the Refunding Bonds on the call date of July 1, 2020.

Moneys on deposit in the Series EE Project Fund and all the Accounts thereof will be invested in accordance with the provisions of the Rebate Agreement, and income or losses resulting from such investments will be credited or debited to the Earnings Account.

Additional Security

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

Partial Release of Lien on Student Fees

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

Covenants of the Corporation

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

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

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

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

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

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

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

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

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

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

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

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

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

Investments

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

Defaults and Remedies

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

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

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

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

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

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

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

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

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

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

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

Defeasance

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

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

Supplemental Indentures; Amendments

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

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

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

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

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

5. otherwise to modify any of the provisions of the Indenture or to relieve the Corporation from any of the obligations, conditions or restrictions contained in the Indenture; provided that no such modification will be or become operative or effective or in any manner impair any rights of the holders of the Student Fee Bonds or the Trustee (except as otherwise provided or permitted pursuant to the Indenture), while any Student Fee Bonds of any series issued prior to the execution of such supplemental indenture remain Outstanding; and provided further, that such supplemental indenture will be specifically referred to in the text of all Student Fee Bonds of any series issued after the execution of such supplemental indenture; and provided, also, that the Trustee may in its uncontrolled discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Trustee when such supplemental indenture becomes operative;

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

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

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

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

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

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

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

TAX MATTERS

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

The Code imposes certain requirements which must be met subsequent to the issuance of the Series EE Bonds as a condition to the exclusion from gross income of interest on the Series EE Bonds for federal income tax purposes. The Corporation will covenant not to take any action within its power and control, nor fail to take any action with respect to the Series EE Bonds, that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Series EE Bonds pursuant to Section 103 of the Code (collectively, the "Tax Covenants"). The Indenture and certain certificates and agreements to be delivered on the date of delivery of the Series EE Bonds establish procedures under which compliance with the requirements of the Code can be met.

Indiana Code (IC) 6-5.5 imposes a franchise tax on certain taxpayers (as defined in IC 6-5.5) which, in general, include all corporations which are transacting the business of a financial institution in Indiana. The franchise tax is measured in part by interest excluded from gross income under Section 103 of the Code minus associated expenses disallowed under Section 265 of the Code. Taxpayers should consult their own tax advisors regarding the impact of this legislation on their ownership of the Series EE Bonds.

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

BOND PREMIUM

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

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

LITIGATION

Absence of Litigation Related to the Series EE Bonds

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

Other Proceedings

From time to time, the Corporation is involved in litigation or claims incidental to its business. However, the Corporation believes that the ultimate result of proceedings to which it is a party and claims asserted against it as of the date hereof, even if determined adversely to the Corporation, would not have a materially adverse effect upon the Corporation's financial condition or results of operation. On April 9, 2020 a lawsuit was filed against the Corporation in the United States District Court for the Northern District of Indiana. The lawsuit was brought by a senior engineering student and purports to be a class action. The complaint alleges, *inter alia*, that the Corporation failed to provide proper restitution to students following the outbreak of COVID-19, for tuition, housing, meals and other applicable costs, including the alleged lost benefits of live, in-person instruction and other student activities. The lawsuit seeks additional refunds and other damages. The Corporation believes that the lawsuit is without merit and intends to defend the lawsuit vigorously.

RATINGS

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

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

CONTINUING DISCLOSURE

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in SEC Rule 15c2-12, as amended (the "Rule"), the Corporation will enter into a Second Amended and Restated Continuing Disclosure Undertaking Agreement, dated the date of delivery of the Series EE Bonds (the "Undertaking"). Each Underwriter, by its agreement to purchase any Series EE Bonds, accepts and assents to the Undertaking and the exchange of (i) such agreement for (ii) the promises of Corporation, and assigns all its rights under the Undertaking to the holders of Series EE Bonds or Beneficial Owners (as such terms are defined in the Undertaking). Beneficial Owners and holders of Bonds (including the Series EE Bonds) are named as third party beneficiaries of the Undertaking.

Pursuant to the terms of the Undertaking, the Corporation will agree to provide the following information while any of the Series EE Bonds 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, 2020, 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, 2020, 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

- 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 EE Bonds, the Indenture or any other agreement to which the Corporation is a party.

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

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

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

Modification of Undertaking. The Corporation may, from time to time, amend or modify the Undertaking without the consent of or notice to the owners of the Series EE Bonds if either (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Corporation, or type of business conducted, (ii) the Undertaking, as so amended or modified, would have complied with the requirements of the Rule on the date thereof, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (iii) such amendment or modification does not materially impair the interests of the holders of the Series EE Bonds, as determined either by (A) any person selected by the Corporation that is unaffiliated with the Corporation (including the Trustee under the Indenture, or nationally recognized bond counsel) or (B) an approving vote of the holders of 51% or more of Outstanding Series EE Bonds as required under the Indenture at the time of such amendment or modification; or (b) such amendment or modification (including an amendment or modification which rescinds the Undertaking) is permitted by the Rule, as then in effect.

Prior Compliance. In order to assist the Underwriters in complying with the Underwriters' obligations pursuant to the Rule, the Corporation represents that 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.

CERTAIN LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series EE Bonds are subject to the approval of Ice Miller LLP, Bond Counsel and Disclosure Counsel. Certain legal matters will be subject to the approval of Barnes & Thornburg LLP, counsel to the Underwriters. Certain legal matters will be subject to the approval of Steven R. Schultz, Esq., Legal Counsel to the Corporation, West Lafayette, Indiana, internal counsel to the Corporation. The form of the approving opinion of Bond Counsel with respect to the Series EE Bonds is attached as APPENDIX C.

LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

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

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

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

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

UNDERWRITING

Morgan Stanley & Co. LLC, for itself and as the representative of others as shown on the cover page hereof (the "Underwriters"), has agreed to purchase the Series EE Bonds subject to certain conditions precedent, and the Underwriters are obligated to purchase all Series EE Bonds issued at an aggregate purchase price of $140,043,259.40 (representing the aggregate par amount of Series EE Bonds, plus original issue premium of $28,202,937.70, and less the Underwriters' discount of $299,678.30). The Underwriters may offer and sell the Series EE Bonds to certain dealers (including dealers depositing the Series EE Bonds into unit investment trusts) and to others at a price lower than that offered to the public. The initial public offering price may be changed from time to time by the Underwriters.

Morgan Stanley & Co. LLC, as one of the Underwriters of the Series EE Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series EE Bonds.

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

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 EE Bonds, 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 EE Bonds is contingent upon the closure of the Series EE Bonds. 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 EE Bonds.

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 EE Bonds

SPECIAL RELATIONSHIPS

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. 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.

Morgan Stanley & Co. LLC, an underwriter of the Series EE Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series EE Bonds.

MISCELLANEOUS

During the initial offering period for the Series EE Bonds, a copy of the Indenture will be available for inspection at the Office of the Treasurer of the University, Hovde Hall, West Lafayette, Indiana 47907, and at the offices of Morgan Stanley & Co. LLC, 1585 Broadway, 24th Floor, New York, NY 10036. APPENDICES A and D have been prepared by the Corporation and APPENDIX B, the Corporation's financial statements, were furnished by the Corporation. APPENDIX C has been prepared by Ice Miller LLP, Bond Counsel to the Corporation. All of the Appendices hereto are incorporated as an integral part of this Official Statement.

THE TRUSTEES OF PURDUE UNIVERSITY

/s/ Christopher A. Ruhl
Christopher A. Ruhl
Chief Financial Officer and Treasurer

Dated: May 12, 2020

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 65,000 full-time and part-time students and approximately 5,200 faculty and lecturers on its main, regional, and statewide campuses as of Fall 2019. An additional 6,025 Purdue students were enrolled in Fall 2019 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. During fiscal 2019, effort was focused on the academic programs and structure offered through Purdue Global, as well as the marketing and branding of this new venture.

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:

Purdue Fort Wayne - 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.

Purdue Northwest – 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. The Doctor of Veterinary Medicine program is on probation by the American Veterinary Medical Association due to the status of its current facilities. See "*Capital Programs*" below. 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

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

At the request of Legislative Services Agency and the Chair of the Legislative Council, which oversees the Legislative Services Agency, representatives of Purdue University, Indiana University, the IPFW Chancellor, the IPFW Community Council, and the IPFW Senate agreed to serve as a working group to present proposals to Purdue University, Indiana University, and the Legislative Services Agency. The full report dated January 15, 2016, can be found at https://iga.in.gov/legislative/2016/publications/evaluation_report/. In December 2016, the Purdue University Board of Trustees and the Indiana University Board of Trustees approved an agreement and plan of realignment for IPFW. 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 is meant to address 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 will acquire decades' worth of experience in online education expertise that the Corporation expects will benefit the entire university system.

Purdue Global will be distinct from other institutions in the Purdue system, relying primarily on tuition and fundraising to cover operating expenses. No state appropriations will be utilized. Purdue Global will operate primarily online, but has 14 locations across the United States, including an existing facility in Indianapolis, with potential for growth.

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 will 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 will be 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, 4 campuses and one main administrative office, along with approximately 2,000 full and part-time employees. Purdue Global offers degree programs at the Master's, Bachelor, Associate and Certificate levels in 11 different areas of interest:

- 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, the Corporation's 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 2020 than they did in 2012.
- Breaking a 36-year series of tuition increases, Purdue tuition will remain near the 2012-13 levels through the 2020-21 academic year for all students.
- Housing costs have been held flat since 2014.
- Meal plan charges were cut 10% in 2014, then held flat since.
- Purdue student and parent borrowing for college costs is down by 33% since 2012.
- Demand for a Purdue education is growing. Purdue West Lafayette received 14,000 more applications for the fall 2019 semester than the fall 2014 semester.
- Dozens of degrees are now available in three years, potentially saving students thousands in tuition expenses.
- Purdue now operates two high schools focused on STEM education for inner-city students and offers successful students the opportunity for direct path admission to Purdue's undergraduate programs.
- The 2019 10th Grade Indiana Statewide Testing for Educational Progress (ISTEP) pass rates for the Purdue Polytechnic High School surpassed the state average for low income and underrepresented minority students by 4 percentage points.

➢ Online Learning
- Purdue acquired Kaplan University in 2017 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.
- Purdue Online is developing a coordinated and unified system of delivering online courses on all Purdue campuses. Purdue Online matches students with programs that best meet their needs and points them to possibilities they may not otherwise have considered.
- More than 30,000 students have been served through Purdue online efforts.
- 200+ Purdue degree and non-degree programs are offered online.

➢ STEM Leadership
- Since the beginning of its five-year expansion plan, the College of Engineering has grown its student population by over 2,000 and its faculty by over 150. 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.
- The Department of Computer Science has surpassed planned levels of expansion, growing student enrollment by 125% since 2012.
- Purdue researchers have advanced 24 new drugs into human trials, with 50 more in the pipeline.

- The Purdue Institute for Drug Discovery faculty have published 3,000+ scholarly articles, filed more than 250 U.S. patents, and raised roughly $250 million in total funding.

➢ World-Changing Research

- In early 2016, Purdue pledged to invest more than $250 million in the life sciences over the next five years, including Purdue's Pillars of Excellence in the Life Sciences Institutes, aimed at enhancing Purdue's research and graduate education in the life sciences. As of June 30, 2019, Purdue has invested $233 million towards this pledge.
- Purdue ranked 12th in the world among universities granted U.S. utility patents in 2018. About 223 new companies have been formed over the last six years including 128 from Purdue IP.
- Purdue has invested more than $28 million in the College of Agriculture for plant sciences research and education since Fall 2013.
- The Indiana Corn and Soybean Innovation Center has welcomed 50 research labs, conducted 700 unmanned aerial vehicle flights, and hosted 7,000 visitors from 40 countries.
- Since fiscal year 2013, research funding for Life Sciences has increased 99% and research awards from the Department of Defense have increased by 98%.

➢ Transformative Education

- Summer enrollment has increased by 59% since 2012 among undergraduate, graduate and professional students combined. The number of credit hours taken during the summer session by undergraduate students has increased by 40% since summer 2012.
- Purdue leads the Big Ten conference in summer growth with a 9.4% growth from 2018 to 2019.
- Undergraduate study abroad participation nearly doubled since 2013.
- Approximately 25% of undergraduates have studied abroad before graduation.
- 324 courses now taught using principles of active learning.

Purdue provides students the opportunity to launch their careers more quickly with the Degree in 3 program and currently offers 57 three year degrees.

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

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Trustees

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

The Board of Trustees of the Corporation

Sonny Beck
Michael R. Berghoff
JoAnn Brouillette
Vanessa Castagna
Malcolm S. DeKryger
Michael Klipsch[1]
Gary J. Lehman[1]
Noah Scott
Thomas E. Spurgeon[1]
Don Thompson

Officers of the Corporation

The current officers of the Corporation are listed below.

Michael R. Berghoff, *Chairman*
Thomas E. Spurgeon, *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[2]
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[3]
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

[1] Term expires June 2020
[2] Effective March 31, 2020 with the retirement of Dan Hasler
[3] Effective May 1, 2020 as Betty Vandenbosch steps down from role as Chancellor

Purdue University Global Board of Trustees

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

Student Admissions

The table below sets forth the total number of first year applications received and accepted, and the number of students enrolled at the West Lafayette campus for the academic years indicated.

ACADEMIC YEAR*	APPLICATIONS RECEIVED	APPLICATIONS ACCEPTED	PERCENT ACCEPTED	STUDENTS ENROLLED	YIELD OVERALL	YIELD IN STATE
2015-16	45,377	26,656	58.7%	6,874	25.8%	55.8%
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%

* Restated 2015-16, 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 2015 through 2019 had an average combined score for the Scholastic Aptitude Test (SAT) verbal and mathematical test of 1282, 1278[1], 1256[2], 1289 and 1307. Approximately 78% of the Fall 2019 freshman class had a high school grade point average between 3.5 and 4.0 and 98% of the Fall 2019 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, average SAT scores for freshman applicants for the fall semesters 2015 and 2016 were 1212 and 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.

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

[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.

<u>Student Fees, Tuition and Other Fees</u>: 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 2015-16 through 2020-21. Approximately 56% of the total undergraduate and graduate students at the West Lafayette campus and approximately 13% of regional campus students were non-residents of the State of Indiana at Fall 2019.

WEST LAFAYETTE CAMPUS TUITION AND FEES[1]

ACADEMIC YEAR	FULL-TIME (PER ACADEMIC YEAR) INDIANA RESIDENT	FULL-TIME (PER ACADEMIC YEAR) NON-RESIDENT	PART-TIME (PER CREDIT HOUR) INDIANA RESIDENT	PART-TIME (PER CREDIT HOUR) NON-RESIDENT
2015-16	$10,002	$28,804	$348	$948
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
2021-22 [3]	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
[3] The University announced on February 15, 2020 that tuition and fees will remain unchanged through 2021-22. Approval by the Board of Trustees is anticipated in May 2020

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 2015-16 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
(PER ACADEMIC YEAR)

Fort Wayne	UNDERGRADUATE			GRADUATE		
ACADEMIC YEAR	INDIANA RESIDENT	NON-RESIDENT	NON-RESIDENT DOMESTIC	INDIANA RESIDENT	NON-RESIDENT	NON-RESIDENT DOMESTIC
2015-16 [1]	$8,079	$19,407		$7,969	$18,044	
2016-17 [2]	8,213	19,727		8,100	18,342	
2017-18 [3]	8,330	20,004		8,215	18,600	
2018-19 [4]	8,450	20,288		8,334	18,864	
2019-20 [5,6]	8,589	21,369	20,622	8,472	19,933	19,176
2020-21 [7,8]	8,730	21,720	20,961	8,611	20,261	19,491

PNW Hammond	UNDERGRADUATE			GRADUATE		
YEAR	INDIANA RESIDENT	NON-RESIDENT	NON-RESIDENT DOMESTIC	INDIANA RESIDENT	NON-RESIDENT	NON-RESIDENT DOMESTIC
2015-16 [1]	$7,359	$16,625		$7,171	$15,272	
2016-17 [2]	7,478	16,895		7,266	15,501	
2017-18 [3]	7,581	17,129		7,367	15,716	
2018-19 [9]	7,686	17,367	11,153	7,469	15,935	10,978
2019-20 [5]	7,813	17,654	11,336	7,592	16,198	11,160
2020-21 [8]	7,942	17,945	11,523	7,717	16,465	11,344

PNW Westville	UNDERGRADUATE			GRADUATE		
YEAR	INDIANA RESIDENT	NON-RESIDENT	NON-RESIDENT DOMESTIC	INDIANA RESIDENT	NON-RESIDENT	NON-RESIDENT DOMESTIC
2015-16 [1]	$7,358	$17,516		$7,148	$16,094	
2016-17 [2,10]	7,478	16,895		7,266	15,501	
2017-18 [3]	7,581	17,129		7,367	15,716	
2018-19 [9]	7,686	17,367	11,153	7,469	15,935	10,978
2019-20 [5]	7,813	17,654	11,336	7,592	16,198	11,160
2020-21 [8]	7,942	17,945	11,523	7,717	16,465	11,344

[1] Includes the R&R fee of $3.15, $3.50 and $2.55 per credit hour for Fort Wayne, Hammond and Westville, respectively, in Fall 2015.
[2] 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.
[3] 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.
[4] 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.
[5] 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.
[6] PFW implemented new tuition rates for new domestic non-resident students effective in 2019-20.
[7] 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.
[8] Board of Trustees approved rates for 2020-21 on June 14, 2019
[9] PNW implemented new tuition rates for new domestic non-resident students effective in 2018-19.
[10] 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 2018-19, 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 $1,550 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 65% of the University's undergraduate students are residents of Indiana. The student body represents all 50 states and 134 countries. The following table presents the University's combined headcount enrollment for the Fall semester of the academic years 2015-16 through 2019-20. For Fall 2019, 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]
2015-16	34,479	4,930	39,409	14,446	13,732	28,178	1,072	68,659
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

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

[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 2020, approximately 31,000 students were enrolled at Purdue University Global.

