

**Pennsylvania Higher Educational
Facilities Authority**
(A Component Unit of the Commonwealth
of Pennsylvania)

Financial Statements and
Required Supplementary Information

Years Ended June 30, 2015 and 2014 with
Independent Auditor's Report

MaherDuessel
Certified Public Accountants

Pittsburgh | Harrisburg | Butler

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**PENNSYLVANIA HIGHER EDUCATIONAL
FACILITIES AUTHORITY**

(A Component Unit of the Commonwealth of Pennsylvania)

YEARS ENDED JUNE 30, 2015 AND 2014

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Independent Auditor's Report

The Board of Directors
Pennsylvania Higher Educational
Facilities Authority

We have audited the accompanying financial statements of the Pennsylvania Higher Educational Facilities Authority (Authority), a component unit of the Commonwealth of Pennsylvania, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2015, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The financial statements of the Authority as of June 30, 2014 were audited by other auditors, whose report dated September 4, 2014 expressed an unmodified opinion on those statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through iv 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.

Maher Duessel

Harrisburg, Pennsylvania
September 2, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

This discussion and analysis of the financial performance of the Pennsylvania Higher Educational Facilities Authority (Authority) is supplementary information required by the Governmental Accounting Standards Board. It introduces the basic financial statements and provides an analytical overview of the Authority's financial activities. Read it in conjunction with the financial statements that follow this discussion.

The Authority is a public corporation and a public instrumentality of the Commonwealth of Pennsylvania, created by the Act of December 6, 1967 (P.L. 678, No. 318), known as the Pennsylvania Higher Educational Facilities Authority Act (24 P.S. § 5501 *et seq.*), to provide a source of tax-exempt financing for colleges and universities. The Authority is governed by a nine-member body composed of the Governor, State Treasurer, Auditor General, Secretary of Education, Secretary of General Services, President Pro Tempore of the Senate, Speaker of the House of Representatives, Minority Leader of the Senate, and Minority Leader of the House of Representatives. The Authority finances projects through the issuance of bonds, the principal and the interest of which are paid by the annual lease/loan payments collected from colleges and universities. The Authority has no general liability with respect to these obligations and has no beneficial interest in the related assets held by trustees. Acting solely in an agency capacity, the Authority serves as a financing conduit, bringing the ultimate borrower and the ultimate lender together.

The Authority does not receive an appropriation from the Commonwealth of Pennsylvania and is funded from administrative fees charged to participating colleges and universities. Administrative fees collected by the Authority are remitted to the State Public School Building Authority's (SPSBA) Administrative Fund in exchange for all management and administrative services and operating expenses. The management and the board members are identical for both the Authority and SPSBA.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

The following table summarizes the financial position and results of operations of the Authority as of and for the years ended June 30, 2015, 2014, and 2013:

| | 2015 | 2014 | 2013 |
|--|--------------|--------------|--------------|
| Assets: | | | |
| Total assets | \$ - | \$ - | \$ 8,438 |
| Liabilities: | | | |
| Total liabilities | - | - | 8,438 |
| Net position: | | | |
| Total net position | \$ - | \$ - | \$ - |
| Operating revenues: | | | |
| Administrative fees | \$ 1,333,124 | \$ 1,352,134 | \$ 1,357,616 |
| Total operating revenues | 1,333,124 | 1,352,134 | 1,357,616 |
| Operating expenses: | | | |
| SPSBA management fee | 1,333,124 | 1,352,134 | 1,357,616 |
| Total operating expenses | 1,333,124 | 1,352,134 | 1,357,616 |
| Change in net position | - | - | - |
| Total net position - beginning of year | - | - | - |
| Total net position - end of year | \$ - | \$ - | \$ - |

Overview of the Financial Statements

The three basic statements presented within the financial statements are as follows:

- Statement of Net Position – This statement presents information reflecting the Authority's assets, liabilities, and net position. Net position represents the amount of total assets less total liabilities. The statement of net position is categorized as to current and noncurrent assets and liabilities. For purposes of the financial statements, current assets and liabilities are those assets and liabilities with

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MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

immediate liquidity or which are collectible or becoming due within one year of the statement date.

