STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM
An Enterprise Fund of the State of Utah

Financial Statements
For the Three Months Ended September 30, 2019

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

AN ENTERPRISE FUND OF THE STATE OF UTAH
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

TABLE OF CONTENTS

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Statement of Net Position
September 30, 2019

ASSETS	
Current Assets	
Cash and cash equivalents (Note 2)	$ 58,534,196
Funds held by Trustee (Notes 2 and 3)	70,840,658
Receivables	
Student loans (Note 4)	239,498,397
Interest - student loans (Note 4)	32,346,675
Due from counterparty (Note 6)	707,827
Other receivables	3,498,613
Prepaid expenses	844,281
Total Current Assets	406,270,647
Noncurrent Assets	
Student loans receivable (Note 4)	1,126,058,590
Derivative instrument - interest rate swap (Note 6)	11,917,910
Capital assets, less accumulated depreciation of $9,083,292 (Note 5)	9,505,163
Total Noncurrent Assets	1,147,481,663
TOTAL ASSETS	1,553,752,310
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension expense (Note 12)	897,126
TOTAL DEFERRED OUTFLOWS OF RESOURCES	897,126
LIABILITIES	
Current Liabilities	
Accounts payable	3,202,770
Special allowance (Note 1)	2,972,907
Payable to affiliate (Note 10)	1,012,601
Compensated absences (Note 8)	652,053
Other liabilities	135,936
Accrued interest payable (Note 6)	4,607,881
Bonds and notes payable (Notes 6 and 8)	245,626,995
Total Current Liabilities	258,211,143
Noncurrent Liabilities	
Compensated absences (Note 8)	426,457
Net pension liability (Note 12)	1,342,283
Bonds and notes payable, net of unamortized premiums and discounts of $12,364,746 (Notes 6 and 8)	966,643,555
Total Noncurrent Liabilities	968,412,295
TOTAL LIABILITIES	1,226,623,438
DEFERRED INFLOWS OF RESOURCES	
Deferred interest rate swap income (Note 6)	11,917,910
Deferred gain on bond refundings (Note 6)	7,914,586
Deferred pension income (Note 12)	441,620
TOTAL DEFERRED INFLOWS OF RESOURCES	20,274,116
NET POSITION	
Net investment in capital assets	6,673,684
Restricted (Note 9)	233,642,290
Unrestricted (Note 9)	67,435,908
TOTAL NET POSITION	$ 307,751,882

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

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Statement of Revenues, Expenses, and Changes in Net Position
For the Three Months Ended September 30, 2019

OPERATING REVENUES	
Interest on student loans (Note 4)	$ 15,544,494
Federal loan servicing revenue (Note 1)	5,927,790
Investment income (Notes 2 and 3)	747,533
Other revenue (Note 10)	934,318
Total Operating Revenues	23,154,135
OPERATING EXPENSES	
Interest expense (Note 6)	9,686,794
Bond and financing related expense (Note 6)	72,634
Special allowance (Note 1)	3,042,078
Student loan servicing expense	2,079,670
General and administrative expense (Note 10)	1,029,498
Federal loan servicing expense	6,562,469
Depreciation expense (Note 5)	276,859
Uninsured claims expense (Note 4)	(151,151)
Total Operating Expenses	22,598,851
OPERATING INCOME	555,284
Transfers - UHEAA Grants	(100,000)
CHANGE IN NET POSITION	455,284
NET POSITION − Beginning of Year	307,296,598
NET POSITION − End of Period	$ 307,751,882

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

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Statement of Cash Flows

For the Three Months Ended September 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Principal received on student loans	$ 59,976,729
Interest received on student loans	8,845,610
Special allowance payments	(2,145,700)
Net borrower payments received for (sent to) related funds	398,383
Payments received for internal services	527,711
Payments for loan purchases	(2,325,044)
Payments for student loan servicing expense	(3,424,801)
Payments for general and administrative expense	311,876
Payments for federal loan servicing expense	(6,442,481)
Payments received for federal loan servicing revenue	7,431,305
Payments received for rental revenue	219,712
Payments for student loan disbursements	(383,607)
Cash provided by operating activities	62,989,693
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer for UHEAA Grants	(100,000)
Principal paid on bonds and notes	(41,244,456)
Interest paid on bonds and notes	(8,361,242)
Payments for bond related expense	(99,899)
Cash used in noncapital financing activities	(49,805,597)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(277,175)
Cash used in capital and related financing activities	(277,175)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from maturing investments	57,026,453
Interest received on investments	737,248
Purchases of investments	(69,235,862)
Cash used in investing activities	(11,472,161)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,434,760
CASH AND CASH EQUIVALENTS − Beginning of Year	57,099,436
CASH AND CASH EQUIVALENTS − End of Period	$ 58,534,196