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Faculty and Employees

As of October 31, 2019, the University's faculty and staff aggregate total was 20,276. Of the total faculty, 61% 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	61	22	83
Academic Department Heads	73	30	103
Professors	834	140	974
Associate Professors	486	225	711
Assistant Professors	486	120	606
Instructors		3	3
Sub-Total of Tenured/Tenure Track Faculty	**1,940**	**540**	**2,480**
Non-Tenure Appointments			
Clinical/Professional	246	66	312
Research Faculty	35		35
Visiting Faculty	103	75	178
Intern	12		12
Post Doctoral	513	2	515
Sub-Total of Non-Tenure Appointments	**909**	**143**	**1,052**
Continuing Lecturers and Limited-Term Lecturers			
Continuing Lecturers	220	85	305
Limited-Term Lecturers	262	574	836
Sub-Total of Continuing Lecturers and Limited-Term Lecturers	**482**	**659**	**1,141**
Adjunct Faculty			
Adjunct Faculty	313	214	527
Sub-Total of Adjunct Faculty	**313**	**214**	**527**
Graduate Student Staff			
Graduate Assistants	1,797	142	1,939
Fellow Administered as Graduate Assistant	228		228
Graduate Lecturers	6	1	7
Graduate Research Assistants	3,015	51	3,066
Graduate Resident	35		35
Graduate Administrative/Professional	132	84	216
Graduate Aides		14	14
Sub-Total of Graduate Student Staff	**5,213**	**292**	**5,505**
Staff			
Executive	32	12	44
Management	741	152	893
Professional	3,174	480	3,654
Clerical	1,281	279	1,560
Service	2,051	273	2,324
Temporary - Professional	7	4	11
Temporary - Support	812	273	1,085
Sub-Total of Staff	**8,098**	**1,473**	**9,571**
GRAND TOTAL ALL STAFF	**16,955**	**3,321**	**20,276**

Purdue Global had 1,780 full-time and adjunct faculty and 225 staff as of October 31, 2019.

Facilities (as of Fall 2019)

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 20,339 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 3,317,331 printed volumes and electronic books; 227,814 electronic and print journals; and government documents and microforms in excess of 400,000. To complement the online collections, PULSIS also houses more than 600,000 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. Even in the Digital Age, the physical library remains an important study space for students; door counts have increased to more than two million per academic year. 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 13,296 spaces for students in Fall 2019. The Fort Wayne campus provided 1,198 spaces and the PNW Hammond campus provided 744 spaces for students in Fall 2019. Occupancy on the West Lafayette campus was at 99.6% for Fall 2019. Occupancy was 99% on the Fort Wayne campus and 93% on the PNW Hammond campus for Fall 2019. Additional housing at the West Lafayette campus is under construction. See "*Capital Programs*" below.

The predominant rate for room and board at the West Lafayette campus for the 2018-19 academic year was $9,414. The 2018-19 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, Rankin Track and Field, Schwartz Tennis Center, the Northwest Athletic site for baseball, soccer and softball, and a cross-country course. A major renovation of and addition to the Mollenkopf Athletic Center was recently completed.

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. The main administrative office is located in Indianapolis, Indiana.

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 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 2019 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)				
	2019 [1]	2018 [1]	2017 [2]	2016	2015 [3]
Operating Revenues					
Tuition and Fees	$1,378,546	$1,037,216	$902,701	$880,699	$862,346
Less: Scholarship Allowance	(220,216)	(145,279)	(116,391)	(113,897)	(114,833)
Net Tuition and Fees	$1,158,330	$891,937	$786,310	$766,802	$747,513
Federal Appropriations	18,121	20,223	23,661	14,796	21,750
County Appropriations	9,050	8,802	4,514	8,501	8,283
Grants and Contracts	393,932	376,154	361,969	356,066	360,411
Sales and Services	148,176	91,810	83,117	79,172	81,033
Auxiliary Enterprises (Net of Scholarship Allowance of $16,660, $16,316, $16,155, and $14,750, respectively)	227,482	285,583	262,235	255,113	241,962
Other Operating Revenues	2,781	7,172	8,657	8,776	10,851
Total Operating Revenues	**$1,957,872**	**$1,681,681**	**$1,530,463**	**$1,489,226**	**$1,471,803**
Operating Expenses					
Compensation and Benefits	$1,658,423	$1,469,602	$1,401,010	$1,292,247	$1,218,807
Supplies and Services	740,379	558,063	469,902	442,099	439,007
Depreciation Expense	190,100	175,821	166,704	161,889	157,751
Scholarships, Fellowships, and Student Awards	65,666	67,613	70,452	78,355	72,079
Total Operating Expenses	**$2,654,568**	**$2,271,099**	**$2,108,068**	**$1,974,590**	**$1,887,644**
Net Operating Loss	**($696,696)**	**($589,418)**	**($577,605)**	**($485,364)**	**($415,841)**
Non-operating Revenues (Expenses)					
State Appropriations	$405,921	$398,143	$397,705	$411,503	$399,039
Grants and Contracts	144,288	77,447	50,605	54,248	59,260
Private Gifts	102,397	91,659	83,984	89,500	83,129
Investment Income	181,639	125,711	169,341	(21,617)	58,858
Interest Expense	(29,159)	(29,687)	(23,669)	(27,302)	(32,035)
Other Non-operating Revenues, Net	5,596	3,408	5,167	5,338	4,146
Total Non-operating Revenues before Capital/Endowments	**$810,682**	**$666,681**	**$683,133**	**$511,670**	**$572,397**
Capital and Endowments					
State Capital Appropriations	$305	$514	$27,894	$38,251	$0
Capital Gifts	46,574	24,422	10,865	10,078	14,029
Private Gifts for Permanent Endowments and Charitable Remainder Trusts	57,987	46,192	28,847	31,774	31,712
Gain (Loss) on Retirement of Capital Assets, Net of Proceeds and Insurance Recoveries	-	-	-	(220)	3,651
Total Capital and Endowments	**$104,866**	**$71,128**	**$67,606**	**$79,883**	**$49,392**
Income Before Other Revenues, Expenses, Gains, Losses, and Transfers	**$218,852**	**$148,391**	**$173,134**	**$106,189**	**$205,948**
Other Revenues, Expenses, Gains, Losses, and Transfers	**$ -**	**$25,387**	**$ -**	**$ -**	**$ -**
Increase in Net Position	**$218,852**	**$173,778**	**$173,134**	**$106,189**	**$205,948**
Net Assets, Beginning of Year	**$4,712,302**	**$4,538,524**	**$4,426,942**	**$4,320,753**	**$4,194,369**
Prior Period Adjustments	**-**	**-**	**(61,552)**	**-**	**($79,564)**
Net Assets, End of Year	**$4,931,154**	**$4,712,302**	**$4,538,524**	**$4,426,942**	**$4,320,753**

1 Fiscal 2018 includes Purdue Global (April - June); Fiscal 2019 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.

3 Includes prior period adjustment under GASB 68 to record the University's net pension liability and related items and to incorporate the net position of student

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 2015 through 2019 and budgeted for fiscal years 2020 and 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.

STATE APPROPRIATIONS
(dollars in thousands)

Fiscal Year Ended June 30	Normal Recurring Appropriations: Unrestricted: General Operating	Unrestricted: Fee Replacement	Restricted: Repair & Rehabilitation	Restricted: Special	Non-Recurring Appropriations	Total
Historical						
2015	325,109	29,529 [1]	9,265	34,093	1,034 [2]	399,030
2016	325,156	26,805 [3]	10,567	36,465	50,751 [2,4]	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 [2,5]	398,657
2019	323,787	32,280	11,251	36,402	2,505 [6]	406,225
Budgeted						
2020	326,159	29,599	12,242	33,620	2,017 [7]	403,636
2021	331,003	39,134 [8]	12,242	33,620	2,017 [7]	418,016

Sums may not equal totals due to rounding.

[1] Net of savings of $108,263 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] Net of savings of $2,377,755 largely generated by refunding of outstanding bonds.
[4] Also includes $12,500,000 for Deferred Maintenance.
[5] Includes Animal Disease Diagnostic Laboratory ($2,030,000) and a portion of the balance towards the PFW South Campus Renovations ($514,233).
[6] Includes regional Campus Deferred Maintenance ($2,000,000), a portion of PFW Music lease appropriation and balance of PFW South Campus Renovations ($307,043).
[7] Includes regional Campus Deferred Maintenance ($1,750,000) and PFW Music lease appropriation ($267,000).
[8] 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. At this time, due to the uncertainty of the financial impact of COVID-19 to the State of Indiana, budgeted State appropriations for operating and R&R funding may be impacted in Fiscal 2021.

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 2018-19 academic year. Purdue Global offers multiple terms which differ from the traditional academic calendar at Purdue University.

STUDENT FINANCIAL ASSISTANCE[1]

Aid Year 2018-19

	West Lafayette	Regional Campuses	Total	Purdue Global
Scholarships and Grants:				
University Scholarships, Grants & Fee Remissions	$94,824,514	$11,563,045	$106,387,559	$47,067,744
Athletic Grant-in-Aid	9,636,354	3,047,572	12,683,926	-
State Awards	31,464,482	20,741,449	52,205,931	1,515,397
Private Awards	13,960,031	5,899,154	19,859,185	44,533,851
Fellowships	10,828,737	-	10,828,737	-
Federal Pell Grants	24,727,941	26,767,918	51,495,859	84,079,358
Federal SEOG	1,637,978	579,931	2,217,909	3,507,468
Other Federal Aid	487,591	287,756	775,347	35,478
Total Scholarships and Grants	**$187,567,628**	**$68,886,825**	**$256,454,453**	**$180,739,295**
Loans:				
Federal Stafford Loans	$88,041,602	$49,060,340	$137,101,942	$301,874,334
Federal Parent Loans for Undergraduate Students	32,741,096	5,366,332	38,107,428	2,419,045
Federal Graduate PLUS Loans	2,284,491	245,709	2,530,200	1,574,397
Federal Health Professions Loans	575,773	-	575,773	-
Purdue Loans	8,133,335	-	8,133,335	-
Private Loans	33,806,726	3,821,054	37,627,780	2,795,688
Total Loans	**$165,583,023**	**$58,493,435**	**$224,076,458**	**$308,663,463**
Employment and Employment Related:				
Work-Study Salaries	$1,479,253	$545,907	$2,025,160	$129,908
Graduate Student Staff Salaries	84,699,645	2,216,867	86,916,512	-
Other Part-Time University Salaries	18,127,464	4,938,858	23,066,322	-
Employment Related Fee Remissions	48,463,392	2,611,776	51,075,167	-
Other Employment Related Awards	-	-	-	1,084,994
Total Employment Related	**$152,769,753**	**$10,313,408**	**$163,083,161**	**$1,214,902**
Private/Other:				
Contracts	$26,041,408	N/R	$26,041,408	N/R
Fee Dedicated Aid	9,924,193	N/R	9,924,193	N/R
Other	4,534,004	N/R	4,534,004	N/R
Total Private/Other	**$40,499,605**	**-**	**$40,499,605**	**-**

[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 2015 through 2019 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 $64,495,336 on June 30, 2019. 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 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
2015	$1,549,142,743
2016	$1,456,248,771
2017	$1,572,080,183
2018	$1,679,484,031
2019	$1,756,734,278

As of January 31, 2020, the unaudited market value of the Corporation's endowment was $1,843,628,510.46 (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, 2019 are shown in the following table.

FOUNDATION	ASSET (BOOK) VALUE	INCOME	DISBURSED TO/FOR THE CORPORATION
Purdue Research Foundation*	$2,735,891,766	$156,945,325	$50,125,128
Ross-Ade Foundation	228,922,447	6,021,975	6,651,176
Purdue University Fort Wayne Foundation **	12,419,259	2,236,357	2,084,890
Total	**$2,977,233,472**	**$165,203,657**	**$58,861,194**

*Includes book value of endowment (net) of $719,544,566 (Purdue Research Foundation) and $1,591,663,590 (Corporation) (market values of $838,050,457 and $1,843,628,511, 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.

Fundraising Activity

Ever True: The Campaign for Purdue University was announced on October 9, 2015. With a goal of $2.019 billion, *Ever True* is the largest fundraising effort in the Corporation's history. The campaign spanned July 1, 2012, through June 30, 2019, concluding in the Corporation's 150th anniversary year. This campaign propels the Purdue Moves initiatives – Affordability & Accessibility, STEM Leadership, World-Changing Research, and Transformative Education – and reinforces the Corporation's overarching commitment to keep a rigorous college education within students' financial reach. The campaign goal was reached in August 2018, ten months before the campaign ended. As the campaign ended on June 30, 2019, $2.529 billion was raised, in excess of 125% of the overall goal.

Fundraising in fiscal 2019 reached the highest total in the Corporation's history, delivering $517.6 million in new commitments (pledges and gifts). With 88,488, donors, the Corporation also set a record for the number of individual donors for the fourth straight year, a 3% increase (2,312 donors) over the prior fiscal year. First-time donors making gifts totaled 16,259. This was the third highest number of first-time donors in the Corporation's history, following up on the 2015 record of 18,596 and the second highest total ever in 2016 at 17,286. Purdue's Day of Giving is driving the donor acquisition numbers while retention rates are holding steady. The result was increasing donor counts in each year of the campaign.

Fiscal 2019 saw the second highest number of $1 million or more commitments with seventy-five such gifts totaling $353.3 million. The Corporation surpassed its goal of $96 million raised for student support, setting an all-time record for the Corporation by raising more than $102 million. The Corporation set a goal of $500 million in net production for fiscal year 2020. Through February 29, 2020, the total raised was $271.9 million or 54% of the goal.

The table below summarizes gift giving by category for fiscal years 2015 through 2019.

TOTAL GIFT GIVING BY CATEGORY
(dollars in thousands)

	2019	2018	2017	2016	2015
Cash/Securities *	$185,477	$168,236	$146,272	$148,690	$166,355
Real Estate	980	2,116	63	0	437
Gifts-in-Kind	101,277	123,454	95,796	82,699	82,124
Irrevocable Deferred	3,301	11,181	2,851	2,463	4,558
Revocable Deferred	140,712	88,479	80,489	81,712	71,105
New Pledge Balances*	158,536	101,985	68,956	61,408	52,807
Total Production	**$590,282**	**$495,451**	**$394,427**	**$376,972**	**$377,386**
Less: Prior Year Pledge payments *	($72,659)	($43,993)	($42,569)	($44,987)	($34,033)
Net Production	**$517,623**	**$451,459**	**$351,858**	**$331,985**	**$343,353**

* 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 2018-19 fiscal year were $412.3 million, an increase of $9.8 million, or approximately 2%, above previous year expenditures. The following list represents fiscal 2019 expenditures by departments with sponsored research program expenditures in excess of $10 million.

Department	($ millions)
Electrical & Computer Engineering	$41.2
Mechanical Engineering	33.0
Chemistry	17.0
Civil Engineering	16.5
Biological Sciences	15.1
Computer Science	14.8
Aeronautics & Astronautics	14.7
Physics and Astronomy	12.1
Materials Engineering	11.9
Chemical Engineering	11.6
Industrial Engineering	11.5
Biomedical Engineering	10.2

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

	2019	2018	2017	2016	2015
Federal Sources					
Department of HHS	$61,408	$58,441	$52,115	$42,789	$37,898
National Science Foundation	71,186	69,632	66,757	65,737	73,650
Department of Energy	27,048	24,366	24,069	22,469	21,288
Department of Defense	40,075	44,122	40,805	34,599	29,543
Department of Agriculture	16,986	17,704	19,072	22,224	21,659
Other Federal Agencies	39,465	38,681	38,862	38,381	33,642
Total Federal Sources	**$256,167**	**$252,946**	**$241,679**	**$226,200**	**$217,679**
State of Indiana	$30,066	$27,663	$26,042	$23,140	$19,915
Business and Foundations	105,279	96,791	114,146	96,640	84,845
Non-Profit Organizations	13,414	19,918	20,440	20,754	19,282
Foreign Government	7,417	5,209	5,236	5,846	3,341
Total Non-Federal Sources	**$156,176**	**$149,581**	**$165,864**	**$146,380**	**$127,384**
Total All Sources [1]	**$412,343**	**$402,527**	**$407,543**	**$372,580**	**$345,063**

[1] Sums may not equal totals due to rounding

Research funding awards for Fiscal 2019 totaled $520.6 million, an increase of $66 million over the previous year. Research funding awards for Fiscal 2020 through January 31, 2020 totaled $304.4 million, an increase of $15 million over the same period of Fiscal 2019.