- Statement of Revenues, Expenses, and Changes in Fund Net Position – This statement reflects the operating revenues and expenses, as well as nonoperating revenues and expenses during the operating year. Operating revenue is generated from administrative fees charged to colleges and universities. Operating expenses are the payment of the SPSBA management fee. The change in net position for an enterprise fund is similar to net profit or loss for any other business enterprise.
- Statement of Cash Flows – The statement of cash flows is presented on the direct method of reporting, which reflects cash flows from operating, financing, and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for the fiscal year.

Program Description and Highlights

The Authority provides services to borrowers including assistance with preparation of documents prior to issuing bonds; and computation, compliance, and reporting assistance for federal arbitrage regulations. The colleges and universities are assessed an annual fee to cover administrative costs of the Authority.

Program highlights for the year ended June 30, 2015 include the following:

- Issued nine financings on behalf of higher education institutions totaling \$1,631,310,858. The bond proceeds were used by the institutions to construct and acquire new facilities; renovate existing buildings; purchase equipment; and refund prior bond issues.
- Operating revenues declined by \$19,010 or 1.4% despite an increase in the dollar volume of bonds issued. The decline is due to the Authority's cap on the maximum annual administrative fee charged to colleges and universities. There were six financings during the year ended June 30, 2015, totaling over \$1.5 billion, that were subject to the fee cap.

Program highlights for the year ended June 30, 2014 include the following:

- Issued nine financings on behalf of higher education institutions totaling \$684,705,000. The bond proceeds were used by the institutions to construct and acquire new facilities; renovate existing buildings; purchase equipment; and refund prior bond issues

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JUNE 30, 2015

- Operating revenues declined slightly by \$5,482, or 0.4% despite an increase in the dollar volume of bonds issued. The decline is due to the Authority's cap on the maximum annual administrative fee charged to colleges and universities. There were two financings during the year ended June 30, 2014, totaling over \$450 million, that were subject to the fee cap.

Debt Administration

The Authority had approximately \$6.62 billion of conduit debt outstanding (nonrecourse debt to the Authority that is repaid solely from revenue derived from the related facilities acquired). This is a decrease of approximately \$105 million from June 30, 2014. The outstanding conduit debt is not recorded in the Authority's financial statements. A schedule of conduit debt outstanding is included in Note 3 to the financial statements. The Authority has no outstanding debt financing for its operation.

Contacting the Authority's Management

This financial report is designed to provide interested parties with a general overview of the Authority's finances. If you have questions about this report or need additional financial information, contact:

Pennsylvania Higher Educational Facilities Authority
Attn: Accounting Division
P.O. Box 990
Camp Hill, Pennsylvania 17001-0990

Phone – 717-975-2200
Fax – 717-975-2215
Email – fmgmt@phefa.org

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STATEMENTS OF NET POSITION

JUNE 30, 2015 AND 2014

| | <u>2015</u> | <u>2014</u> |
|-------------------------------------|-------------|-------------|
| Assets | <u>\$ -</u> | <u>\$ -</u> |
| Liabilities and Net Position | <u>\$ -</u> | <u>\$ -</u> |

The accompanying notes are an integral part of these financial statements.

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STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

YEARS ENDED JUNE 30, 2015 AND 2014

| | 2015 | 2014 |
|-------------------------------|--------------|--------------|
| Operating Revenues: | | |
| Administrative fees | \$ 1,333,124 | \$ 1,352,134 |
| Total operating revenues | 1,333,124 | 1,352,134 |
| Operating Expenses: | | |
| SPSBA management fee | 1,333,124 | 1,352,134 |
| Total operating expenses | 1,333,124 | 1,352,134 |
| Change in Net Position | - | - |
| Net Position: | | |
| Beginning of year | - | - |
| End of year | \$ - | \$ - |

The accompanying notes are an integral part of these financial statements.