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STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Statement of Cash Flows
For the Three Months Ended September 30, 2019

(continued)

RECONCILIATION OF OPERATING INCOME TO CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$	555,284
Adjustments to reconcile income to net cash provided by operating activities		
Amortization and depreciation		164,808
Interest expense for noncapital and capital financing		9,798,845
Interest revenue from nonoperating investing activities		(747,533)
Bond related expense		72,634
Change in assets/liabilities		
Student loans receivable		49,087,673
Borrower interest receivable		1,261,017
Special allowance		896,378
Other receivables		1,943,440
Prepaid expenses		(28,214)
Accounts payable and payable to affiliate		(14,639)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	62,989,693

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

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Notes to the Financial Statements
For the Three Months Ended September 30, 2019

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The State Board of Regents of the State of Utah Student Loan Purchase Program (the Program), an enterprise fund of the State of Utah, was formed in 1977, as a separate program of the State Board of Regents of the State of Utah (the Board) for the purpose of originating, purchasing, and servicing the loans of qualified students. Bonds issued by the Program are not general obligations of the State of Utah.

Fund Accounting – The Program maintains accounting records under the fund accounting concept. The funds are separate sets of self-balancing accounts set up in accordance with the authorizing acts, and bond indentures. When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Program's general policy to use restricted resources first. The following funds are administered by the Program:

- Short-Term Note Fund – Unencumbered funds generated by various financing facilities and transfers authorized by the Board in accordance with bond indenture provisions are maintained in this fund. The Program utilizes a portion of these funds to purchase student loans. Payments, including principal and interest on student loans held by this fund, are deposited in this fund and are used to purchase student loans and pay operating expenses. Program funds designated to meet future collateral and operating requirements and other Program needs are held as investments. The net position of this fund is reported as unrestricted.

- 1993 Revenue Bond Fund – Proceeds from revenue bond issuances under the General Student Loan Program Indenture dated August 1, 1993 and Supplemental Indentures are recorded in this fund. Outstanding issuances include Series 1999 O, Series 2001 R, Series 2001 S, Series 2006 DD, and Series 2010 EE Bonds, and Series 2011-1 Notes. Proceeds are used to pay bond issuance costs, and establish trustee funds as required by the General Indenture. Principal and interest payments on student loans purchased with bond proceeds, and other revenues are deposited in this fund and are used for debt service of the bonds, and operating expenses in accordance with the provisions of the General Indenture. The net position of this fund is reported as restricted.

- 2012 Revenue Bond Fund – Proceeds from revenue bond issuance under the General Student Loan Program Indenture dated October 1, 2012 are recorded in this fund. Outstanding issuances include Series 2012-1 Notes. Proceeds are used to retire outstanding funding notes, and establish trustee funds as required by the General Indenture. Principal and interest payments on student loans purchased with bond proceeds, and other revenues are deposited in this fund and are used for debt service of the bonds, and operating expenses in accordance with the provisions of the General Indenture. The net position of this fund is reported as restricted.

- 2014 Revenue Bond Fund – Proceeds from revenue bond issuance under the General Student Loan Program Indenture dated July 1, 2014 are recorded in this fund. Outstanding issuances include Series 2014-1 Notes. Proceeds are used to retire outstanding revenue bonds, and establish trustee funds as required by the General Indenture. Principal and interest payments on student loans purchased with bond proceeds, and other revenues are deposited in this fund and are used for debt service of the bonds, and operating expenses in accordance with the provisions of the General Indenture. The net position of this fund is reported as restricted.

- 2015 Revenue Bond Fund – Proceeds from revenue bond issuance under the General Student Loan Program Indenture dated June 1, 2015 are recorded in this fund. Outstanding issuances include Series 2015-1 Notes. Proceeds are used to retire outstanding advances, establish trustee funds as required by the General Indenture, and pay cost of issuance. Principal and interest payments on student loans purchased with bond proceeds, and other revenues are deposited in this fund and are used for debt service of the bonds, and operating expenses in accordance with the provisions of the General Indenture. The net position of this fund is reported as restricted.