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 3/31/2020	
Bonds Outstanding				
Student Fee Bonds, Series U	2022	$	9,315,000	(1)
Student Fee Bonds, Series Y	2020		4,300,000	(1)
Student Fee Bonds, Series Z-1	2024		10,940,000	(1)(6)
Student Fee Bonds, Series Z-2	2035		81,680,000	(1)(4)
Student Fee Bonds, Series AA	2032		40,880,000	(1)
Student Fee Bonds, Series BB-1	2034		30,810,000	(1)
Student Fee Bonds, Series BB-2	2032		14,335,000	(1)(5)
Student Fee Bonds, Series CC	2036		118,880,000	(1)
Student Fee Bonds, Series DD	2038		85,410,000	(1)
Student Facilities System Revenue Bonds, Series 2004A	2033		16,345,000	(2)(3)(7)
Student Facilities System Revenue Bonds, Series 2005A	2029		5,930,000	(2)(3)(7)
Student Facilities System Revenue Bonds, Series 2007A	2029		46,950,000	(2)(3)(7)
Student Facilities System Revenue Bonds, Series 2007C	2032		25,135,000	(2)(3)(7)
Student Facilities System Revenue Bonds, Series 2010A	2030		16,775,000	(2)(3)(4)(8)
Student Facilities System Revenue Bonds, Series 2011A	2025		24,640,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2012A	2032		20,350,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2015A	2040		90,505,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2016A	2036		58,025,000	(2)(3)
Leasehold Indebtedness				
COPS 2006	2025		21,095,000	(3)
COPS 2011A	2035		31,700,000	(3)
COPS 2014A	2027		18,180,000	(3)
COPS 2016A	2037		81,675,000	(3)
Total Outstanding Indebtedness			**$853,855,000**	

(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 $6,660,000 in Z-1 bonds maturing after July 1, 2020 on call date July 1, 2020 with Series EE bond proceeds.
(7) Intend to redeem approximately $800,000 across all variable rate series on or about May 29, 2020 with cash held by the Corporation.
(8) Intend to redeem outstanding balance on call date July 1, 2020 with cash held by the Corporation.

On September 18, 2018, the Corporation issued Student Fee Bonds (SFB), Series DD in the amount of $90,135,000 to partially fund construction of the renovation and addition of the Agricultural and Biological Engineering building on the West Lafayette campus, as well as construction of the BioScience Innovation Building on the Hammond campus.

On May 31, 2019, the Corporation called and prepaid a total of $615,000 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.

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 2019 Financial Statements for complete details.

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 $5,385,000 is allocable to Bowen. The final maturity is payable by the Corporation on June 30, 2029.

The Corporation intends to call and prepay variable and fixed rate debt as follows:

- On or about May 29, 2020, approximately $800,000 in variable rate debt to the final maturities of SFSRB, Series 2004A, 2005A and 2007C and COPS Series 2011A with cash held by the Corporation.
- On July 1, 2020, $15,490,000 in outstanding fixed rate debt of SFSRB Series 2010A with cash held by the Corporation.
- On July 1, 2020, $6,660,000 in outstanding fixed rate debt of SFB Series Z-1 with Series EE refunding bond proceeds.

Physical Property

Physical property owned by the Corporation, or otherwise available to and utilized by the University, consists primarily of approximately 20,339 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 $7.7 billion as of June 30, 2019. The following table sets forth the increase in net plant investment for the five years ended June 30, 2015 through 2019. 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]
2015	3,957,414,000	1,843,389,000	2,114,025,000
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

[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 $250,000 deductible clause which is applicable to each occurrence of loss. The Corporation self-insures losses within the $250,000 deductible through its Risk Management Reserve Fund. The Corporation also maintains business interruption insurance for protection against loss of income due to temporary shutdown of operations resulting from physical damage to property. The 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 new and renovated Mollenkopf Football Performance Complex, Jischke Hall of Biomedical Engineering, and various strategic infrastructure and utility improvements and repair and rehabilitation projects. 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 this 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 this Student Fee Bonds Series EE issuance, $30.0 million in operating funds and $5.0 million in gifts), a new STEM Teaching Lab building ($64.0 million), a major renovation and addition to the Agricultural and Biological Engineering building ($80.0 million), a renovation of the Purdue Memorial Union Hotel ($35.0 million), as well as a variety of repair and rehabilitation projects and strategic infrastructure and utility improvements. Construction of the new Bioscience Innovation building ($40.5 million) on the Hammond campus is also underway. The Board of Trustees has granted approval to plan, finance, construct and award construction for other smaller projects to be funded by gifts and University sources. As of April 3, 2020, the Board of Trustees had approved the following major construction projects on the West Lafayette campus:

- 2550 Northwestern Avenue Renovation ($17.2 million in University funds);
- Child Care Facility ($6.9 million in University funds);
- Bands and Orchestras Building ($20.0 million in gift funds);
- Data Science Building ($40.0 million funded by $35.0 million in University Funds and $5.0 million in gifts);
- and Purdue Memorial Union Ground Floor Renovation ($47.3 million funded by $37.3 million in auxiliary funds and $10.0 million in operating funds).

At February 29, 2020, the University had $94.8 million of other major construction projects greater than $500,000 in progress or awarded. Some portion of these projects may be deferred in light of the recent COVID-19 pandemic.

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 March 31, 2020, $1.1 million 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 9% of Purdue's 13,296 beds as of Fall 2019. The Corporation intends to use an availability payment structure for the proposed P3. This additional housing is 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 stated 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. Construction is underway with targeted completion and occupancy expected for the Fall 2020 semester. The P3 approach contemplates the Corporation's first long-term arrangement with an outside entity to construct, operate and maintain a University facility.

Corporation exploring food management partner

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. Residential dining operations are not included in this RFP and will continue to be managed by the Corporation's Dining and Culinary team. An award is expected in May of 2020.

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 retail food court 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, 2019, there were 2,302 employees participating in PERF. The Corporation's proportionate share of PERF's Net Pension Liability, based on covered payroll of approximately $88,142,000, was 1.72740% for the measurement date June 30, 2018, 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 $58,681,000 as of June 30, 2019.

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

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 www.in.gov/inprs/annualreports.

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, 2019, there were 890 employees participating in the 457(b) plan with pay equal to approximately $47.4 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, 2019, there were 1,865 employees participating in the 403(b) plan with pay equal to approximately $61.4 million. For the period ended June 30, 2019 the University made contributions totaling $4.1 million to the plan.

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

See Note 9 of the financial statement – Retirement Plans and the Required Supplementary Information to the Financial Statements for Purdue University for further information. See also Note 1 – Basis of Presentation and Summary of Significant Accounting Policies for a discussion of changes resulting from the adoption of GASB 68 and 71.

Other Post-Employment Benefits (OPEB)

In the financial statements for the year ending June 30, 2019, the University reported Other Post-Employment Benefits (OPEB) annual cost of $3,921,000. 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, 2019 and June 30, 2018 were approximately $2,884,000 and $3,649,000, 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.

APPENDIX B

FINANCIAL REPORT OF THE CORPORATION FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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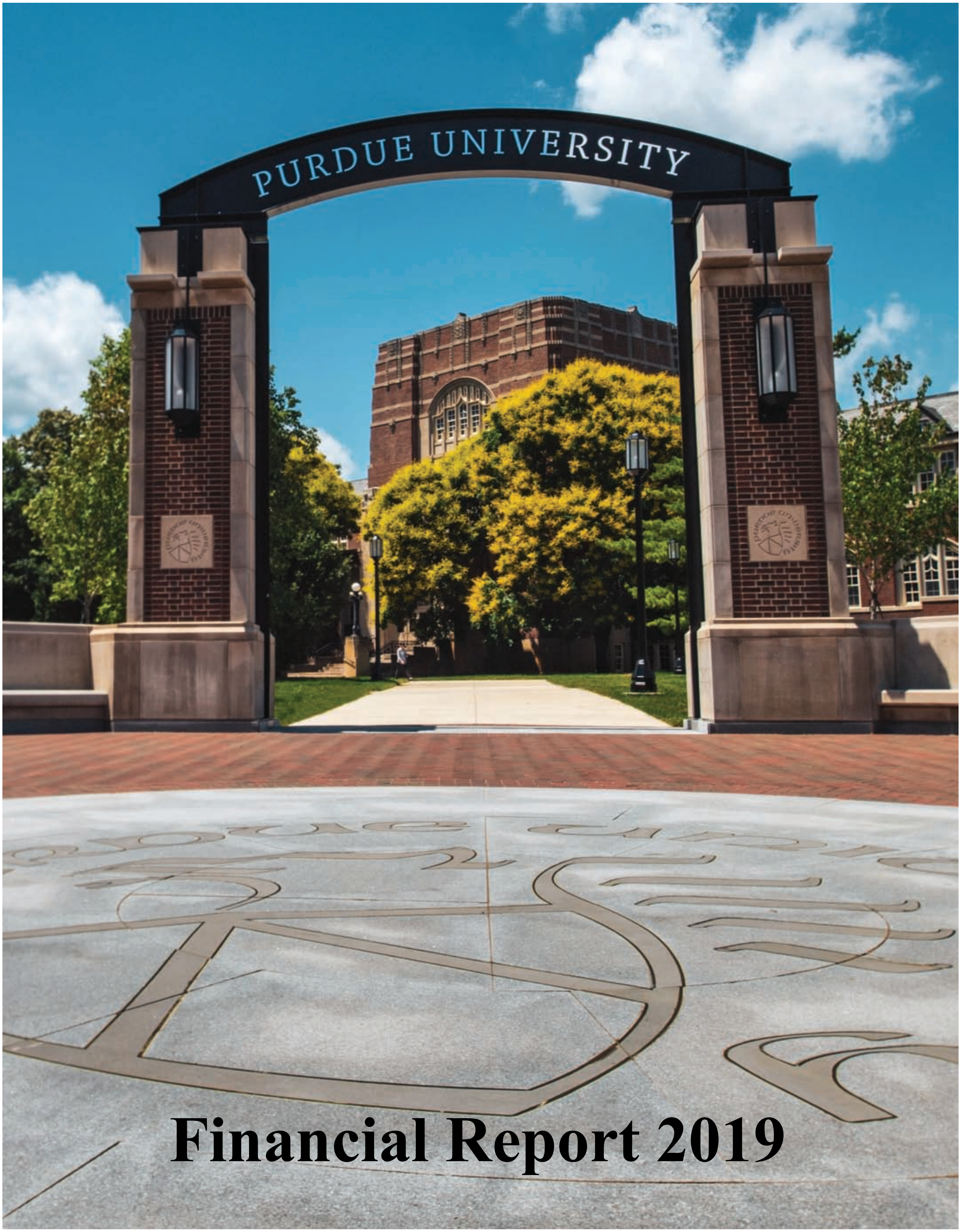


Financial Report 2019

LETTER OF TRANSMITTAL

October 10, 2019

To the Board of Trustees of Purdue University:

We are pleased to submit this, the 97th annual financial report of Purdue University. This report is for the fiscal year that ended June 30, 2019, 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,	Respectfully submitted,
MITCHELL E. DANIELS, JR.	WILLIAM E. SULLIVAN
President	*Treasurer and Chief Financial Officer*

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

BOARD OF TRUSTEES

July 1, 2018-June 30, 2019

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, 2019

OFFICERS OF THE BOARD OF TRUSTEES

Michael R. Berghoff, Chairman

Thomas E. Spurgeon, Vice Chairman

William E. Sullivan, 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

William E. Sullivan, Treasurer and Chief Financial Officer

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

Gina C. DelSanto, Chief of Staff

Daniel J. Hasler, Executive Vice President for Communication

Suresh Garimella, 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

One hundred and fifty years ago last May, the state of Indiana created a new university. It was an era when colleges catered to the elite and attending a university often meant traveling to the coasts, enrolling in a private religious-affiliated institution, and studying an ancient language.

Purdue University would be different. It would be local, accessible and designed especially for those with an interest in the “mechanical arts” (engineering), military sciences or agriculture.

Over the next century and a half, Indiana’s land-grant university would become a global leader in higher education. Our scientists would become respected and published in the world’s top scholarly publications. Each year, thousands of students from all over the world (15,000 more in 2019 compared to 2014) would apply to attend. Our alumni would lead corporations, travel space, and take “giant leaps” of all kinds, both well-known and unknown.

Despite all that has changed, we are as committed in 2019 as we were in 1869 to serving Hoosiers and Indiana as the state’s land-grant university.

Last spring, we accepted more Hoosiers for enrollment on West Lafayette’s campus than any year on record but one. Each year, more than 80 percent of Hoosiers who complete applications for the West Lafayette campus are admitted while 90 percent are offered enrollment in at least one of our traditional campuses. Over the last five years, we’ve increased our enrollment of Hoosier students in West Lafayette by more than 1,400. Across all our campuses, including Purdue Global, we now serve more than 45,000 Hoosiers.

Increasingly, students are choosing Purdue to study one of the STEM disciplines that are vital to the state’s development. In 2010, 41 percent of our West Lafayette graduates received a STEM degree. Last May, it was 64 percent.

World-renowned faculty mentor and support these students along the way, often involving them in their research. The discoveries they achieve together bring additional state benefits. In 2012, Purdue scientists earned 54 U.S patents, resulting in five new companies. Today, Purdue faculty generate 20 to 25 such startups a year off of more than 140 annual patents or other Purdue research. In 2018, Purdue ranked No. 12 in the world for patents.

We also serve the state by offering Hoosiers the highest quality education at the most affordable price possible. We have now reached seven years without a tuition increase and that will extend to at least eight with a minimum of six graduating classes leaving Purdue having never experienced a rate increase. Had we instead raised tuition at the same rate as our peer institutions, in-state students would now be paying $1,400 more annually, in addition to large increases in room and board rates that we have avoided. All together, it is cheaper to attend Purdue West Lafayette today than it was in 2013 and as a direct result, student borrowing has plummeted.

The enclosed financial materials describe how Purdue, in pursuit of the above priorities, has effectively and wisely used the investment from Indiana taxpayers to benefit the state.

On behalf of the students, faculty, Trustees, and other leaders of Purdue University, I respectfully submit Purdue University's financial statements for the fiscal years ended June 30, 2019 and 2018. These financial statements have been audited by the Indiana State Board of Accounts and their report, which is an unmodified opinion, appears on pages 6 through 8.

We remain ever grateful for the state's support.

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, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the University's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Purdue Research Foundation (Foundation), which represent 92 percent, 92 percent, and 95 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 0.01 percent, 0 percent, and 0.01 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. are 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*.

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.

Unmodified Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University, as of June 30, 2019 and 2018, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in fiscal year 2019, the University adopted new accounting guidance GASB Statement 83 *Certain Asset Retirement Obligations*, GASB Statement 88 *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements,* and early implemented GASB Statement 89 *Accounting for Interest Costs Incurred before the End of a Construction Period*. Our opinion is not modified with respect to these matters.

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 of 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 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 Acknowledgements 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 Acknowledgements have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2019, 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 10, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019 and 2018

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, 2019 and 2018, along with comparative financial information for the fiscal year ended June 30, 2017. 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, 2019, 2018, and 2017, is summarized below.

Table 1

Summary Statement of Net Position (Dollars in Thousands)

	2019	2018 As Restated	2017 As Restated
Current Assets	$ 881,216	$ 709,792	$ 649,350
Capital Assets	2,520,836	2,496,148	2,408,286
Other Assets	3,114,863	2,997,230	2,939,846
Total Assets	6,516,915	6,203,170	5,997,482
Deferred Outflows of Resources	42,194	59,330	76,129
Current Liabilities	551,541	459,003	382,335
Noncurrent Liabilities	1,043,797	1,055,143	1,105,941
Total Liabilities	1,595,338	1,514,146	1,488,276
Deferred Inflows of Resources	32,617	36,052	46,811
Net Investment in Capital Assets	1,610,376	1,552,896	1,454,962
Restricted - Nonexpendable	777,197	707,779	652,926
Restricted - Expendable	1,011,002	951,793	941,110
Unrestricted	1,532,579	1,499,834	1,489,526
Total Net Position	**$ 4,931,154**	**$ 4,712,302**	**$ 4,538,524**

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.