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STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2015 AND 2014

| | 2015 | 2014 |
|---|--------------|--------------|
| Cash Flows From Operating Activities: | | |
| Receipts from colleges and universities | \$ 1,333,124 | \$ 1,360,572 |
| Payments to SPSBA | (1,333,124) | (1,360,572) |
| Net cash provided by operating activities | - | - |
| Cash and Cash Equivalents: | | |
| Beginning of year | - | - |
| End of year | \$ - | \$ - |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities: | | |
| Operating income | \$ - | \$ - |
| Adjustment to reconcile operating income to net cash provided by operating activities: | | |
| Changes in assets and liabilities: | | |
| Administrative fees receivable | - | 8,438 |
| Accounts payable | - | (8,438) |
| Net Cash Provided by Operating Activities | \$ - | \$ - |

The accompanying notes are an integral part of these financial statements.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Pennsylvania Higher Educational Facilities Authority (the Authority) is a public corporation and a public instrumentality of the Commonwealth of Pennsylvania (Commonwealth), created by the Act of December 6, 1967 (P.L. 678, No. 318), known as the Pennsylvania Higher Educational Facilities Authority Act (24 P.S. § 5501 *et seq.*), to provide a source of tax-exempt financing for colleges and universities. The Authority is governed by a nine-member Board of Directors (Board). The entity acts as a financing authority created for the purpose of constructing and improving higher educational institutions. The Authority finances projects through the issuance of bonds, the principal and interest of which are paid by the annual lease/loan payments collected from the higher educational institutions.

(a) Reporting Entity

The Authority is a component unit of the Commonwealth. Criteria considered in making this determination include the Commonwealth's appointment of the Authority's Board pursuant to statute and the Commonwealth's ability to impose its will on the Authority.

(b) Basis of Presentation and Accounting

The Authority follows the accounting and financial reporting standards issued by the Governmental Accounting Standards Board (GASB). The Authority is accounted for as an enterprise fund and, accordingly, utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. The fund is used to account for the revenues and expenses of the Authority's operations.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the enterprise fund are administrative fees collected by the Authority, and the principal operating expenses of the enterprise fund are the payment of the administrative fees to the State Public School Building Authority's (SPSBA) Administrative Fund.

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YEARS ENDED JUNE 30, 2015 AND 2014

(c) *Administrative Fees*

The Authority recognizes administrative fees received from the higher educational institutions as revenue as of the periodic billing date.

(d) *Conduit Debt Obligations*

The Authority issues taxable and tax-exempt instruments (bonds, notes, or other obligations), which do not constitute a debt of the Authority or the Commonwealth. These debt instruments are limited obligations of the Authority, payable solely from payments made by the related borrowing institutions and related assets held by trustees. The Authority has no general liability with respect to these obligations and has no beneficial interest in the related assets held by trustees. Acting solely in an agency capacity, the Authority serves as a financing conduit, bringing the ultimate borrower and the ultimate lender together. The Authority has elected to exclude these obligations and the related assets held by trustees from the financial statements. The Authority has disclosed the outstanding balance in Note 3.

(e) *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. RELATED PARTY TRANSACTIONS - ADMINISTRATION FEES PAID TO THE STATE PUBLIC SCHOOL BUILDING AUTHORITY

The Administrative Fund of SPSBA provides for its own operation and the operation of the Authority. Administration fees collected by the Authority are deposited directly into SPSBA's Administrative Fund in exchange for all management and administrative services received and operating expenses paid by SPSBA. During the years ended June 30, 2015 and 2014, the amount expensed by the Authority was \$1,333,124 and \$1,352,134, respectively. The management and the board members are identical for both the Authority and SPSBA.

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3. CONDUIT DEBT OBLIGATIONS

As discussed in Note 1, the following 126 non-course bond issues with an aggregate principal of \$6,619,841,190 were outstanding at June 30, 2015:

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2015 AND 2014

| College/University | Final Maturity | Indebtedness | |
|---|-------------------|----------------|----------------|
| | | Issued | Outstanding |
| University of Pennsylvania Health System, Revenue Bonds, Series of 2015 | 2045 | \$ 357,565,000 | \$ 357,565,000 |
| State System of Higher Education, Revenue Bonds, Series AQ – 2015 | 2036 | 94,975,000 | 94,975,000 |
| Saint Joseph's University, Revenue Bonds, Series 2015 A & B | 2036 | 74,390,858 | 74,390,858 |
| The Trustees of the University of Pennsylvania, Revenue Bonds, Series A, B, & C of 2015 | 2045 | 378,840,000 | 378,840,000 |
| Ursinus College, Revenue Bonds, Series of 2015 | 2036 | 12,160,000 | 12,160,000 |
| Thomas Jefferson University, Revenue Bonds, Series 2015 A, B, C, D, E, F, G & H | 2050 | 551,805,000 | 432,225,000 |
| University of the Sciences in Philadelphia, Revenue Bonds, Series 2015 | 2036 | 90,300,000 | 90,300,000 |
| Widener University, Revenue Bonds, Series 2014 | 2038 | 19,605,000 | 19,605,000 |
| Bryn Mawr College, Revenue Bonds, Series 2014 | 2044 | 51,670,000 | 51,670,000 |
| University of Pennsylvania Health System, Bank Loan, Series A of 2014 | 2044 | 100,000,000 | 100,000,000 |
| York College of Pennsylvania, Revenue Bonds, AICUP Series 2014 T2, T3, and T4 | 2034 | 26,065,000 | 25,675,000 |
| State System of Higher Education, Revenue Bonds, Series AP – 2014 | 2024 | 46,110,000 | 43,425,000 |
| Widener University, Revenue Bonds, Series 2013A | 2038 | 52,875,000 | 52,875,000 |
| Holy Family University, Revenue Bonds, Series 2013A | 2038 | 37,675,000 | 36,225,000 |
| Widener University, Revenue Bonds, Series 2013 | 2043 | 11,980,000 | 11,980,000 |
| Saint Joseph's University, Revenue Bonds, Series B of 2013 | 2033 | 26,280,000 | 22,900,000 |
| State System of Higher Education, Revenue Bonds, Series AO-1 & AO-2 – 2013 | 2038 | 30,915,000 | 28,955,000 |
| Lock Haven University Foundation, Student Housing Project, Revenue Bonds, Series 2013A & B | 2033 | 16,235,000 | 15,635,000 |
| Ursinus College, Revenue Bonds, Series of 2013 | 2033 | 12,880,000 | 12,125,000 |
| Philadelphia University, Revenue Bonds, Series of 2013 | 2032 | 24,090,000 | 22,695,000 |
| Shippensburg University Student Services, Student Housing Project, Revenue Bonds, Series 2012 | 2024 | 65,025,000 | 65,025,000 |
| Bryn Mawr College, Revenue Bonds, Series of 2012A | 2022 | 13,100,000 | 13,100,000 |
| Messiah College, Revenue Bonds, AICUP Series 2012 LL3 | 2022 | 10,830,000 | 10,830,000 |
| Drexel University, Revenue Bonds, Series of 2012 | 2032 | 29,435,000 | 22,985,000 |
| Saint Francis University, Revenue Bonds, AICUP Series 2012 LL2 | 2023 | 8,680,000 | 6,960,000 |
| Delaware Valley College of Science and Agriculture, Revenue Bonds, AICUP Series of 2012 LL1 | 2042 | 32,855,000 | 32,455,000 |
| Thomas Jefferson University, Revenue Bonds, Series 2012 | 2042 | 42,195,000 | 41,320,000 |
| Temple University, Revenue Bonds, First Series of 2012 | 2042 | 200,000,000 | 188,415,000 |
| La Salle University, Revenue Bonds, Series 2012 | 2042 | 94,975,000 | 94,690,000 |
| University of the Sciences in Philadelphia, Revenue Bonds, Series 2012 | 2042 | 31,000,000 | 31,000,000 |
| Ursinus College, Revenue Bonds, Series A of 2012 | 2033 | 18,865,000 | 16,705,000 |
| Gwynedd-Mercy College, Revenue Bonds, AICUP Series 2012 KK1 | 2042 | 10,000,000 | 10,000,000 |
| University of Pennsylvania Health System, Revenue Bonds, Series A of 2012 | 2042 | 136,950,000 | 136,950,000 |
| Foundation for IUP Student Housing (Indiana Univ. of PA), Revenue Bonds, Series 2012A & B | 2041 | 37,915,000 | 36,815,000 |
| State System of Higher Education, Revenue Bonds, Series AN – 2012 | 2023 | 76,810,000 | 71,365,000 |
| Bryn Mawr College, Revenue Bonds, Series 2012 | 2017 | 25,010,000 | 1,365,000 |
| Saint Francis University, Revenue Bonds, AICUP Series 2011 JJ2 | 2041 | 16,500,000 | 16,500,000 |
| Mount Aloysius College, Revenue Bonds, AICUP Series 2011 JJ1, R1 | 2041 | 10,000,000 | 10,000,000 |
| Shippensburg University Student Services, Student Housing Project, Revenue Bonds, Series 2011 | 2043 | 69,760,000 | 69,560,000 |
| State System of Higher Education, Revenue Bonds, Series AM – 2011 | 2036 | 119,085,000 | 103,970,000 |
| Lock Haven University Foundation, Student Housing Project, Revenue Bonds, Series 2011A & B | 2041 | 43,000,000 | 40,471,569 |
| Philadelphia University, Revenue Bonds, Series 2011B | 2035 | 11,800,000 | 11,800,000 |
| Drexel University, Revenue Bonds, Series A of 2011 | 2041 | 156,705,000 | 147,625,000 |
| Philadelphia University, Revenue Bonds, Series 2011 | 2041 | 17,780,000 | 11,725,000 |
| University of Pennsylvania Health System, Revenue Bonds, Series A of 2011 | 2041 | 150,000,000 | 150,000,000 |
| The Trustees of the University of Pennsylvania, Revenue Bonds, Series A of 2011 | 2041 | 150,000,000 | 131,805,000 |
| HSH Bloomsburg University of Pennsylvania, Revenue Bonds, Series 2010A & B | 2034 | 15,590,000 | 14,325,000 |
| Bryn Mawr College, Revenue Bonds, Series 2010A | 2019 | 28,400,000 | 26,535,000 |
| The Trustees of the University of Pennsylvania, Revenue Bonds, Series of 2010 | 2033 | 71,410,000 | 50,045,000 |
| Saint Joseph's University, Revenue Bonds, Series A of 2010 | 2040 | 119,545,000 | 117,860,000 |
| UPI East Stroudsburg University of Pennsylvania, Revenue Bonds, Series of 2010 | 2042 | 73,695,000 | 72,630,000 |
| State System of Higher Education, Revenue Bonds, Series AL – 2010 | 2035 | 135,410,000 | 82,355,000 |