- 2016 Revenue Bond Fund – Proceeds from revenue bond issuance under the General Student Loan Program Indenture dated October 1, 2016 are recorded in this fund. Outstanding issuances include Series 2016-1 Notes. Proceeds are used to retire outstanding advances, establish trustee funds as required by the General Indenture, and pay cost of issuance. Principal and interest payments on student loans purchased with bond proceeds, and other revenues are deposited in this fund and are used for debt service of the bonds, and operating expenses in accordance with the provisions of the General Indenture. The net position of this fund is reported as restricted.

- 2017 Revenue Bond Fund – Proceeds from revenue bond issuance under the General Student Loan Program Indenture dated February 1, 2017 are recorded in this fund. Outstanding issuances include Series 2017-1 Notes. Proceeds are used to retire outstanding advances, establish trustee funds as required by the General Indenture, and pay cost of issuance. Principal and interest payments on student loans purchased with bond proceeds, and other revenues are deposited in this fund and are used for debt service of the bonds, and operating expenses in accordance with the provisions of the General Indenture. The net position of this fund is reported as restricted.

- Office Facility Bond Fund – Proceeds from the revenue bond issuance under the State Board of Regents Revenue Refunding Bonds Indenture dated May 1, 2012 are recorded in this fund. Proceeds are used to pay cost of issuance and refund outstanding revenue bonds. Funds within the Board of Regents budget that would otherwise be expended for rent will be deposited in this fund and will be used for debt service of the bonds and operating expenses, in accordance with the provisions of the General Indenture. The net position of this fund is reported as restricted.

Basis of Accounting – The Program follows all applicable Governmental Accounting Standards Board pronouncements. Also, the accounting and reporting policies of the Program conform with generally accepted accounting principles and follow the accrual basis of accounting. Under this basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. The Program's funds are accounted for on a flow of economic resources measurement focus. All assets and liabilities associated with the Program are included on the Statement of Net Position.

Student Loans Receivable – Student loan receivables are carried at their unpaid principal balance adjusted for an allowance for loan losses and unamortized loan premiums. Loan premiums are amortized as a reduction to interest income using the straight-line method over a seven year period. Substantially all of the Program's student loans receivable serve as collateral for the Program's bonds and notes payable.

Allowance for Uninsured Claims – An allowance for uninsured claims has been established to recognize the estimated uninsured portion of future federally insured claim payments to be made to the Program. Insurance on defaulted student loans is paid at a 100% rate for loans which were first disbursed prior to October 1, 1993, a 98% rate for loans which were first disbursed between October 1, 1993 and June 30, 2006 and at a 97% rate for loans which were first disbursed after June 30, 2006. Insurance on non-default claims (primarily bankruptcy, death, or disability) is paid at a rate of 100%.

Interest on Student Loans – The Federal Government makes quarterly interest payments on federally insured subsidized student loans during the period students attend school, grace periods, and during certain other permitted deferment periods. During repayment and forbearance periods, interest is paid by the borrower. For federally insured unsubsidized loans, interest is paid by the borrower during all status periods. Interest on student loans is accrued as earned.

Special Allowance – Federal legislation provides for a special allowance payment for lenders participating in the Student Loan Guarantee Program. The amount of special allowance that is payable on an eligible loan is determined by multiplying the average daily balance of principal and capitalized interest on the loan by the applicable special allowance rate. The rates for special allowance payments are based on formulas that differ according to the type of the loan, the date the loan was first disbursed, and the interest rate. The rate of special allowance payments is based on the bond equivalent 91 day T-Bill rate or the 1-month LIBOR index, depending on the characteristics of the loan.

Under the 2005 Higher Education Reconciliation Act Amendments, for certain loans first disbursed on or after April 1, 2006, if the interest on such loan at the stated interest rate is higher than the special allowance support level (1-month LIBOR rate plus a percentage determined by the U.S. Department of Education) to such loan, including Special Allowance Payments, the holder of the loan must repay the difference to the United States Government at least annually.

Federal Loan Servicing Revenue – The Federal Government makes monthly payments to the Program for loans serviced based on a contract fee schedule. Also, a third-party client makes monthly payments to the Program for student loan documents processed based on a contract fee schedule.