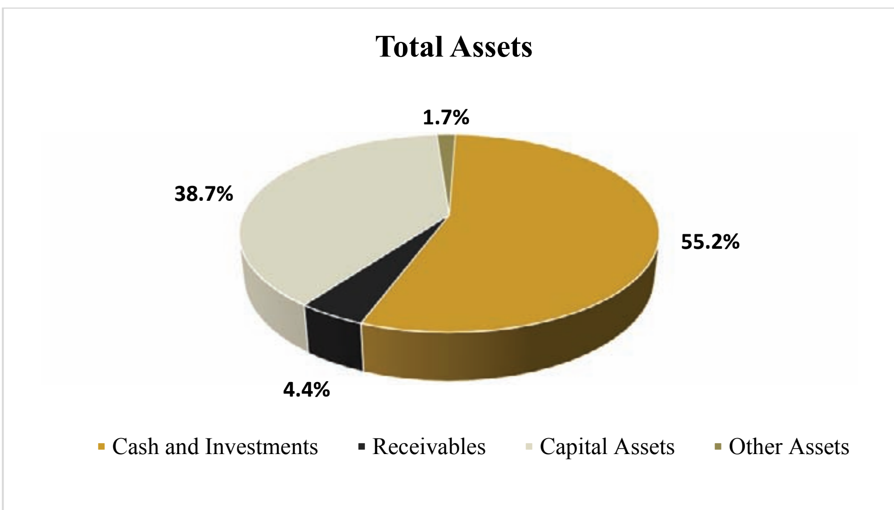
As of June 30, 2019 and 2018, current assets were approximately $881.2 and $709.8 million, respectively, resulting in increases of $171.4 million during fiscal year 2019 and $60.4 million during fiscal year 2018.

As of June 30, 2019 and 2018, cash and cash equivalents were approximately $357.3 and $263.5 million respectively, resulting in an increase of $93.8 and a decrease of $18.8 million, respectively. Included in this amount, is $80.5 and $11.3 million at June 30, 2019 and 2018, respectively, which represent invested bond proceeds related to the University's capital financing activities. The remaining balance of $276.8 and $252.2 million as of June 30, 2019 and 2018, respectively, of cash and cash equivalents were available for operations.

As of June 30, 2019 and 2018, noncurrent assets were approximately $5.6 and $5.5 billion, respectively, which is an increase $142.3 million, or 2.6%, during fiscal year 2019 and $145.2 million, or 2.7%, during fiscal year 2018. This was primarily due to the acquisition of capital assets and an increase in investments. Please refer to a more detailed discussion in the Statement of Revenues, Expenses, and Changes in Net Position section and in Notes 2 and 4.

As of June 30, 2019 and 2018, total assets were approximately $6.5 and $6.2 billion, an increase of $313.7 and $205.7 million, or 5.1% and 3.4% respectively, over the previous fiscal year. The overall growth in assets is attributed to an increase in cash and cash equivalents and investments.

Figure 1 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

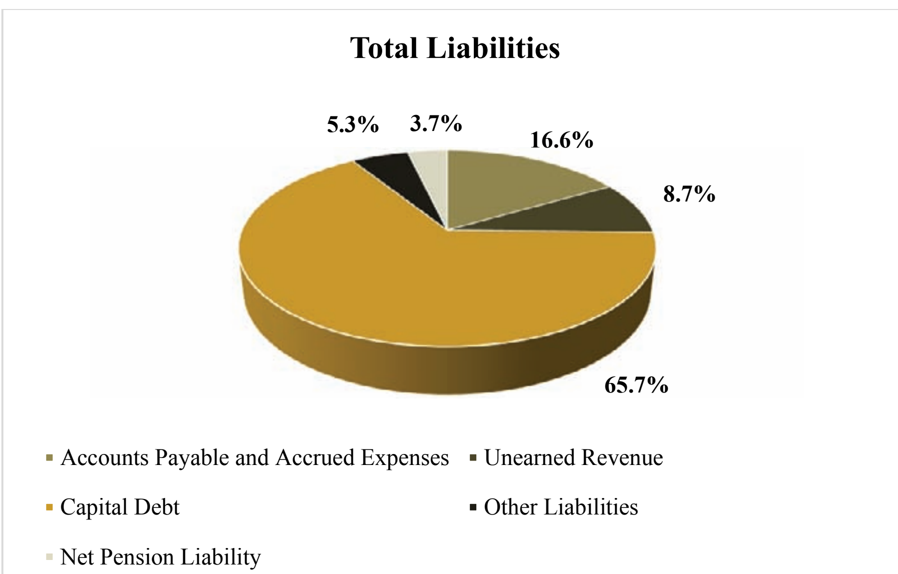
Deferred outflows of resources represent a consumption of resources that do not require a further exchange of goods and services, but that are applicable to a future reporting period. They are not shown on the Statement of Revenues, Expenses, and Changes in Net Position because they are not expense items 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, other post employment benefits, 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 $1.6 billion and $1.5 billion as of June 30, 2019 and 2018, respectively.

Bonds, leases, and notes payable increased by $33.5 million in fiscal year 2019, primarily due to the issuance of new debt, and decreased $40.0 million in fiscal year 2018, primarily due to repayment of debt principal. 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 2 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:

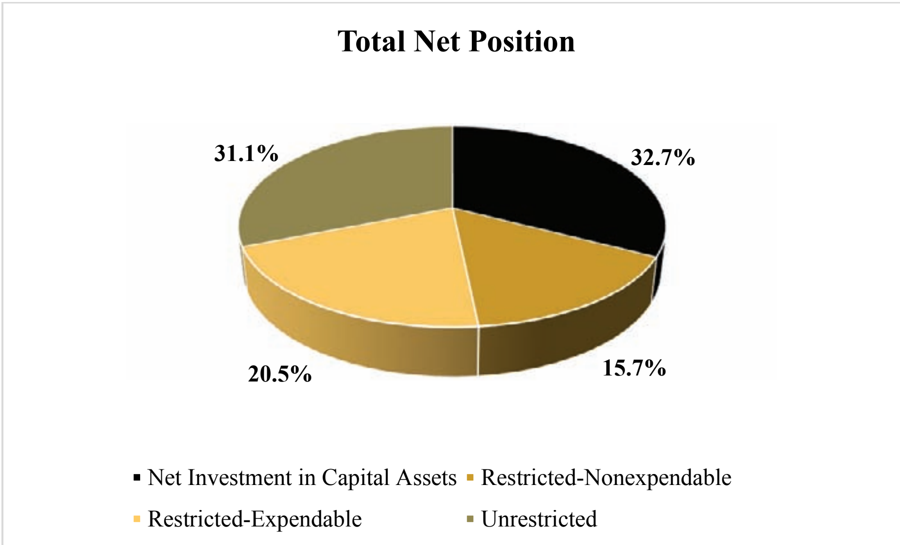
Net Investment in Capital Assets represents the University's investment in capital assets such as moveable equipment, buildings, land, infrastructure, and improvements, net of accumulated depreciation and related debt.

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 3 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 $57.5 and $97.9 million in fiscal years 2019 and 2018, respectively. For the fiscal years ended June 30, 2019 and 2018, the University added capital assets of $216.7 and $268.2 million, offset by annual depreciation of $190.1 and $175.8 million, respectively. Additional details are provided in the Capital Asset and Debt Administration section of this analysis.

The restricted-nonexpendable balance increased $69.4 and $54.9 million in fiscal years 2019 and 2018, respectively, primarily resulting from contributions to endowments.

Restricted-expendable balances increased $59.2 and $10.7 million in fiscal years ended June 30, 2019 and 2018, respectively, driven by the respective changes in market value of investments.

The unrestricted net position had an increase of $32.7 and $10.3 million for the fiscal years ended June 30, 2019 and 2018, 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, 2019, 2018, and 2017, is presented below.

Table 2

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

	2019	2018	2017 As Restated
Operating Revenues			
Tuition and Fees	$ 1,378,546	$ 1,037,216	$ 902,701
Less: Scholarship Allowance	(220,216)	(145,279)	(116,391)
Grants and Contracts	393,932	376,154	361,969
Auxiliary Enterprises	244,142	301,899	278,390
Less: Scholarship Allowance	(16,660)	(16,316)	(16,155)
Other Operating Revenues	178,128	128,007	119,949
Total Operating Revenues	1,957,872	1,681,681	1,530,463
Operating Expenses			
Depreciation	190,100	175,821	166,704
Other Operating Expenses	2,464,468	2,095,278	1,941,364
Total Operating Expenses	2,654,568	2,271,099	2,108,068
Operating Loss	(696,696)	(589,418)	(577,605)
Nonoperating Revenues	810,682	666,681	683,133
Capital, Endowments, and Special Items	104,866	96,515	67,606
Total Nonoperating Revenues	915,548	763,196	750,739
Increase in Net Position	218,852	173,778	173,134
Net position, Beginning of Year	4,712,302	4,538,524	4,426,942
Prior Period Adjustments	-	-	(61,552)
Net Position, Beginning of Year, as restated	-	-	4,365,390
Net position, End of Year	**$ 4,931,154**	**$ 4,712,302**	**$ 4,538,524**

Figures 4 and 5 provide information about the University's sources of revenues for fiscal years 2019 and 2018. The University had an increase in net position of $218.9 and $173.8 million for fiscal years ended June 30, 2019 and 2018, respectively.

Figure 4: University Revenue by Category for FY 2019

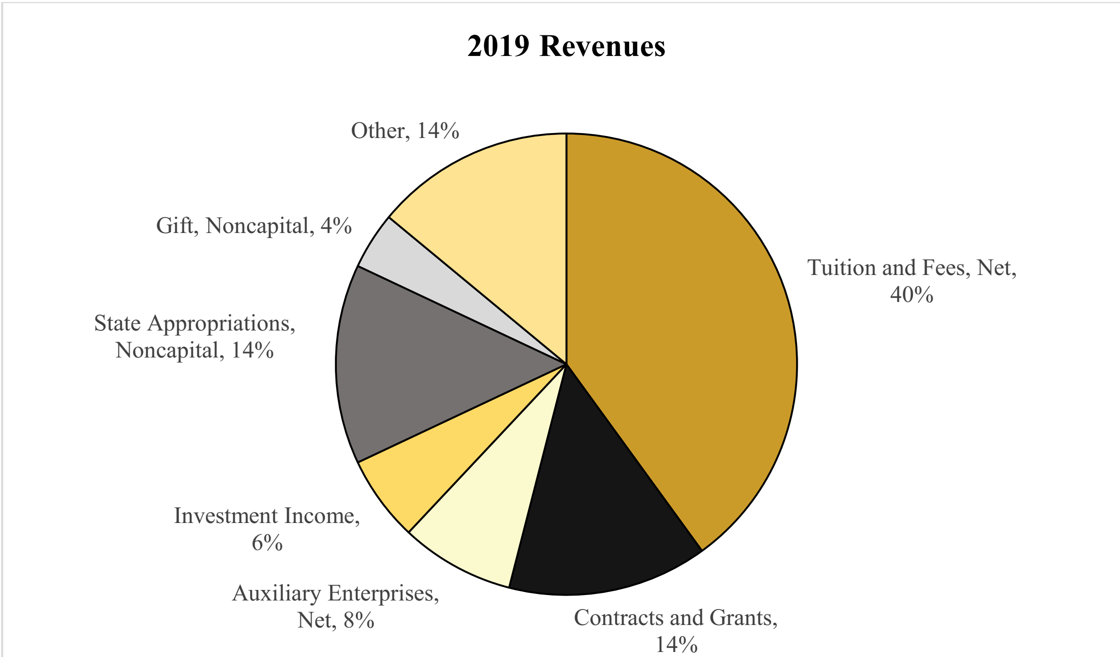
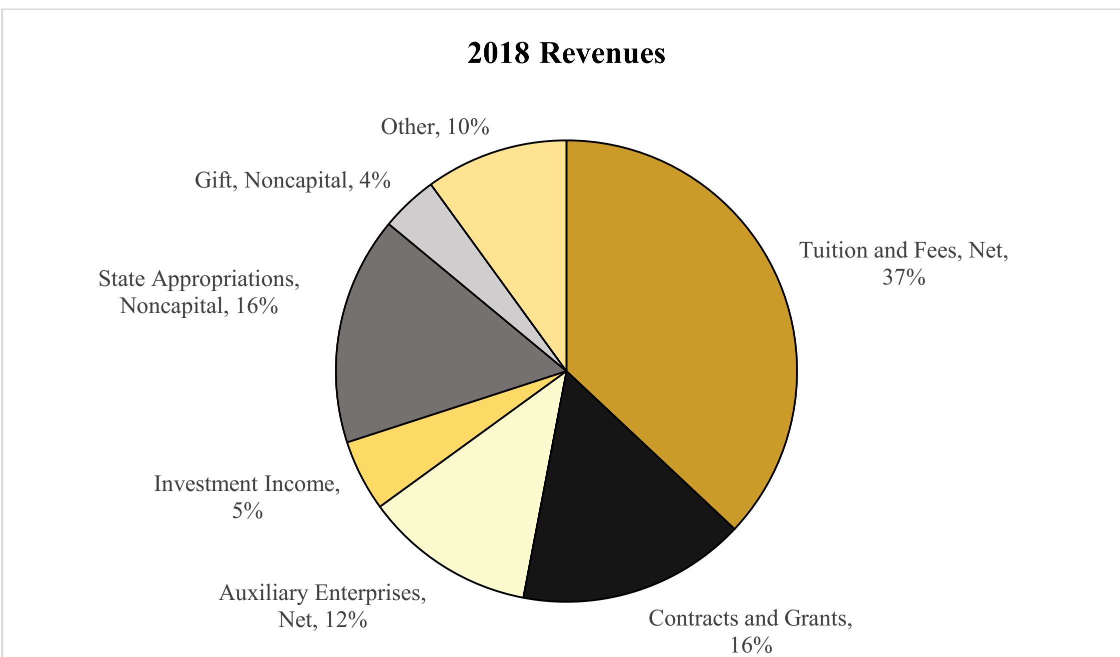
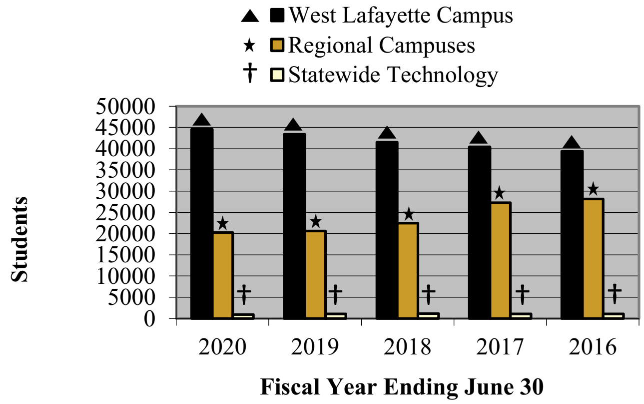


Figure 5: University Revenue by Category for FY 2018



For the fiscal years ended June 30, 2019 and 2018, the total operating revenues increased $276.2 million, or 16.4% and $151.2 million, or 9.9%, respectively. Net tuition and fee revenue increased by $266.4 and $105.6 million in fiscal years 2019 and 2018, respectively, primarily resulting from increased enrollment at the West Lafayette campus and the increase in net tuition and fee revenue reflecting the first full year of Purdue Global. Enrollment patterns for the University for 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 $17.8 and $14.2 million for the fiscal years ended June 30, 2019 and 2018, respectively, primarily due to increases in grant revenue.

For the fiscal years ended June 30, 2019 and 2018, total operating expenses increased $383.5 million, or 16.9%, and $163.0 million, or 7.7%, respectively. Details are described in Note 8.

For the fiscal years ended June 30, 2019 and 2018, non-operating revenues before capital and endowments, net of expenses, increased by $144.0 and decreased $16.5 million, respectively, primarily due to investment income related fluctuations in the market. The net investment performance of the University's endowment was 5.5% and 7.8% for the fiscal years 2019 and 2018, respectively, using the most recent data available. The endowment was invested in private investments (30.5%), public equities (59.4%), and fixed income investments (10.1%). The portfolio composition did not materially change from the prior fiscal year.

For the fiscal years ended June 30, 2019 and 2018, capital, endowment, and special items income increased $8.4 million, or 8.7%, and $28.9 million, or 42.8%, respectively, primarily due to fluctuations in state capital appropriations, private gifts for endowments, capital gifts, as well as the transfer of operations for Purdue Global.

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)

	2019	2018	2017
			As Restated
Cash Used by Operating Activities	$ (453,329)	$ (381,336)	$ (420,749)
Cash Provided by Noncapital Financing Activities	707,166	605,794	565,030
Cash Provided by Investing Activities	17,786	77,158	58,150
Cash Used by Capital and Related Financing	(177,798)	(320,436)	(364,609)
Net Increase (Decrease) in Cash and Cash Equivalents	93,825	(18,820)	(162,178)
Cash and Cash Equivalents, Beginning of Year	263,455	282,275	444,453
Cash and Cash Equivalents, End of Year	**$ 357,280**	**$ 263,455**	**$ 282,275**

The cash provided by noncapital financing activities reflect the nonoperating revenue changes described above. The cash provided by investing activities in fiscal year 2019 and 2018 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 2019 and 2018 are presented in Table 4 and significant projects in progress at June 30, 2019 are presented in Table 5. At June 30, 2019, all significant projects authorized by the Board of Trustees were in progress.