(Continued)

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015 AND 2014

| College/University | Final Maturity | Indebtedness | |
|---|-------------------|---------------|---------------|
| | | Issued | Outstanding |
| Edinboro University Foundation (Edinboro Univ. of Pennsylvania), Revenue Bonds, Series 2010 | 2043 | \$ 60,820,000 | \$ 59,590,000 |
| Bryn Mawr College, Revenue Bonds, Series 2010 | 2029 | 15,520,000 | 12,715,000 |
| Temple University, Revenue Bonds, First Series of 2010 | 2040 | 190,255,000 | 162,045,000 |
| University of Pittsburgh Medical Center, Revenue Bonds, Series 2010E | 2031 | 334,305,000 | 251,920,000 |
| Thomas Jefferson University, Revenue Bonds, Series 2010 | 2040 | 75,000,000 | 75,000,000 |
| State System of Higher Education, Revenue Bonds, Series AK – 2009 | 2024 | 47,310,000 | 28,445,000 |
| Carnegie Mellon University, Revenue Bonds, Series 2009 | 2021 | 172,430,000 | 172,430,000 |
| University of Pennsylvania Health System, Revenue Bonds, Series A of 2009 | 2023 | 89,060,000 | 74,370,000 |
| State System of Higher Education, Revenue Bonds, Series AJ – 2009 | 2039 | 123,985,000 | 100,450,000 |
| The Trustees of the University of Pennsylvania, Revenue Bonds, Series A, B, & C of 2009 | 2032 | 276,365,000 | 35,180,000 |
| University of Pennsylvania Health System, Revenue Bonds, Series B of 2008 | 2026 | 201,230,000 | 52,000,000 |
| State System of Higher Education, Revenue Bonds, Series AI – 2008 | 2025 | 32,115,000 | 19,880,000 |
| State System of Higher Education, Revenue Bonds, Series AH – 2008 | 2038 | 140,760,000 | 114,785,000 |
| Foundation for IUP Student Housing (Indiana Univ. of PA), Revenue Bonds, Series 2008 | 2040 | 73,440,000 | 69,625,000 |
| University of Pennsylvania Health System, Revenue Bonds, Series A of 2008 | 2038 | 105,805,000 | 75,710,000 |
| State System of Higher Education, Revenue Bonds, Series AG – 2008 | 2024 | 101,335,000 | 59,630,000 |
| Edinboro University Foundation (Edinboro Univ. of Pennsylvania), Revenue Bonds, Series 2008 | 2042 | 56,125,000 | 55,085,000 |
| La Salle University, Revenue Bonds, Series 2007A | 2037 | 52,875,000 | 38,020,000 |
| Drexel University College of Medicine, Revenue Bonds, Series of 2007 | 2037 | 21,985,000 | 19,250,000 |
| Drexel University, Revenue Bonds, Series B of 2007 | 2037 | 30,000,000 | 26,345,000 |
| Drexel University, Revenue Bonds, Series A of 2007 | 2037 | 92,335,000 | 92,335,000 |
| Geneva College, Revenue Bonds, Series of 2007 | 2023 | 20,052,000 | 10,483,515 |
| Gwynedd-Mercy College, Revenue Bonds, AICUP Series 2007 PI & P2 | 2037 | 21,600,000 | 19,700,000 |
| Gwynedd-Mercy College, Revenue Bonds, AICUP Series 2007 GG5 | 2032 | 18,680,000 | 13,900,000 |
| State System of Higher Education, Revenue Bonds, Series AF – 2007 | 2037 | 68,230,000 | 52,220,000 |