Capital Assets – Capital assets are stated at cost – net of accumulated depreciation. The Program capitalizes assets that exceed a $5,000 threshold and have an estimated useful life greater than one year. Using the straight-line method, depreciation is provided over the estimated useful lives, ranging from three to ten years for furniture, equipment, and software and forty years for buildings. The Program reviews capital assets for continued useful life and lack of impairment. Based on this review, there was no impairment at September 30, 2019.

Bond Discount and Premium – Discounts and premiums on the sale of bonds are deferred and amortized over the lives of the respective maturities of outstanding bonds using a method that approximates the effective interest method of amortization.

Bond Issuance Costs – Bond issuance costs are expensed in the period incurred in accordance with Statement 65 of the Governmental Accounting Standards Board.

Operating and Nonoperating Income – The Program distinguishes operating revenues and expenses from nonoperating items. The Program includes, within the operating income section, those revenues generated and expenses incurred that are related to the Program's principal ongoing operations and revenues and expenses related to the Program's Office Facility. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Statement of Cash Flows – For purposes of the Statement of Cash Flows, cash and cash equivalents include checking accounts and short-term investments in the Utah Public Treasurers' Investment Fund, excluding those held by the Trustee.

Deferred Outflows and Inflows of Resources – In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Program has items which qualify for reporting in this category. The Program reports unrecognized expenses from outflows related to pensions. These amounts are deferred and recognized as an outflow of resources in the period that the amounts become payable.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Program has items which qualify for reporting in this category. The Program reports deferred interest rate swap income, deferred gain on bond purchases, and inflows related to pensions. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Pensions – For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems' (the System) pension plan and additions to / deductions from the System fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS AND FUNDS HELD BY TRUSTEE

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state and review the rules adopted under the authority of the State of Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) that relate to the deposit and investment of public funds.

The Program follows the requirements of the Money Management Act (the Act) in handling its depository and investment transactions. The Act requires the depositing of Program funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Money Management Council.

Investments – The Act also defines the types of securities authorized as appropriate investments for the Program and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. The Act authorizes the Program to invest in:

- Negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories.
- Repurchase and reverse repurchase agreements.
- Commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations.
- Bankers' acceptances.
- Obligations of the United States Treasury, including bills, notes, and bonds.
- Obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae).
- Bonds, notes, and other evidence of indebtedness of political subdivisions of the State.
- Fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations.
- Shares or certificates in a money market mutual fund as defined in the Act.
- The Utah Public Treasurers' Investment Fund (PTIF).

Investments are recorded at fair value in accordance with Statement 72 of the Governmental Accounting Standards Board which pertains to Fair Value Measurement and Application. Accordingly, the change in fair value of investments is recognized as an increase or decrease in investment assets and investment income.

Additionally, the Program follows the fair value measurement guidelines established by generally accepted accounting principles which recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices;
- Level 3: Unobservable inputs.

The Program's investments are classified as follows:

- Investments in mutual funds and government securities are Level 1 and are valued using prices quoted in active markets for those securities.

- Investments in PTIF are Level 2 and are valued using PTIF calculated fair value factors applied to average daily balances in the funds.

At September 30, 2019, the Program's investments and the related maturities are listed below:

			Investment Maturities (in years)			
Investments		Fair Value		Less than one year		1 to 5 years
Mutual Funds	$	69,195,713	$	69,195,713	$	-
Public Treasurers' Investment Fund		56,349,709		56,349,709		-
U.S. Government Securities		815,856		-		815,856
Total Investments	$	126,361,278	$	125,545,422	$	815,856

Interest Rate Risk – The risk that changes in interest rates will adversely affect the fair value of an investment. The Program's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity for certain allowed investments. Details can be obtained by reading *Utah Code* Section 51-7-11. At September 30, 2019, the Program's investments in the PTIF had an average maturity of less than one year.

Credit Risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Program's policy for reducing its exposure to credit risk is to comply with the Act as previously discussed. At September 30, 2019, the Program had $69,195,713 invested in mutual funds with a AAA rating and $56,349,709 invested in the Public Treasurers' Investment Fund that were not rated by any nationally recognized statistical rating organization registered with the Securities and Exchange Commission (SEC).