Table 4

Significant Construction Projects Completed (Dollars in Thousands)

No significant construction projects were completed in 2019

Projects Completed in 2018		
Flex Lab Facility	$	54,000
Creighton Hall of Animal Sciences and Land O' Lakes Center for Experiential Learning Complex		60,000
Electrical Engineering and Multiple Building Renovations (EGP)		21,725
Football Performance Complex		65,000
Total Significant Construction Projects Completed	**$**	**200,725**

Table 5

Significant Construction Projects in Progress (Dollars in Thousands)

		Project Budget
Agricultural and Biological Engineering Renovation and Addition	$	80,000
Bioscience Innovation Building		40,500
Engineering and Polytechnic Gateway		140,000
Purdue Memorial Union Renovation		35,000
STEM Teaching Lab Building		64,000
Veterinary Hospital Complex		108,000
Total Significant Construction Projects in Progress	**$**	**467,500**

Debt and Financing Activities

As of June 30, 2019 and 2018, bonds, leases, and notes payable totaled approximately $1.05 and $1.01 billion, respectively, and represented approximately 65.7% and 67.1%, respectively, of the total liabilities of the University. The University's debt portfolio as of June 30, 2019 consisted of $88.4 million of variable rate instruments (8.4%) and $959.5 million in fixed rate obligations (91.6%). As of June 30, 2018, the University’s debt portfolio consisted of $89.5 million of variable rate instruments (8.8%), and $924.9 million in fixed rate obligations (91.2%). Additional details about University indebtedness are provided in Note 6.

As of June 30, 2019 and 2018, 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 are so rated 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 2020, the Indiana General Assembly appropriated $301.3 million for the West Lafayette campus, $52.5 million for Purdue Northwest and $47.7 million for Purdue Fort Wayne, an overall decrease of 1.01% in state appropriations, driven by a decline primarily in the university's fee replacement appropriation reflecting lower outstanding debt. In addition, as part of the biennial budget, the state appropriated funds for the construction of the new Veterinary Medicine Teaching Hospital ($73 million) and the Engineering and Polytech Gateway building ($60 million).

Academic year 2019-20 tuition rates for both Indiana resident and nonresident students remain flat at the West Lafayette campus for the seventh 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 eighth year in FY21.

Enrollment at all Purdue campuses was 65,718* for the fall semester of the 2019-2020 academic year. Enrollment at the West Lafayette campus was 44,551 for the fall semester of the 2019-2020 academic year, up 1,140 from the fall semester of the prior academic year. First-year undergraduate students totaled 8,056. 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 91.6% compared to 91.9% last year, and the second-year retention rate is at 87.8%, as compared to 87.4% last year. The four-year and six-year graduation rates increased to 60.6% and 82.2% from 60.3% and 81.2%, respectively.

The class average new SAT scores were 1,307 on the critical reading, math, and writing sections (on a scale of 400 to 1600). This is an increase of 18 points from the previous year.

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

Purdue University

Statement of Net Position
As of June 30 (Dollars in Thousands)

	2019	2018 As Restated
Assets and Deferred Outflows of Resources:		
Current Assets:		
Cash and Cash Equivalents	$ 357,280	$ 263,455
Investments	256,054	235,874
Accounts Receivable, Net	111,668	108,829
Pledges Receivable, Net	51,168	28,516
Notes Receivable, Net	8,358	8,681
Other Receivables	5,735	5,123
Other Assets	90,953	59,314
Total Current Assets	**881,216**	**709,792**
Noncurrent Assets:		
Investments	2,982,538	2,839,303
Pledges Receivable, Net	37,316	24,651
Notes Receivable, Net	76,222	76,838
Interest in Charitable Remainder Trusts	18,787	20,165
Funds Held in Trust by Others	-	36,273
Capital Assets, Net	2,520,836	2,496,148
Total Noncurrent Assets	**5,635,699**	**5,493,378**
Total Assets	**6,516,915**	**6,203,170**
Deferred Outflows of Resources	42,194	59,330
Liabilities and Deferred Inflows of Resources:		
Current Liabilities:		
Accounts Payable and Accrued Expenses	193,720	148,823
Unearned Revenue	139,484	130,642
Deposits Held in Custody for Others	1,892	3,372
Accrued Compensated Absences	30,084	28,455
Bonds (net), Leases, and Notes Payable	186,361	147,711
Total Current Liabilities	**551,541**	**459,003**
Noncurrent Liabilities:		
Accrued Compensated Absences	41,584	38,346
Other Post Employment Benefits	43,457	46,347
Net Pension Liability	58,681	78,861
Funds Held in Trust for Others	7,299	7,241
Advances from Federal Government	15,211	14,935
Other Noncurrent Liabilities	15,967	2,661
Bonds (net), Leases, and Notes Payable	861,598	866,752
Total Noncurrent Liabilities	**1,043,797**	**1,055,143**
Total Liabilities	**1,595,338**	**1,514,146**
Deferred Inflows of Resources	32,617	36,052

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

	2019	2018 As Restated
Net Position:		
Net Investment in Capital Assets	**$ 1,610,376**	**$ 1,552,896**
Restricted:		
Nonexpendable:		
Instruction and Research	394,049	359,531
Student Aid	361,918	326,970
Other	21,230	21,278
Total Nonexpendable	**777,197**	**707,779**
Expendable:		
Instruction, Research and Public Service	243,364	215,707
Student Aid	92,985	94,846
Construction	67,241	60,628
Other	607,412	580,612
Total Expendable	**1,011,002**	**951,793**
Unrestricted	**1,532,579**	**1,499,834**
Total Net Position	**$ 4,931,154**	**$ 4,712,302**

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)

	2019	2018
Operating Revenues:		
Tuition and Fees	$ 1,378,546	$ 1,037,216
Less: Scholarship Allowance	(220,216)	(145,279)
Federal Appropriations	18,121	20,223
County Appropriations	9,050	8,802
Grants and Contracts	393,932	376,154
Sales and Services	148,176	91,810
Auxiliary Enterprises	244,142	301,899
Less: Scholarship Allowance	(16,660)	(16,316)
Other Operating Revenues	2,781	7,172
Total Operating Revenues	**1,957,872**	**1,681,681**
Operating Expenses:		
Compensation and Benefits	1,658,423	1,469,602
Supplies and Services	740,379	558,063
Depreciation Expense	190,100	175,821
Scholarships, Fellowships, & Student Awards	65,666	67,613
Total Operating Expenses	**2,654,568**	**2,271,099**
Net Operating Loss	**(696,696)**	**(589,418)**
Nonoperating Revenues (Expenses):		
State Appropriations	405,921	398,143
Grants and Contracts	144,288	77,447
Private Gifts	102,397	91,659
Investment Income	181,639	125,711
Interest Expense	(29,159)	(29,687)
Other Nonoperating Revenues (Net of Nonoperating Expenses of $556 and $148, respectively)	5,596	3,408
Total Nonoperating Revenues before Capital and Endowments	**810,682**	**666,681**
Capital, Endowments, and Special Items:		
State Capital Appropriations	305	514
Capital Gifts	46,574	24,422
Private Gifts for Permanent Endowments and Charitable Remainder Trusts	57,987	46,192
Transfer of Operations	-	25,387
Total Capital, Endowments, and Special Items	**104,866**	**96,515**
Total Nonoperating Revenues	**915,548**	**763,196**
INCREASE IN NET POSITION	**218,852**	**173,778**
Net Position, Beginning of Year	4,712,302	4,538,524
Net Position, End of Year	**$ 4,931,154**	**$ 4,712,302**

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)

	2019	2018
Cash Flows From Operating Activities:		
Tuition and Fees, Net of Scholarship Allowances	$ 1,159,186	$ 886,603
Federal Grants	18,121	20,223
County Grants	9,050	8,802
Grants and Contracts	397,387	377,796
Sales and Services	151,584	95,271
Auxiliary Enterprises, Net of Scholarship Allowances	233,185	287,980
Other Operating Revenues	3,467	3,587
Compensation and Benefits	(1,648,238)	(1,474,048)
Supplies and Services	(712,561)	(519,716)
Scholarships, Fellowships and Student Awards	(65,128)	(67,282)
Student Loans Issued	(8,744)	(9,972)
Student Loans Collected	9,362	9,420
Cash Used by Operating Activities	**(453,329)**	**(381,336)**
Cash Flows From Noncapital Financing Activities:		
State Appropriations	405,921	398,143
Grants and Contracts	144,288	77,447
Gifts for Other than Capital Purposes	153,262	139,774
Funds Held in Trust for Others	(2,388)	(16,460)
Other Nonoperating Revenues, Net	6,083	6,890
Cash Provided by Noncapital Financing Activities	**707,166**	**605,794**
Cash Flows From Investing Activities:		
Purchases of Investments	(2,376,478)	(4,077,895)
Proceeds from Sales and Maturities of Investments	2,326,526	4,076,849
Proceeds from Transfer of Operations	-	40,467
Interest and Dividends on Investments, Net	67,738	37,737
Cash Provided by Investing Activities	**17,786**	**77,158**
Cash Flows From Capital and Related Financing Activities:		
Debt Repayment	(60,255)	(63,195)
Capital Debt Proceeds	104,628	-
Interest Expense	(40,625)	(41,333)
Capital Gifts Received	14,131	10,076
State Appropriations for Capital Projects	339	540
Construction or Purchase of Capital Assets	(196,016)	(226,524)
Cash Used by Capital and Related Financing Activities	**(177,798)**	**(320,436)**
Net Increase (Decrease) in Cash and Cash Equivalents	**93,825**	**(18,820)**
Cash and Cash Equivalents, Beginning of Year	263,455	282,275
Cash and Cash Equivalents, End of Year	**$ 357,280**	**$ 263,455**

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)		**2019**		**2018**
Reconciliation of net operating loss to net cash used by operating activities:				
Operating Loss	$	(696,696)	$	(589,418)
Depreciation Expense		190,100		175,821
Noncash investing, capital, and financing activities		107		380
Changes in Assets and Liabilities:				
Accounts Receivable		1,413		(10,689)
Notes Receivable		618		(322)
Investment in Subsidiary		-		(5,925)
Other Assets		4,602		-
Accrued Compensated Absences		4,867		3,411
Other Post Employment Benefits and related deferreds		(4,822)		(3,943)
Net Pension liability and related deferreds		(2,159)		3,553
Accounts Payable		35,947		33,901
Unearned Revenue		12,418		15,989
Advances from Federal Government		276		(4,094)
Cash Used by Operating Activities	**$**	**(453,329)**	**$**	**(381,336)**

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

		2019		2018
Assets:				
Cash and Cash Equivalents	$	21,436	$	12,060
Accounts Receivable, Net		25,738		27,384
Other Assets		20,656		18,140
Investments		2,790,277		2,680,697
Lease Purchase Agreements		189,858		197,260
Notes Receivable, Net		29,584		9,405
Interest in Charitable Perpetual Trusts		16,124		16,135
Capital Assets, Net of Accumulated Depreciation		250,411		247,306
Irrevocable Trust		34,821		36,273
Total Assets	**$**	**3,378,905**	**$**	**3,244,660**
Liabilities:				
Accounts Payable and Accrued Expenses	$	33,213	$	29,295
Unearned Revenue		16,206		17,863
Due on Split Interest Agreements		47,287		49,724
Deposits Held in Custody for Others		1,826,770		1,744,145
Bonds (Net), Leases, and Notes Payable		395,843		364,602
Other Liabilities		2,010		3,305
Total Liabilities		**2,321,329**		**2,208,934**
Net Assets:				
Without Donor Restriction		283,197		275,299
With Donor Restriction		774,379		760,427
Total Net Assets		**1,057,576**		**1,035,726**
Total Liabilities and Net Assets	**$**	**3,378,905**	**$**	**3,244,660**

Component Units

For the Years Ended June 30 (Dollars in Thousands)

Consolidated Statement of Activities

	2019	2018
Revenue and Support		
Amount Received for Purdue University Research Projects	$ 399	$ 661
Less Payments to Purdue University	(399)	(661)
	-	-
Contributions	36,763	30,544
Income on Investments	28,116	23,815
Net Unrealized and Realized Gains	44,058	54,899
Increase (Decrease) in Value of Split Interest Agreements	2,598	(1,058)
(Decrease) Increase in Interests in Perpetual Trusts	(11)	609
Rents	20,993	21,514
Royalties	4,078	3,008
Other	35,923	34,000
Total Revenue and Support	**172,518**	**167,331**
Expenses and Losses		
Expenses for the Benefit of Purdue University		
Contributions to Purdue University	38,012	39,472
Patent and Royalty	3,268	2,946
Grants	1,102	8,655
Services for Purdue University	2,569	2,659
Other	7,310	4,494
Total Expenses for the Benefit of Purdue University	**52,261**	**58,226**
Administrative and Other Expenses		
Salaries and Benefits	35,328	32,613
Property Management	19,562	16,826
Professional Fees	14,757	13,168
Supplies	1,782	1,601
Interest	14,019	13,582
Research park	383	308
Other	12,576	8,076
Total Administrative and Other Expenses	**98,407**	**86,174**
Change in Net Assets	21,850	22,931
Net Assets, Beginning of Period	1,035,726	1,012,795
Net Assets, End of Period	**$ 1,057,576**	**$ 1,035,726**

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

For the Fiscal Year Ended June 30, 2019

ORGANIZATION:

Established in 1869, Purdue University (the University) is the land-grant University for the state of Indiana. The University is a comprehensive degree-granting research University with 29 schools and colleges on its main campus in West Lafayette and the following regional campuses:

Purdue University Fort Wayne

Purdue University Northwest

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

Purdue Polytechnic Institute Statewide

College of Agriculture Purdue Extension

Technical Assistance Program

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

REPORTING ENTITY:

Governmental Accounting Standards Board (GASB) Statement No. 14 *The Financial Reporting Entity* as amended 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, 2019 and 2018.

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 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. We have evaluated our 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.

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/or 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.

Funds Held in Trust by Others. Funds held in trust by others represent University assets being held in trust for the University by another party. During fiscal year ended June 30, 2016, the University entered into a crossover refunding transaction, where the crossover refunding funds are being held in escrow in an irrevocable trust by the trustee. See Note 6 for additional details.

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 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 earn vacation up to 320 hours. For all classes of employees, accrued vacation is payable upon termination. Upon meeting the definition of an official University retiree, benefits-eligible clerical and service staff receive cash payments for a portion of their accrued sick leave. An estimate of sick leave liability is recorded for the clerical and service staff based on historical payouts. The liability for compensated absences is expected to be funded by various sources of revenue that are available in future years when the liability is paid.

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.

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, capital revenues, or endowment additions. 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. Nonoperating 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 $2,213,000 and $17,599,000 was recognized during the years ending June 30, 2019 and 2018, 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 to conform 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.

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	2019	2018
SEPARATELY HELD INVESTMENTS:		
Land Grant Cash Held by State Treasurer	$ 340	$ 340
US Equity	60,190	51,540
Public Real Estate	1,601	1,601
US Agencies	170	-
Asset-Backed Securities	1,793	-
Corporate Bonds	394	-
Venture Capital/Private Equity	303	552
Short Term Investments	47,149	68,572
BOND PROCEEDS INVESTED:		
Short Term Investments	80,459	11,333
PIPC:		
Short Term Investments	231,494	175,752
Fixed Income:		
Asset-Backed Securities	98,128	88,829
Corporate Bonds	471,387	491,108
Mortgage-Backed Securities	278,100	308,404
US Agencies	70,542	30,817
US Treasuries and Securities	492,822	430,283
PIP:		
Short Term Investments	39,546	34,803
US Equity	486,315	459,500
International Equity	272,317	261,211
Fixed Income	142,659	161,743
Emerging Markets	101,715	97,102
Marketable Alternatives	178,645	181,224
Public Real Estate	113,192	105,361
Private Real Estate	40,424	41,798
Public Natural Resources	26,884	25,857
Private Natural Resources	69,741	72,488
Venture Capital/Private Equity	289,562	238,414
Total	**$ 3,595,872**	**$ 3,338,632**

The University's investment values included accumulated unrealized gains of approximately $258,686,000 and $204,919,000 as of June 30, 2019 and 2018, respectively. During the years ended June 30, 2019 and 2018, the investment income included unrealized gains of approximately $53,767,000 and $21,387,000, respectively.