| Bryn Mawr College, Revenue Bonds, Series of 2007 | 2037 | 22,170,000 | 22,170,000 |
| Philadelphia University, Revenue Bonds, Series 2007 | 2030 | 15,055,000 | 14,215,000 |
| Foundation for IUP Student Housing (Indiana Univ. of PA), Revenue Bonds, Series 2007A | 2039 | 80,540,000 | 73,840,000 |
| Slippery Rock University Foundation, Inc., Revenue Bonds, Series 2007A | 2039 | 53,045,000 | 50,140,000 |
| Thomas Jefferson University, Revenue Bonds, Series 2006A & 2006B | 2031 | 85,920,000 | 65,905,000 |
| Elizabethtown College, Revenue Bonds, AICUP Series 2006 FF2 | 2027 | 24,195,000 | 24,195,000 |
| Temple University, Revenue Bonds, First Series of 2006 | 2036 | 364,340,000 | 289,115,000 |
| Student Association, Inc. (California Univ. of Pennsylvania), Rev. Bonds, Series A of 2006 | 2038 | 84,425,000 | 78,030,000 |
| Foundation for IUP Student Housing (Indiana Univ. of PA), Rev. Bonds, Series 2006A & 2006B | 2039 | 52,030,000 | 47,810,000 |
| The Pennsylvania State University, Revenue Bonds, Series 2006 | 2025 | 4,700,000 | 3,115,000 |
| University of the Arts, Revenue Bonds, Series A of 2006 | 2033 | 18,000,000 | 15,995,000 |
| University of Scranton, Revenue Bonds, Series 2006 A & B | 2035 | 56,125,000 | 53,060,000 |
| UPI East Stroudsburg University of Pennsylvania, Revenue Bonds, Series A of 2006 | 2035 | 28,200,000 | 23,960,000 |
| Allegheny College, Revenue Bonds, Series 2006 | 2036 | 14,000,000 | 14,000,000 |
| Philadelphia University, Revenue Bonds, Series 2006 | 2035 | 11,185,000 | 7,620,000 |
| Marywood University, Revenue Bonds, Series C of 2005 | 2035 | 12,740,000 | 11,425,000 |
| York College of Pennsylvania, Revenue Bonds, AICUP Series 2005 EE1 | 2033 | 31,965,000 | 26,730,000 |
| The Trustees of the University of Pennsylvania, Revenue Bonds, Series C of 2005 | 2038 | 141,620,000 | 5,255,000 |
| Moravian College, Revenue Bonds, AICUP Series 2005 DD2 | 2019 | 4,585,000 | 1,930,000 |
| Slippery Rock University Foundation, Inc., Revenue Bonds, Series A & B of 2005 | 2037 | 75,850,000 | 67,935,000 |
| The Trustees of the University of Pennsylvania, Revenue Bonds, Series B of 2005 | 2015 | 66,930,000 | 8,495,000 |
| Messiah College, Revenue Bonds, AICUP Series 2005 DD1 | 2015 | 29,285,000 | 3,350,000 |
| Marywood University, Revenue Bonds, Series B of 2005 | 2035 | 11,700,000 | 10,575,000 |
| Drexel University, Revenue Bonds, Series A & B of 2005 | 2034 | 60,480,000 | 55,250,000 |
| University of Pennsylvania Health System, Revenue Bonds, Series A & B of 2005 | 2022 | 359,835,000 | 27,865,000 |
| Marywood University, Revenue Bonds, Series A of 2005 | 2025 | 9,105,000 | 3,820,000 |
| The Trustees of the University of Pennsylvania, Revenue Bonds, Series A of 2005 | 2025 | 37,655,000 | 3,920,000 |