Custodial Credit Risk (Deposits) – The risk that, in the event of a bank failure, the Program's deposits not covered by depository insurance may not be returned. The Program follows the requirements of the Act regarding custodial credit risk. Subject to the application of the bank and FDIC rules and regulations, FDIC insurance is provided for the Program's bank deposits up to $250,000 for each bank utilized. As of September 30, 2019, $1,447,198 of the Program's bank balances of $1,697,198 was uninsured.

Public Treasurers' Investment Fund – The Utah State Treasurer's Office operates the PTIF. The PTIF is available for investment of funds administered by any Utah public treasurer.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Act. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments.

Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

3. REVENUE BOND FUNDS

The bond indenture agreements require that certain trust funds be established to collateralize the debt. The following is a summary of cash and investments held by the respective revenue bond funds at September 30, 2019:

1993 Revenue Bond Fund:	
Revenue Account	$ 45,222,229
Reserve Account	2,198,835
Total 1993 Revenue Bond Fund	$ 47,421,064
2012 Revenue Bond Fund:	
Collection Account	$ 2,401,397
Special Allowance Rebate Account	300,813
Reserve Account	778,050
Total 2012 Revenue Bond Fund	$ 3,480,260
2014 Revenue Bond Fund:	
Collection Account	$ 1,787,176
Special Allowance Rebate Account	38,702
Reserve Account	415,500
Total 2014 Revenue Bond Fund	$ 2,241,378
2015 Revenue Bond Fund:	
Collection Account	$ 3,043,562
Special Allowance Rebate Account	513,467
Reserve Account	623,250
Total 2015 Revenue Bond Fund	$ 4,180,279

2016 Revenue Bond Fund:		
Collection Account	$	4,521,912
Special Allowance Rebate Account		761,137
Reserve Account		1,130,625
Total 2016 Revenue Bond Fund	$	6,413,674
2017 Revenue Bond Fund:		
Collection Account	$	4,926,420
Special Allowance Rebate Account		698,141
Reserve Account		650,353
Total 2017 Revenue Bond Fund	$	6,274,914
Office Facility Bond Fund:		
Revenue Account	$	386
Debt Service Account		828,703
Total Office Facility Bond Fund	$	829,089
Grand Total	$	70,840,658

4. STUDENT LOANS RECEIVABLE

Student loans receivable carry variable interest rates or have fixed rates ranging from 0% to 11%. The loans were made to students enrolled or accepted for enrollment at an eligible institution of higher education on at least a half-time basis. Six to twelve months after termination of at least a half-time academic work load, the borrower is required to commence repayment on the loan. Monthly repayment amounts and the length of the repayment period are determined by the amount to be repaid; however, the maximum length of repayment is ten years for Stafford loans and up to thirty years for consolidation loans from the due date of the first payment, exclusive of authorized periods of deferment, forbearance, or income-based repayment plans.

Student loans are guaranteed with respect to principal and accrued interest by agreements with various state guarantee agencies, including the Utah Student Loan Guarantee Program, another program of the State Board of Regents.

The following is a summary of the status of student loans receivable at September 30, 2019:

	Student and Deferment	Repayment and Forbearance	Unamortized Premiums	Student Loan Receivable Allowance	Total
Short-Term Note Fund	$ 357,230	$ 11,582,945	$ -	$ (534,585)	$ 11,405,590
1993 Revenue Bond Fund	14,266,772	357,946,825	-	(2,181,038)	370,032,559
2012 Revenue Bond Fund	11,742,192	154,611,669	-	(656,053)	165,697,808
2014 Revenue Bond Fund	6,544,847	126,733,186	-	(549,696)	132,728,337
2015 Revenue Bond Fund	13,781,026	154,284,607	3,964,827	(715,875)	171,314,585
2016 Revenue Bond Fund	22,109,738	230,061,595	5,771,336	(1,043,293)	256,899,376
2017 Revenue Bond Fund	18,912,780	234,017,269	5,591,576	(1,042,893)	257,478,732
Total	$ 87,714,585	$ 1,269,238,096	$ 15,327,739	$ (6,723,433)	$ 1,365,556,987

Insurance on defaulted student loans is paid at a 100% rate for loans which were first disbursed prior to October 1, 1993, a 98% rate for loans which were first disbursed between October 1, 1993 and June 30, 2006 and at a 97 % rate for loans which were first disbursed after June 30, 2006. Insurance on non-default claims (primarily bankruptcy, death, or disability) is paid at a rate of 100%. At September 30, 2019, the Program has established a student loan receivable allowance of $6,723,433.