As of June 30, 2019 and 2018, the University had approximately $300,797,000 and $290,442,000 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, 2019 and 2018, was approximately $2,537,000 and $1,403,000, 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, 2019 and 2018 were approximately $13,000,000 and $21,200,000, 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 November 15, 2017. 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, 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

June 30, 2018	Maturity				
Investment Type	**0–1 year**	**1–5 years**	**6–10 years**	**>10 years**	**Totals**
PIPC:					
Asset-Backed Securities	$ 436	$ 75,334	$ 2,456	$ 10,603	$ 88,829
Corporate Bonds	77,655	313,065	61,584	38,804	491,108
Mortgage-Backed Securities	42,407	49,993	37,512	178,492	308,404
US Agencies	1,867	10,336	12,219	6,395	30,817
US Treasuries and Securities	146,730	226,044	43,415	14,094	430,283
PIP:					
Fixed Income and other	28,907	85,187	25,521	33,298	172,913
Total	$ 298,002	$ 759,959	$ 182,707	$ 281,686	$ 1,522,354

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

	June 30, 2019	% of Total	June 30, 2018	% of Total
Separately Held:				
A	$ 357	15.15%	$ -	-
AA	470	19.94%	-	-
AAA	862	36.57%	-	-
BAA	240	10.18%	-	-
Unrated	428	18.16%	-	-
Total Separately Held	2,357	100.00%	-	-
PIPC:				
A	249,359	17.67%	267,894	19.85%
AA	58,064	4.12%	35,964	2.67%
AAA	861,969	61.09%	815,988	60.47%
B	1,784	0.13%	-	-
BA	12,276	0.87%	18,993	1.41%
BAA	124,761	8.84%	125,961	9.33%
Unrated[1]	102,766	7.28%	84,641	6.27%
Total PIPC:	1,410,979	100.00%	1,349,441	100.00%
PIP:				
A	30,267	19.98%	38,990	22.55%
AA	9,166	6.05%	6,897	3.99%
AAA	85,069	56.16%	92,068	53.24%
B	356	0.24%	-	-
BA	3,087	2.04%	3,296	1.91%
BAA	16,450	10.86%	20,054	11.60%
Unrated[1]	7,077	4.67%	11,608	6.71%
Total PIP	151,472	100.00%	172,913	100.00%
Total	**$ 1,564,808**		**$ 1,522,354**	

[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, 2019 and 2018 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 $578,372,000 and $533,924,000, respectively, at June 30, 2019 and 2018.

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 $97,251,000 and $44,315,000 as of June 30, 2019 and 2018, 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, 2019 and 2018, 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, 2019 and 2018, accumulated market appreciation of the PIP pool was approximately $477,580,000 and $464,673,000, respectively. Of this amount, 43.02% and 42.84% represents appreciation attributable to donor-restricted (true and term) endowments during the year ended June 30, 2019 and 2018, 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, the PRF PIP investment pool includes the following PRF Trusts assets, net of liabilities (dollars in thousands).

	Assets at Fair Value	
	June 30, 2019	**June 30, 2018**
University	$ 18,414	$ 19,206
PRF	36,730	40,216
Other Affiliates	249	253
Total	**$ 55,393**	**$ 59,675**

As of June 30, 2019 and 2018, the University's beneficial interest in the Trust Assets of $18,414,000 and $19,206,000, respectively, are reported as Deferred Inflows of Resources.

As of June 30, 2019 and 2018, the University PIP investment pool includes endowment assets of approximately $7,299,000 and $7,241,000, respectively, offset by Funds Held in Trust obligations to the other beneficiaries.

The University also has beneficiary interest in insurance contracts of $373,000 and $959,000, as of June 30, 2019 and 2018, respectively.

PRF Investments. PRF manages the investment of the PIP on behalf of the University. The fair value of all PRF investments, inclusive of the $1,761,000,000 of the University's PIP, at June 30, 2019 and 2018 is as follows (dollars in thousands):

Investment Type	June 30, 2019	June 30, 2018
Short-Term Investments	$ 6,754	$ 5,312
U.S. Equity	28,082	26,494
Fixed Income	7,946	7,621
Venture Capital	361	473
Pooled Funds:		
Short-Term Investments	143,601	130,331
U.S. Equity	765,208	694,408
International Equity	399,246	394,435
Fixed Income	217,597	252,246
Emerging Markets	149,125	146,626
Public Real Estate	165,952	159,097
Private Real Estate	59,266	59,311
Public Natural Resources	39,415	39,044
Private Natural Resources	102,248	109,458
Hedge Funds	261,912	273,652
Venture Capital/Private Equity	424,528	360,011
Total	**$ 2,771,241**	**$ 2,658,519**

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, 2019				
Investment Type	**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**

Investment Type	Fair Value Measurements at June 30, 2018 Level 1	Level 2	Level 3	NAV	Total
SEPARATELY HELD INVESTMENTS:					
Land Grant Cash Held by State Treasurer	$ -	$ 340	$ -	$ -	$ 340
US Equity	51,540	-	-	-	51,540
Public Real Estate	-	-	1,601	-	1,601
Venture Capital/Private Equity	-	-	552	-	552
Short Term Investments	68,572	-	-	-	68,572
BOND PROCEEDS INVESTED:					
Short Term Investments	11,333	-	-	-	11,333
PIPC:					
Short Term Investments	175,752	-	-	-	175,752
Fixed Income:					
Asset-Backed Securities	-	88,829	-	-	88,829
Corporate Bonds	-	491,108	-	-	491,108
Mortgage-Backed Securities	-	308,404	-	-	308,404
US Agencies	-	30,817	-	-	30,817
US Treasuries and Securities	430,283	-	-	-	430,283
PIP:					
Short Term Investments	34,786	-	17	-	34,803
US Equity	284,482	17,766	-	157,252	459,500
International Equity	220,324	-	-	40,887	261,211
Fixed Income	34,948	126,795	-	-	161,743
Emerging Markets	69,312	-	-	27,790	97,102
Marketable Alternatives	-	-	112,764	68,460	181,224
Public Real Estate	105,361	-	-	-	105,361
Private Real Estate	172	-	41,626	-	41,798
Public Natural Resources	25,857	-	-	-	25,857
Private Natural Resources	-	-	72,488	-	72,488
Venture Capital/Private Equity	-	8,490	229,924	-	238,414
Total	**$ 1,512,722**	**$ 1,072,549**	**$ 458,972**	**$ 294,389**	**$ 3,338,632**

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. The fair value of land held in endowment is evaluated annually based on economic conditions (Level 3 inputs).

Private Real Estate. The fair values of the investments in real estate partnerships have been estimated using the NAV of the ownership interest in partners' capital. 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, 2019	June 30, 2018
Grants and Contracts	$ 58,702	$ 58,276
Student and General	36,453	36,225
Other Accrued Revenues	23,971	21,638
Less: Allowance for Doubtful Accounts	(7,458)	(7,310)
Total Accounts Receivable, Net	**111,668**	**108,829**
Pledges Receivable	91,919	55,328
Less: Allowance for Doubtful Pledges	(3,435)	(2,161)
Net Pledges Receivables	88,484	53,167
Less: Noncurrent Portion	(37,316)	(24,651)
Pledges Receivable, Current Portion	**51,168**	**28,516**
Perkins Loans	15,257	19,171
Institutional Loans	42,055	38,365
Other Student Loans and Notes Receivable	28,624	28,998
Less: Allowance for Doubtful Loans	(1,356)	(1,015)
Net Notes Receivable	84,580	85,519
Less: Noncurrent Portion	(76,222)	(76,838)
Notes Receivable, Current Portion	**8,358**	**8,681**
Federal Appropriations Receivable	5,735	5,123
Other Receivables, Current Portion	**$ 5,735**	**$ 5,123**

Note 4 – Capital Assets (dollars in thousands)

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**

Capital Assets Activity	Balance July 1, 2017	Additions	Retirements	Transfers	Balance June 30, 2018
Capital Assets, Not Being Depreciated:					
Land	$ 45,067	$ 11,710	$ -	$ -	$ 56,777
Construction in Progress	218,306	32,782	-	(177,017)	74,071
Total Capital Assets, Not Being Depreciated	263,373	44,492	-	(177,017)	130,848
Capital Assets, Being Depreciated:					
Land Improvements	79,757	5,127	-	325	85,209
Infrastructure	161,038	30,504	-	17,413	208,955
Buildings	3,383,393	117,147	10,308	158,342	3,648,574
Equipment	590,462	70,963	20,375	937	641,987
Software	58,387	5	-	-	58,392
Total Capital Assets, Being Depreciated	4,273,037	223,746	30,683	177,017	4,643,117
Less Accumulated Depreciation:					
Land Improvements	65,104	2,091	-	-	67,195
Infrastructure	67,753	8,630	-	-	76,383
Buildings	1,543,707	124,364	8,555	-	1,659,516
Equipment	394,853	39,072	17,572	-	416,353
Software	56,707	1,663	-	-	58,370
Total Accumulated Depreciation	2,128,124	175,820	26,127	-	2,277,817
Total Capital Assets, Net of Accumulated Depreciation	**$ 2,408,286**	**$ 92,418**	**$ 4,556**	**$ -**	**$ 2,496,148**

During fiscal year 2019, the University incurred $29,159,000 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, 2019	June 30, 2018
Construction Payables	$ 30,161	$ 12,289
Accrued Insurance Liabilities	25,493	27,628
Interest Payable	20,507	19,511
Accrued Salaries and Wages	22,518	13,619
Vendor and Other Payables	95,041	75,776
Total Accounts Payable and Accrued Expenses	**$ 193,720**	**$ 148,823**

Note 6 — Debt Related to Capital Assets

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

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	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**

Debt Related Liabilities	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018	Current Portion
Notes Payable	$ 6,534	$ -	$ 552	$ 5,982	$ 435
Leases Payable to Affiliated Foundations	208,758	33,904	15,983	226,679	43,467
Bonds Payable					
Student Facilities System Revenue Bonds	355,850	-	16,280	339,570	64,725
Student Fee Bonds	400,395	-	30,380	370,015	29,415
Total Bonds Payable	756,245	-	46,660	709,585	94,140
Net Unamortized Premiums and Costs	82,898	-	10,681	72,217	9,669
Total Debt Related Liabilities	**$ 1,054,435**	**$ 33,904**	**$ 73,876**	**$ 1,014,463**	**$ 147,711**

Commercial Paper. On April 1, 2008, a commercial paper agreement was negotiated with Goldman, Sachs & Company. This agreement authorized a maximum outstanding at any time of $50,000,000 to finance portions of the costs of certain infrastructure, equipment, and facilities on various campuses. The interest rate was variable and reset based on market conditions. The University could set the maturity dates up to 270 days. The program was not extended at its expiration on April 1, 2018.

Notes Payable. As of June 30, 2019 and 2018, the balance of notes outstanding was approximately $5,410,000 and $5,982,000, 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, 2019 and 2018 were $5,385,000 and $5,820,000, respectively. The interest rate for this agreement ranges between 3-5% as of June 30, 2019 and 2018.

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 $25,000 and $162,000 as of June 30, 2019 and 2018. The interest rate for the note was fixed at 8.00% as of June 30, 2019 and 2018.

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, 2019	Outstanding June 30, 2018	Current Outstanding June 30, 2019
Certificates of Participation with Ross-Ade:							
Series 2006	2006	70,345	5.25%	2025	24,025	26,805	2,930
Series 2009B	2009	42,795	4.59%	2019	36,385	38,580	36,385
Series 2011A	2011	32,185	1.79%*	2035	31,700	31,945	31,700
Series 2016A	2016	85,120	4.00-5.00%	2037	83,440	85,120	1,765
Direct Placement Certificates of Participation:							
Series 2014A	2014	21,955	2.66%	2027	19,050	19,900	870
Leases with Purdue Research Foundation:							
Kaplan	2012	1,335	5.63%	2022	359	466	113
Child Care Facility	2018	5,522	2.61%*	2033	4,923	5,178	275
NW Recreation Facility	2018	4,924	2.61%*	2031	4,379	4,624	251
Other Leases:							
Cisco	2018	23,458	2.52%	2022	10,676	14,061	3,471
					214,937	226,679	77,760
Net unamortized premiums and costs					14,017	15,883	1,764
Total					**$ 228,954**	**$ 242,562**	**$ 79,524**

**Variable interest rates are reset periodically and are based upon market conditions. Rates shown are as of June 30, 2019.*

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, 2019 and 2018, the University included approximately $31,700,000 and $31,945,000 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 15(c)2-12 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, 2019 and 2018, leases payable included amounts relating to properties with a book value, net of accumulated depreciation, of approximately $220,058,000 and $217,731,000, respectively.

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 will be outstanding in Series 2009B and will be 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 will be created when the cross-over is effected on July 1, 2019 and will be amortized through 2031. During fiscal year 2019, debt service of $2,397,000 was paid from capitalized interest, borrowed as part of COPS 2016A. During fiscal year 2018, debt service of $2,527,000 was paid from capitalized interest, borrowed as part of COPS 2016A. For fiscal years, 2019 and 2018, the annual debt service of $1,471,000 related to the crossover refunding was paid from securities held by the Escrow Trustee. Interest income earned on the escrowed securities during Fiscal Years 2019 and 2018 was approximately $19,000 and $401,000, respectively.

On June 1, 2018, 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 ($240,000, July 1, 2035).

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 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.

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.

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.

Bonds Payable. As of June 30, 2019 and 2018, the balance of bonds payable was approximately $813,595,000 and $765,919,000, 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, 2019	Total Outstanding June 30, 2018	Current Outstanding June 30, 2019
Student Facilities System Revenue Bonds:								
Series 2004A								
	Finance construction of Hammond student housing and parking garage facilities	2004	$ 28,100	1.80%*	2033	$ 16,345	$ 16,475	$ 16,345
Series 2005A								
	Finance construction and renovation of West Lafayette housing and food service facilities	2005	24,200	1.79% *	2029	5,930	5,975	5,930
Series 2007A								
	Refund a portion of Student Facilities System Revenue Bond Series 2003A and 2003B	2007	61,865	5.25%	2029	50,490	53,010	3,540
Series 2007B								
	Finance construction of the new West Lafayette dining court and Fort Wayne student housing facility	2007	27,065	5.00%	2018	-	1,000	-
Series 2007C								
	Renovate a West Lafayette student housing facility, and finance construction on a new West Lafayette student housing facility	2007	61,725	1.79% *	2032	25,135	25,330	25,135
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	3.90-5.96%	2030	18,025	19,245	1,250
Series 2011A								
	Refund a portion of Student Facilities System Revenue Bond Series 2004A, 2005A, and 2007C	2011	49,440	3.75-5.00%	2025	28,410	32,015	3,770
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	23,765	27,870	3,415
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	93,135	94,750	2,630
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	61,020	63,900	2,995
						322,255	339,570	65,010
Net unamortized premiums and costs						23,154	26,309	2,893
Total Student Facilities System Revenue Bonds						**$ 345,409**	**$ 365,879**	**$ 67,903**

Debt issuances are comprised of annual maturities, each of which may have a different interest rate. Table above reflects the rates in effect on 6/30/19.

**Variable interest rates are reset weekly and are based upon market conditions. Rates shown are as of June 30, 2019.*

Issuance and Description		Issue Date	Original Issuance	Interest Rates	Final Maturity Date	Total Outstanding June 30, 2019	Total Outstanding June 30, 2018	Current Outstanding June 30, 2019
Student Fee Bonds:								
Series U								
	Refund a portion of Student Fee Bond Series Q	2005	35,200	5.25%	2022	12,630	15,825	3,315
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	5.00%	2019	5,265	10,275	5,265
Series Y								
	Refund Student Fee Bond Series S, T, and V	2010	74,130	5.00%	2020	8,390	12,280	4,090
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	4.00-5.00%	2024	16,440	22,685	5,500
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	85,575	89,385	3,895
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	43,095	45,205	2,215
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	34,105	37,435	3,295
Series BB2								
	Taxable debt for reallocation of Drug Discovery from tax-exempt Series AA	2015	18,985	2.11-3.81%	2032	15,235	16,115	900
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	119,865	120,810	985
Series DD								
	Finance renovation and construction of Agricultural and Biological Engineering building and construction of BioScience Innovation building	2018	90,135	3.00-5.00%	2038	88,925	-	3,515
						429,525	370,015	32,975
Net unamortized premiums and costs						38,661	30,025	5,504
Total Student Fee Bonds						**$ 468,186**	**$ 400,040**	**$ 38,479**

Debt issuances are comprised of annual maturities, each of which may have a different interest rate. Table above reflects the rates in effect on 6/30/19.

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 15(c)2-12 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 15(c)2-12 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, 2019 and 2018, the University had $47,410,000 and $47,780,000 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, 2018, 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 ($125,000, July 1, 2033); Student Facilities System Revenue Bonds, Series 2005A ($45,000, July 1, 2029); and Student Facilities System Revenue Bonds, Series 2007C ($190,000, July 1, 2032).