(Continued)

PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY

(A Component Unit of the Commonwealth of Pennsylvania)

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2015 AND 2014

| College/University | Final Maturity | Indebtedness | |
|---|-------------------|--------------|-------------------------|
| | | Issued | Outstanding |
| Lycoming College, Revenue Bonds, AICUP Series 2004 CC | 2034 | \$ 8,450,000 | \$ 5,725,000 |
| Delaware Valley College of Science and Agriculture, Revenue Bonds, Series of 2004 | 2034 | 5,400,000 | 4,115,000 |
| The Pennsylvania State University, Revenue Bonds, Series 2004 | 2024 | 5,600,000 | 3,395,000 |
| Mount Aloysius College, Revenue Bonds, AICUP Series 2003 L3 | 2028 | 5,100,000 | 4,600,000 |
| Student Association, Inc. (California Univ. of Pennsylvania), Rev. Bonds, Series 2003 A & B | 2035 | 17,170,000 | 14,925,000 |
| Drexel University, Revenue Bonds, Series A & B of 2002, Series of 2003 | 2032 | 82,365,000 | 41,825,000 |
| University of Scranton, Revenue Bonds, AICUP Series 2002 K1 | 2022 | 6,400,000 | 6,400,000 |
| The Pennsylvania State University, Revenue Bonds, Series 2002 | 2022 | 7,400,000 | 3,265,000 |
| Keystone College, Revenue Bonds, AICUP Series 2002 J2 | 2027 | 2,500,000 | 1,200,000 |
| Mount Aloysius College, Revenue Bonds, AICUP Series 2001 I5 | 2021 | 4,000,000 | 2,600,000 |
| Messiah College, Revenue Bonds, AICUP Series 2001 I3 & I4 | 2031 | 29,000,000 | 23,600,000 |
| Lycoming College, Revenue Bonds, AICUP Series 2001 I1 | 2031 | 12,000,000 | 5,500,000 |
| Susquehanna University, Revenue Bonds, AICUP Series 2001 H9 | 2031 | 6,000,000 | 4,300,000 |
| Keystone College, Revenue Bonds, AICUP Series 2001 H5 | 2031 | 8,500,000 | 6,100,000 |
| University of the Arts, Revenue Bonds, Series of 2000 | 2030 | 30,400,000 | 21,480,000 |
| Point Park College, Revenue Bonds, AICUP Series 2000 G3 | 2020 | 3,300,000 | 800,000 |
| Drexel University, Revenue Bonds, Second Series of 2000 | 2025 | 22,500,000 | 22,500,000 |
| Student Association, Inc. (California Univ. of Pennsylvania), Revenue Bonds, Series 2000A | 2032 | 15,520,000 | 12,945,000 |
| Moore College of Art and Design, Revenue Bonds, AICUP Series 2000 F1 | 2020 | 6,500,000 | 3,400,000 |
| Mount Aloysius College, Revenue Bonds, AICUP Series 1998 C3 | 2018 | 1,300,000 | 400,000 |
| The Trustees of the University of Pennsylvania, Revenue Bonds, Series of 1990 | 2020 | 6,500,000 | 6,500,000 |
| PHEFA College Revenue Bonds, Fourteenth Series – 1986 | 2020 | 90,590,000 | 2,025,248 * |
| | | | <u>\$ 6,619,841,190</u> |

* – Accreted bonds

A summary of changes in conduit debt outstanding for the year ended June 30, 2015 is presented below:

| | |
|-----------------------------|-------------------------|
| Conduit debt, July 1, 2014 | \$ 6,724,684,715 |
| Additions: | |
| Revenue bonds issued | 1,631,310,858 |
| Accretion of interest | 144,127 |
| Reductions: | |
| Principal retirements | (349,621,764) |
| Refunding of principal | (1,386,676,746) |
| Conduit debt, June 30, 2015 | <u>\$ 6,619,841,190</u> |