5. CAPITAL ASSETS

Capital asset activity for the three months ended September 30, 2019 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Buildings	$ 13,435,983	$ -	$ -	$ 13,435,983
Furniture and equipment	721,066	26,100	-	747,166
Computer equipment and software	4,286,974	118,332	-	4,405,306
Totals at historical cost	18,444,023	144,432	-	18,588,455
Less accumulated depreciation for:				
Buildings	(5,639,076)	(109,087)	-	(5,748,163)
Furniture and equipment	(407,412)	(28,168)	-	(435,580)
Computer equipment and software	(2,759,945)	(139,604)	-	(2,899,549)
Total accumulated depreciation	(8,806,433)	(276,859)	-	(9,083,292)
Capital Assets, net	$ 9,637,590	$ (132,427)	$ -	$ 9,505,163

6. BONDS AND NOTES PAYABLE

1993 Revenue Bond Fund – The Program has outstanding student loan revenue bonds and student loan backed notes under the authority of the 1993 General Indenture. The bonds and notes are limited obligations of the Board and are secured, as provided in the indentures, by all assets of the 1993 Revenue Bond Fund and the revenues and receipts derived from such assets.

The indenture provides that bonds and notes of each series must be designated a priority or priorities by class, with Class I constituting the highest priority under the indenture and priority decreasing by increasing class roman numeral. Priority with respect to payment of bonds and notes at any particular time and exercise of various rights and remedies is based upon the class of the bonds and notes in descending order of priority.

The indenture provides that a periodic analysis of cash receipts must be performed. Cash receipts remaining after the payment of bond costs, program related expenses, and administrative expenses must be used to reduce bonds and notes principal.

Bonds and notes payable for the 1993 Revenue Bond Fund consisted of the following at September 30, 2019:

Issue	Final Maturity Date	Class (Priority)	Interest Rate Type	Balance
2010 Series EE	11/1/2030	I	Fixed	$ 178,100,000
2011-1	5/31/2035	I	3-Month LIBOR plus spread	75,211,000
1999 Series O	11/1/2038	II	Auction - 28 days	10,000,000
2001 Series R	11/1/2040	II	Auction - 28 days	3,500,000
2001 Series S	5/1/2041	II	Auction - 28 days	8,100,000
2006 Series DD	5/1/2046	II	Auction - 28 days	17,500,000
Total				$ 292,411,000

Debt service forecasts to maturity on the 1993 revenue bond issue as of September 30, 2019, are summarized below:

Fiscal Year	Principal Amount	Interest Amount
2020	$ 76,800,000	$ 10,127,301
2021	41,800,000	7,619,023
2022	37,600,000	6,177,994
2023	18,011,000	4,893,800
2024	55,000,000	4,222,922
2025	63,200,000	2,169,123
Total	$ 292,411,000	$ 35,210,163

The debt service interest rate forecasts are calculated using the interest rates in effect at September 30, 2019. Actual results could differ from these estimates.

The Series 2010 EE-2 Bonds maturing on November 1, 2026 and November 1, 2030 are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof (without premium) and accrued interest to the redemption date, on the dates and in the principal amounts set forth below:

Redemption Date (November 1)	Amount
2025	$ 3,700,000
2026*	13,200,000
2028	10,800,000
2029	6,500,000
2030*	5,900,000
Total	$ 40,100,000

*Maturity

For the three months ended September 30, 2019, there were insufficient clearing bids on all of the Program's bonds in which interest rates are set by auction procedure (ARCs). Interest on these bonds will be calculated at the maximum rate. In general, the maximum rate is indexed to either the average 30-day T-bill or the 30-day LIBOR, subject to an 18% maximum. The taxable maximum rate during the three months ended September 30, 2019 ranged from 1.9% to 18%.

The bonds and notes issued under the 1993 Trust Estate are limited obligations of the Board secured by and payable solely from the Trust Estate established by the Indenture. The bonds and notes were issued to finance eligible student loans, and refund certain outstanding student loan revenue bonds. The refunding resulted in a deferred gain on bond purchases. At September

30, 2019, the unamortized deferred gain on bond purchases was $7,013,522. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the bonds and notes, and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay $292,411,000 of outstanding student loan revenue bonds and student loan backed notes which are payable through fiscal year 2046. Interest paid for the current year and total net revenues before interest expense were $959,518 and $2,419,675, respectively.