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**
2020	$ 96,220	$ 40,758	$ 136,978	$ 870	$ 495	$ 1,365
2021	59,665	37,387	97,052	895	472	1,367
2022	58,293	34,672	92,965	920	448	1,368
2023	56,992	32,044	89,036	940	423	1,363
2024	56,565	29,498	86,063	965	397	1,362
2025-2029	291,632	105,635	397,267	14,460	1,073	15,533
2030-2034	221,270	47,967	269,237	-	-	-
2035-2039	103,950	10,682	114,632	-	-	-
2040-2041	8,490	343	8,833	-	-	-
	953,077	338,986	1,292,063	19,050	3,308	22,358
Net unamortized premiums and costs	75,832	-	75,832	-	-	-
	$ 1,028,909	$ 338,986	$ 1,367,895	$ 19,050	$ 3,308	$ 22,358

$34,865,450 of fiscal year 2020 debt service (principal and interest) will be paid from Other Assets held by the Trustee for crossover refunding of COPS 2009B effective 7/1/2019.

As of June 30, 2019 and 2018, the Deferred Outflows of Resources for debt refunding was $22,069,000 and $20,485,000, 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 have been deposited in irrevocable trusts with the Trustee. Neither the defeased bonds nor the related trusts are reflected in the accompanying financial statements.

Description of Bonds	**Final Maturity/ Call Date**	**Amount Outstanding** June 30, 2019	June 30, 2018
Student Facilities Systems Revenue Bonds:			
Student Facilities System Revenue Bonds, Series 2009A	1/1/2019	-	16,750
Student Facilities System Revenue Bonds, Series 2009B	7/1/2019	32,930	34,155
Student Fee Bonds:			
Student Fee Bonds, Series X	7/1/2019	61,570	61,570
Student Fee Bonds, Series Y	7/1/2020	35,380	35,380

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
2020	18,806
2021	8,882
2022	6,717
2023	5,498
2024	4,569
Total Future Minimum Payments	**$44,472**

Note 7— Other Debt Information

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

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**

Liabilities	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018	Current Portion
Accrued Compensated Absences	$ 63,390	$ 30,065	$ 26,654	$ 66,801	$ 28,455
Other Post Employment Benefits	50,033	3,833	7,519	46,347	-
Funds Held in Trust for Others	7,098	143	-	7,241	-
Other Noncurrent Liabilities	-	2,661	-	2,661	-
Advances from Federal Government	19,028	223	4,316	14,935	-
Total	**$ 139,549**	**$ 36,925**	**$ 38,489**	**$ 137,985**	**$ 28,455**

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, 2017, Purdue University plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits	321
Disabled members currently receiving benefits	108
Active members	11,608
Total	12,037

Purdue's total OPEB liabilities of approximately $43,457,000 as of June 30, 2019, and $46,347,000 00 as of June 30, 2018 were determined with measurement/experience dates of July 1, 2018 and July 1, 2017, using an actuarial valuation as of July 1, 2017, done in accordance with GASB Statement No. 75. The total OPEB liabilities in the June 30, 2018 and 2017 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	3.87% as of July 1, 2018; 3.58% as of July 1, 2017
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):

Changes in The Total OPEB Liability (dollars in thousands):	
Balance at June 30, 2018	**$ 46,347**
Changes for Year:	
Service Cost	2,290
Interest	1,631
Changes of assumptions	(699)
Benefit payments, including refunds of member contributions	(6,112)
Net Change in Total OPEB Liability	(2,890)
Balance at June 30, 2019	**$ 43,457**

Changes of assumptions reflect an increase in the discount rate from 3.58% to 3.87%.

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 (2.87%) or 1 percentage point higher (4.87%) 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 4.87%	Current Discount Rate 3.87%	1% Decrease in Discount Rate 2.87%
Total OPEB Liability	$ 41,184,345	$ 43,457,252	$ 45,967,732

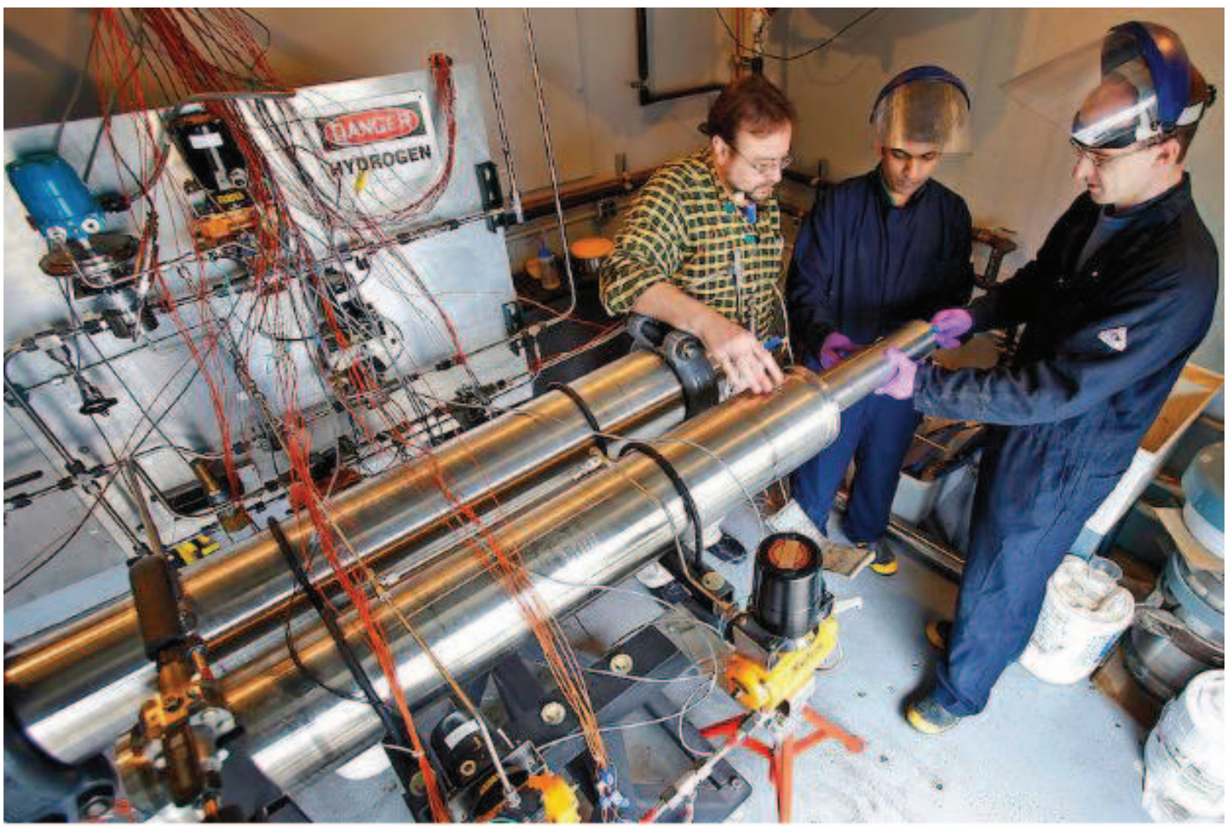
	1% Increase in Health Care Cost Trend Rates	Current Health Care Cost Trend Rates	1% Decrease in Health Care Cost Trend Rates
Total OPEB Liability	$ 46,820,769	$ 43,457,252	$ 40,521,211

OPEB Expense and Deferred Inflows of Resources related to OPEB:

For the year ended June 30, 2019, the University recognized OPEB expense of approximately $3,572,000. At June 30, 2019, the University reported Deferred Inflows of Resources in the amount of approximately $2,044,000 related to Changes of Assumptions. At June 30, 2019, the University reported Deferred Outflows of Resources in the amount of approximately $2,823,000 related to payments made beyond the measurement date of July 1, 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,		
2020	$	(349)
2021		(349)
2022		(349)
2023		(349)
2024		(349)
Thereafter		(299)
Total	$	(2,044)



Note 8 - Operating Expenses by Function

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

June 30, 2019

Function	Compensation & Benefits	Supplies and Services	Depreciation	Scholarships, Fellowships & Student Awards	Total
Instruction	$ 742,794	$ 99,087	$ -	$ -	$ 841,881
Research	200,794	94,431	-	-	295,225
Extension and Public Service	97,190	46,256	-	-	143,446
Academic Support	86,683	71,191	-	-	157,874
Student Services	60,796	25,243	-	-	86,039
General Administration and Institutional Support	287,006	257,197	-	-	544,203
Physical Plant Operations and Maintenance	82,388	56,914	-	-	139,302
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**

June 30, 2018

Function	Compensation & Benefits	Supplies and Services	Depreciation	Scholarships, Fellowships & Student Awards	Total
Instruction	$ 707,925	$ 95,116	$ -	$ -	$ 803,041
Research	190,223	76,906	-	-	267,129
Extension and Public Service	87,443	58,835	-	-	146,278
Academic Support	87,854	58,514	-	-	146,368
Student Services	32,961	14,913	-	-	47,874
General Administration and Institutional Support	172,565	107,166	-	-	279,731
Physical Plant Operations and Maintenance	56,947	48,680	-	-	105,627
Depreciation	-	-	175,821	-	175,821
Student Aid	-	-	-	67,613	67,613
Auxiliary Enterprises	133,684	97,933	-	-	231,617
Total	**$ 1,469,602**	**$ 558,063**	**$ 175,821**	**$ 67,613**	**$ 2,271,099**

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, 2019 and 2018, the University's contribution to FICA was approximately $66,740,000 and $64,416,000, respectively.

Defined Contribution Plans. Certain employees of the University participate in defined contribution plans. Benefit provisions are established and/or amended by the Trustees. University defined contribution plans are all administered through Fidelity Investments. Plan contributions are made at the time the associated payroll is issued, so there is not a material outstanding liability at June 30, 2019 or 2018.

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, 2019 and 2018, there were 7,428 and 7,224 employees, respectively, participating in the plans with annual pay equal to approximately $688,081,000 and $654,597,000, respectively. For the years ended June 30, 2019 and 2018, the University made contributions totaling approximately $65,362,000 and $63,199,000, 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, 2019 and 2018, there were 2,384 and 2,075 employees, respectively, participating in the plan with annual pay equal to approximately $59,777,000 and $49,639,000, respectively. For the year ended June 30, 2019 and 2018, the University made base contributions totaling approximately $2,229,000 and $2,243,000, respectively, and matching contributions totaling approximately $2,042,000 and $1,771,000, 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 time the associated payroll is issued, so there is not a material outstanding liability at June 30, 2019 or June 30, 2018.

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, 2019 and 2018, there were 890 and 858 employees participating in the 457(b) plan with pay equal to approximately $47.4 and $11.3 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, 2019 and 2018, there were 1,865 and 1,921 employees participating in the 403(b) plan with pay equal to approximately $61.4 and $15.3 million. For the period ended June 30, 2019 and 2018 the University made contributions totaling $4.1 and $.7 million to the plan.

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

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

PERF. Regular clerical and service staff employed at least half-time and hired on or prior to September 8, 2013, participate in the Public Employees Retirement Fund (PERF), a retirement program administered by Indiana Public Retirement System (INPRS), an agency of the state of Indiana. PERF, as part of the implementation of GASB 67 changed from an agent to a cost-sharing, multiple-employer defined benefit plan effective July 1, 2013 based on 35 IAC 21-1-1, 35 IAC 21-1-2, and amended IC 5-10.1-1-11(b).

PERF was established to provide retirement benefits to plan members and beneficiaries. Benefit provisions are established and/or amended by the State of Indiana. The PERF retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's annuity savings account. Employees were eligible to participate in this plan immediately upon employment and are fully vested in the defined benefit plan after 10 years of employment. The monthly pension benefits for members in pay status may be increased periodically for cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly.

The required contributions are determined by INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. For the years ended June 30, 2019 and 2018, the University was required to contribute 11.2% of the employee's salary. The employee contribution to the Annuity Savings Account 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, 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, 2019 and 2018, there were 2,302 and 2,605 employees, respectively, participating in PERF. The University's proportionate share of PERF's Net Pension Liability, based on covered payroll of approximately $88,142,000 was 1.72740% for the measurement date June 30, 2018, 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 $58,681,000 and $78,861,000 as of June 30, 2019 and 2018.

The University made contributions to the plan totaling approximately $12,712,000 and $13,120,000 for the years ending June 30, 2019 and 2018, respectively. The amount of contribution made after the measurement date, which is shown as a deferred outflow was approximately $10,523,000 and $11,366,000 for the years ended June 30, 2019 and 2018, respectively. The proportionate shares of pension plan expense for the years ended June 30, 2019 and 2018 as calculated under GASB 68 guidance were approximately $9,201,000 and $15,588,000, less net amortization of deferred amounts of approximately $1,680,000 and $3,883,000, leaving a net pension expense of approximately $7,521,000 and $11,705,000.

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, 2018, and the valuation date for liabilities was June 30, 2017, with standard actuarial roll forward techniques used to project the total pension liability at June 30, 2018. 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%	4.4%
Private Equity	14.0%	5.4%
Fixed Income - Ex Inflation-Linked	20.0%	2.2%
Fixed Income - Inflation-Linked	7.0%	0.8%
Commodities	8.0%	2.3%
Real Estate	7.0%	6.5%
Absolute Return	10.0%	2.7%
Risk Parity	12.0%	5.2%

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%)
$ 92,372,632	$ 58,680,560	$ 30,585,041

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, 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

	As of June 30, 2018	
	Deferred Outflows	**Deferred Inflows**
Differences between expected and actual experience	$ 1,498	$ 61
Net difference between projected and actual investment earnings on pension plan investments	12,474	3,954
Change of assumptions	1,266	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,752	11,136
Contribution made after the measurement date	11,366	-
Total Deferred Outflows and Inflows	$ 36,356	$ 15,151

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	
2019	914
2020	(2,650)
2021	(4,564)
2022	(1,039)
2023	-
Thereafter	-
Total	$ (7,339)

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. 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, 2019 and 2018, there were 98 and 96 employees, respectively, actively participating in Police/Fire. The University made contributions to this plan totaling approximately $268,000 and $713,000 for the years ending June 30, 2019 and 2018, respectively.

The pension benefit obligation was computed as part of an actuarial valuation performed as of July 1, 2018. The actuarial valuation was the projected unit credit actuarial cost method over 30 years. The actuarial assumptions include a 6.25% investment rate of return, projected salary increases of 2.5% per year, and 2.25% per year cost of living adjustments.

Three-Year-Trend Information (dollars in thousands)

Plan	Annual Required Contribution	Interest on Net Pension Obligation	Adjustment to Annual Required Contribution	Annual Pension Cost	Contributions Made [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, 2018	814	(135)	(3,149)	-	268	(268)	(1,224)	(1,492)	-
July 1, 2017	875	13	(811)	77	738	(661)	(563)	(1,224)	958%
July 1, 2016	862	56	(128)	790	528	263	(826)	(563)	67%

[1] Actuarial data for 2019 was not available at the time of this report.
[2] Police/Fire contributions include interest earnings.

Cooperative Extension Service. As of June 30, 2019 and 2018, there were 8 staff members with federal appointments employed by the Indiana Cooperative Extension Service and covered by the Federal Civil Service Retirement System. The University contributed $56,000 and $54,000, respectively, for the years ended June 30, 2019 and 2018 to this plan.

Note 10 – Component Units

Discretely Presented Component Units

Summary financial information as of and for the years ended June 30, 2019 and 2018, 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, 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 Financial Position
As of June 30, 2018 (Dollars in Thousands)

	Purdue Research Foundation	Ross-Ade Foundation	PFW Foundation	Component Unit Total
Assets:				
Cash and Cash Equivalents	$ 11,520	$ 212	$ 328	$ 12,060
Accounts Receivable, Net	25,239	2,080	65	27,384
Other Assets	18,134	3	3	18,140
Investments	2,666,965	3,807	9,925	2,680,697
Lease Purchase Agreements	-	197,260	-	197,260
Construction in Progress	-	-	-	-
Notes Receivable, Net	8,326	1,079	-	9,405
Interest in Charitable Perpetual Trusts	16,135	-	-	16,135
Capital Assets, Net of Accumulated Depreciation	239,918	151	7,237	247,306
Irrevocable Trust	-	36,273	-	36,273
Total Assets	**$ 2,986,237**	**$ 240,865**	**$ 17,558**	**$ 3,244,660**
Liabilities:				
Accounts Payable and Accrued Expenses	$ 25,195	$ 4,079	$ 21	$ 29,295
Unearned Revenue	-	17,863	-	17,863
Due on Split Interest Agreements	49,724	-	-	49,724
Deposits Held in Custody for Others	1,744,145	-	-	1,744,145
Bonds (Net), Leases and Notes Payable	147,770	216,832	-	364,602
Other Liabilities	3,305	-	-	3,305
Total Liabilities	**1,970,139**	**238,774**	**21**	**2,208,934**
Net Assets:				
Without Donor Restrictions	268,757	-	6,542	275,299
With Donor Restrictions	747,341	2,091	10,995	760,427
Total Net Assets	**1,016,098**	**2,091**	**17,537**	**1,035,726**
Total Liabilities and Net Assets	**$ 2,986,237**	**$ 240,865**	**$ 17,558**	**$ 3,244,660**

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	44,489	(488)	57	44,058
Change in Value of Split Interest Agreements	2,598	-	-	2,598
Increase 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**

Discretely Presented Component Unit Statement of Activities
For the Year Ended June 30, 2018 (Dollars in Thousands)

	Purdue Research Foundation	Ross-Ade Foundation	PFW Foundation	Component Unit Total
Revenue and Support				
Amount Received for Purdue University Research Projects	$ 661	$ -	$ -	$ 661
Less Payments to Purdue University	(661)	-	-	(661)
	-	-	-	-
Contributions	29,569	-	975	30,544
Income on Investments	18,627	4,785	403	23,815
Net Unrealized and Realized Gains	54,779	(13)	133	54,899
Change in Value of Split Interest Agreements	(1,058)	-	-	(1,058)
Increase in Interests in Perpetual Trusts	609	-	-	609
Rents	21,360	8	146	21,514
Royalties	3,008	-	-	3,008
Other	33,899	-	101	34,000
Total Revenue and Support	**160,793**	**4,780**	**1,758**	**167,331**
Expenses and Losses				
Expenses for the Benefit of Purdue University				
Contributions to Purdue University	38,314	-	1,158	39,472
Patent and Royalty	2,946	-	-	2,946
Grants	8,655	-	-	8,655
Services for Purdue University	2,659	-	-	2,659
Other	4,337	-	157	4,494
Total Expenses for the Benefit of Purdue University	**56,911**	**-**	**1,315**	**58,226**
Administrative and Other Expenses				
Salaries and Benefits	32,613	-	-	32,613
Property Management	16,715	-	111	16,826
Professional Fees	13,168	-	-	13,168
Supplies	1,601	-	-	1,601
Interest	6,936	6,646	-	13,582
Research Park	308	-	-	308
Other	8,038	19	19	8,076
Total Administrative and Other Expenses	**79,379**	**6,665**	**130**	**86,174**
Change in Net Assets	24,503	(1,885)	313	22,931
Net Assets, Beginning of Period	991,595	3,976	17,224	1,012,795
Net Assets, End of Period	**$ 1,016,098**	**$ 2,091**	**$ 17,537**	**$ 1,035,726**

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, 2019 and 2018.

Purdue University Global, Inc.

Blended Component Unit Condensed Statement of Financial Position

As of June 30 (Dollars in Thousands)

	2019	2018
Assets:		
Current Assets	$ 54,081	$ 76,739
Noncurrent Assets	30,181	30,176
Total Assets	**84,262**	**106,915**
Liabilities:		
Current Liabilities	97,386	90,026
Noncurrent Liabilities	13,467	172
Total Liabilities	**110,853**	**90,198**
Net Assets:		
Net Investment in Capital Assets	2,650	2,676
Unrestricted	(29,241)	14,041
Total Net Assets	**$ (26,591)**	**$ 16,717**

Purdue University Global, Inc.

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

	2019	2018
Operating Revenues	$ 305,119	$ 93,665
Operating Expenses other than Depreciation	437,297	131,581
Depreciation Expense	1,238	439
Net Operating Loss	**(133,416)**	**(38,355)**
Non Operating Revenues	90,108	22,685
Loss before Other Revenues, Expenses, Gains, Losses, and Transfers	**(43,308)**	**(15,670)**
Other Revenues, Expenses, Gains, Losses, and Transfers	-	(2,500)
Decrease in Net Position	**(43,308)**	**(18,170)**
Net Assets, Beginning of Period	16,717	34,887
Net Assets, End of Period	**$ (26,591)**	**$ 16,717**

Purdue University Global, Inc.

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

	2019	2018
Cash Used by Operating Activities	$ (109,979)	$ (3,427)
Cash Provided by Noncaptial Financing Activities	89,087	22,408
Cash Provided by Investing Activities	1,021	-
Cash Used by Capital and Related Financing Activities	(1,212)	(38)
Net (Decrease) Increase in Cash and Cash Equivalents	(21,083)	18,943
Cash and Cash Equivalents - Beginning of Period	66,410	47,467
Cash and Cash Equivalents - End of Period	**$ 45,327**	**$ 66,410**

Note 11 — Contingent Liabilities and Commitments

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

Construction Projects. As of June 30, 2019 and 2018, contractual obligations for capital construction projects were approximately $ 104,452,000 and $88,889,000, 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 years ended June 30, 2019 and 2018, the maximum liability to the University for job-related illness or injury is $850,000 per incident, with no maximum annual aggregate liability.

Separate funds have been established to account for these risks. All departments of the University are charged fees based on actuarial estimates of the amounts necessary to pay claims and to establish reserves for catastrophic losses. During the years ended June 30, 2019 and 2018, the University reflected approximately $0 and $103,000, respectively, of insurance proceeds as non-operating income.

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

	June 30, 2019	June 30, 2018
Beginning Liability	$ 28,202	$ 25,817
Claims Incurred	130,336	130,397
Claims Payments	(132,457)	(128,012)
Ending Liability	**$ 26,081**	**$ 28,202**

Note 13 – Transfer of Operations

In April, 2017, the Trustees of Purdue University formed Purdue University Global, Inc. (Purdue Global), a post-secondary Secondary Educational Institution (SEI)-affiliated educational institution, and a public benefit corporation under the Indiana Nonprofit Corporation Act, of which Purdue is the sole member.

On April 27, 2017, Purdue Global entered into a Contribution and Transfer Agreement (CTA) to receive the institutional assets and operations of Kaplan University in exchange for cash consideration of $1.00 and a covenant to enter into a long-term Transition and Operations Support Agreement (TOSA), under which Kaplan Higher Education (KHE) will provide key non-academic operations support to Purdue Global.

Consummation of this transaction was subject to various closing conditions, including, among others, regulatory approvals from the U.S. Department of Education (the Department), the Indiana Commission for Higher Education (ICHE), and the Higher Learning Commission (HLC), which is the regional accreditor of both the University and Kaplan University, as well as certain other state educational agencies and accreditors of programs. In February 2018, the final approvals were obtained, and on March 22, 2018, the transaction was consummated.

The transaction meets the requirements of a transfer of operations as defined by GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. On March 22, 2018, KHE transferred the assets and liabilities that were agreed to as part of the CTA. As a result of the transfer, Purdue Global recognized the following assets, liabilities, and net position (in thousands of dollars):

	Carrying Values
Transferred Assets (Net)	
Current Assets	$ 47,556
Capital Assets	3,077
Other Assets	30,000
Total Assets	**80,633**
Transferred Liabilities	
Current Liabilities	45,746
Total Liabilities	**45,746**
Net Position of Transferred Operations	**$ 34,887**

Required Supplementary Information

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

	2019	2018
Total OPEB Liability		
Service Cost	$ 2,290	$ 2,417
Interest	1,631	1,416
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	(699)	(1,952)
Benefit payments, including refunds of member contributions	(6,112)	(5,567)
Net Change in Total OPEB Liability	**(2,890)**	**(3,686)**
Total OPEB Liability - beginning	**46,347**	**50,033**
Total OPEB Liability - ending	**$ 43,457**	**$ 46,347**
Covered employee payroll	$ 939,138	$ 920,742
Plan total OPEB Liability as a percentage of covered employee payroll	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, 2017.

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

Inflation	2.5%
Projected salary increases	3.0%
Discount rates	3.87% as of July 1, 2018; 3.58% as of July 1, 2017
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)
(Dollar Amounts in Thousands)
June 30,

	2018*	**2017***	**2016***	**2015***	**2014***	**2013***
Proportion of the Net Pension Liability	1.7%	1.8%	1.8%	2.5%	2.8%	3.0%
Proportionate Share of the Net Pension Liability	$58,681	$78,861	$82,044	$102,146	$ 74,323	$103,102
Covered-employee payroll	$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	66.6%	89.9%	94.7%	84.8%	53.8%	71.3%
Plan fiduciary net position as a percentage of the total pension liability	78.9%	76.6%	75.3%	77.3%	84.3%	78.8%

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

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

**Based on INPRS previous fiscal year audit and report on allocation of pension amounts. Ie: FY2019 Purdue reported amounts based on INPRS FY2018 report.*

Notes to Schedule:

Valuation dates:
The valuation date for assets was June 30, 2018, and the valuation date for liabilities was June 30, 2017.

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:
The COLA assumption was changed due to passage of Senate Enrolled Act No. 373. In lieu of a 1% COLA occurring beginning on January 1, 2020, we now assume that the COLA will be replaced by a 13th check for 2020 and 2021. The COLA assumption thereafter, would be 0.4% beginning January 1, 2022, changing to 0.5% beginning on January 1, 2034, and ultimately 0.6% beginning on January 1, 2039.

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

Required Supplementary Information
Retirement Plans--Schedule of Funding Progress Police/Fire Supplemental
Fiscal Year Ended June 30, 2019
(Dollar amounts in Thousands)

Actuarial Valuation Date*	Actuarial Plan Assets	Actuarial Accrued Liability	Total Unfunded (Excess) Actuarial Liability	Funded Ratio	Annual Covered Payroll	Liability to Payroll	Annual Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation (Benefit)
Police/Fire Supplemental										
7/1/2007	19,679	19,984	305	98.5%	4,854	6.3%	528	645	122.2%	(569)
7/1/2008	20,014	21,441	1,427	93.3%	5,318	26.8%	685	573	83.6%	(457)
7/1/2009	19,026	22,190	3,164	85.7%	5,537	57.1%	899	670	74.5%	(228)
7/1/2010	20,163	23,131	2,968	87.2%	5,582	53.2%	956	878	91.8%	(150)
7/1/2011	22,560	26,385	3,825	85.5%	5,677	67.4%	1,182	976	82.6%	56
7/1/2012	23,438	27,329	3,891	85.8%	5,648	68.9%	1,286	1,166	90.7%	176
7/1/2013	25,809	27,780	1,971	92.9%	5,611	35.1%	1,030	1,307	126.9%	(101)
7/1/2014	29,465	28,897	(568)	102.0%	5,803	-9.8%	585	1,068	182.6%	(584)
7/1/2015	31,270	30,259	(1,011)	103.3%	5,816	-17.4%	483	725	150.1%	(826)
7/1/2016	31,253	31,382	129	99.6%	6,493	2.0%	790	528	66.8%	(563)
7/1/2017	34,251	32,380	(1,871)	105.8%	5,612	-33.3%	77	738	958.4%	(1,224)
7/1/2018	37,680	31,900	(5,780)	118.1%	6,060	-95.4%	-	268	0.0%	(1,492)

*Actuarial data for 2019 was not available at the time of this report.

Notes to Schedule:

Valuation dates:
The valuation date was July 1, 2018.

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-2018
Post-retirement	PubS-2010 generational table for annuitants projected with Scale MP-2018
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, 2018-19 Academic Year

The overall (in-state and out-of-state) enrollment at Purdue University was 65,095 students for the 2018-19 fall semester. The breakdown was West Lafayette, 43,411, Northwest, 10,473, Fort Wayne, 10,139, Statewide Technology, 1,072. Enrollment numbers do not include students at Indiana University-Purdue University Indianapolis or Purdue University Global. Although students came to Purdue from all over the world, 59% system-wide came from within Indiana.

County	West Lafayette	Regional Campuses	Statewide Technology Locations	Total
Adams	53	439	1	493
Allen	862	5,175	1	6,038
Bartholomew	243	21	65	329
Benton	88	6	3	97
Blackford	15	16	2	33
Boone	582	7	3	592
Brown	24	2	5	31
Carroll	109	2	8	119
Cass	121	13	10	144
Clark	109	8	76	193
Clay	24	3	-	27
Clinton	143	7	12	162
Crawford	3	-	3	6
Daviess	34	2	-	36
De Kalb	82	438	-	520
Dearborn	100	-	3	103
Decatur	86	1	9	96
Delaware	124	32	20	176
Dubois	105	5	2	112
Elkhart	350	143	19	512
Fayette	20	1	12	33
Floyd	114	3	55	172
Fountain	82	4	5	91
Franklin	79	1	7	87
Fulton	71	120	3	194
Gibson	54	3	8	65
Grant	91	54	8	153
Greene	42	2	2	46
Hamilton	2,301	57	47	2,405
Hancock	328	17	8	353
Harrison	38	2	33	73
Hendricks	707	25	3	735
Henry	74	12	15	101
Howard	237	19	59	315
Huntington	67	315	1	383
Jackson	89	6	10	105
Jasper	156	165	1	322
Jay	23	18	-	41
Jefferson	39	1	5	45
Jennings	19	3	4	26
Johnson	438	15	15	468
Knox	33	5	6	44
Kosciusko	197	468	1	666
La Porte	321	1,021	8	1,350
Lagrange	50	153	-	203
Lake	1,291	5,150	1	6,442
Lawrence	67	2	2	71
Madison	208	30	59	297
Marion	1,643	134	14	1,791
Marshall	134	59	9	202
Martin	12	-	3	15
Miami	56	25	18	99
Monroe	151	14	1	166
Montgomery	149	5	3	157
Morgan	127	6	2	135
Newton	60	63	1	124
Noble	78	438	-	516
Ohio	3	-	-	3
Orange	15	2	6	23
Owen	32	1	-	33
Parke	26	2	-	28
Perry	11	1	1	13
Pike	12	3	4	19
Porter	656	1,459	4	2,119
Posey	53	2	-	55
Pulaski	57	32	-	89
Putnam	74	6	1	81
Randolph	44	16	7	67
Ripley	54	1	7	62
Rush	29	-	2	31
Scott	15	-	12	27
Shelby	78	7	4	89
Spencer	35	1	1	37
St Joseph	761	127	67	955
Starke	35	94	-	129
Steuben	58	157	-	215
Sullivan	24	2	2	28
Switzerland	4	1	1	6
Tippecanoe	2,586	42	126	2,754
Tipton	55	2	11	68
Union	12	1	6	19
Vanderburgh	257	11	4	272
Vermillion	22	-	1	23
Vigo	119	8	1	128
Wabash	76	122	-	198
Warren	45	-	-	45
Warrick	147	6	2	155
Washington	39	-	13	52
Wayne	69	9	38	116
Wells	79	374	-	453
White	189	9	6	204
Whitley	64	362	-	426
Unknown	728	90	4	822
Total	**19,466**	**17,686**	**1,002**	**38,154**

ACKNOWLEDGEMENTS

The following staff members of the Treasurer's Office prepared the 2018-19 Financial Report.

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APPENDIX C

FORM OF APPROVING OPINION OF BOND COUNSEL FOR SERIES EE BONDS

May 27, 2020

The Trustees of Purdue University
West Lafayette, Indiana

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

Goldman Sachs & Co. LLC, as
Representative of the Underwriters
New York, New York

Re: Purdue University Student Fee Bonds, Series EE (the "Bonds") issued by The Trustees of Purdue University (the "Corporation") pursuant to an Amended and Restated Trust Indenture dated as of May 1, 1996, as heretofore supplemented and amended, and as further supplemented by a Thirty-Second Supplemental and Amendatory Indenture dated as of May 1, 2020 (collectively, the "Indenture") to The Bank of New York Mellon Trust Company, N.A. (as successor to NBD Bank, N.A.), Indianapolis, Indiana, as trustee (the "Trustee"); Principal amount $112,140,000

Ladies and Gentlemen:

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

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

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

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

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

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

(4) Under existing laws, regulations, rulings and judicial decisions, the interest on the Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), 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 Bonds for federal income tax purposes under Section 103 of the Code and is conditioned on continuing compliance by the Corporation with the Tax Covenants. Failure to comply with the Tax Covenants could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue.

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

Very truly yours,

APPENDIX D

REFUNDED BONDS

The Refunded Bonds consist of the following:

The Trustees of Purdue University, Purdue University Student Fee Bonds, Series Z-1 issued on November 23, 2010, identified below (the "Refunded Bonds"):

Maturity Date	Principal	Interest Rate	CUSIP
July 1, 2021	$2,015,000	5.000%	746189QE2
July 1, 2022	2,120,000	5.000%	746189QF9
July 1, 2023	2,230,000	5.000%	746189QG7
July 1, 2024	295,000	4.000%	746189QH5

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

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APPENDIX E

THE PRIOR PROJECTS

The Prior Projects financed or refinanced using proceeds of the Refunded Bonds consisted of:

Prior Projects Financed by Series Z-1

Repair and Rehabilitation Projects: This portion of the Prior Projects was comprised of a variety of repair and rehabilitation projects on the West Lafayette campus.

Prior Projects Re-Financed by Series Z-1

Series R Projects:

(a) Construction of the Chiller Project, comprised of a steel frame building and a three-cell cooling tower structure, on the West Lafayette campus.

(b) The Recreational Sports Center Renovation Project on the West Lafayette campus.

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PURDUE
UNIVERSITY

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