The bonds and notes outstanding under the 1993 General Indenture are secured by a pledge of the student loans and other assets of the 1993 Revenue Bond Fund. The 1993 General Indenture contains provision governing events of default and remedies, including the possible remedy of acceleration of amounts due under such bonds and notes in certain circumstances and the disposition of assets following events of default.

Derivative Instrument – On December 30, 2010 the Board issued the Series 2010 EE Bonds for the purpose of refinancing certain outstanding bonds in the 1993 indenture. As part of this issuance, the Board entered into an interest rate exchange (swap) agreement relating to the Board's student loan revenue bonds, Series 2010 EE (the "Series 2010 Bonds") on December 21, 2010. The purpose of the swap is to create a variable rate cost of funds for the Series 2010 Bonds that will be lower than the variable rate cost achievable in the cash bond market. The Program accounts for the swap agreement as a fair value hedging derivative instrument and recognizes changes in fair values on the statement of net position as an asset or liability with a related deferred inflows or outflows of resources respectively. The terms of the swap agreement include:

Trade Date:	December 21, 2010
Effective Date:	December 30, 2010
Termination Date:	November 1, 2030
Initial Notional Amount:	$364,150,000
September 30, 2019 Notional Amount:	$178,100,000
Board Pays Floating:	3-Month LIBOR + 1.64905%
Counterparty Pays Fixed:	Stepped fixed rates ranging from 4.664% to 5.000%
Payment Dates:	The 1st day of May and November

Changes in the fair value of the swap agreement and the ending fair value of the swap agreement are summarized below:

Derivative	Fair Value at 6/30/2019	Change in Fair Value	Fair Value at 9/30/2019
Interest Rate Exchange	$ 10,293,345	$ 1,624,565	$ 11,917,910

The projected net cash flows of the swap agreement are summarized below:

	Counterparty Swap Payment				
Fiscal Year	**To**	**From**	**Net**	**Interest Payments to Bondholders**	**Total Payments**
2020	$ (6,122,223)	$ 8,110,000	$ 1,987,777	$ (8,110,000)	$ (6,122,223)
2021	(5,016,297)	6,645,000	1,628,703	(6,645,000)	(5,016,297)
2022	(4,083,998)	5,410,000	1,326,002	(5,410,000)	(4,083,998)
2023	(3,321,551)	4,400,000	1,078,449	(4,400,000)	(3,321,551)
2024	(1,947,637)	2,580,000	632,363	(2,580,000)	(1,947,637)
2025	(454,826)	602,500	147,674	(602,500)	(454,826)
Total	$ (20,946,532)	$ 27,747,500	$ 6,800,968	$ (27,747,500)	$ (20,946,532)

Swaps are not normally valued through exchange-type markets with easily accessible quotation systems and procedures. The fair market value was calculated using information obtained from generally recognized sources with respect to quotations, reporting of specific transactions and market conditions and based on accepted industry standards and methodologies. The swap agreement is considered to be Level 3 for GASB 72 purposes (the different levels are discussed in Footnote 2).

- Credit Risk – The risk of a change in the credit quality or credit rating of the Board and/or its counterparty. The counterparty's long-term ratings are "Aa2/Aa2", "AA-/A+" and "AA/AA-" by Moody's Investors Service, Standard & Poor's, and Fitch Ratings, respectively.

  The Board is exposed to credit risk on hedging derivative instruments that are in asset positions. To minimize its exposure to loss related to credit risk, it is the Board's policy to require counterparty collateral posting provisions in its non-exchange-traded hedging derivative instruments. These terms require full collateralization of the fair value of hedging derivative instruments in asset positions (net of the effect of applicable netting arrangements) should the counterparties' short-term and long-term credit ratings fall below "A-1" and "A," respectively, as issued by Standard & Poor's or below "Prime-1" and "A2," respectively, as issued by Moody's Investors Service. Collateral posted is to be in the form of cash, U.S. Treasury securities or agency securities held by a third-party custodian. The Board has never failed to access collateral when required.

  It is the Board's policy to enter into netting arrangements whenever it has entered into more than one derivative instrument transaction with a counterparty. Under the terms of these arrangements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all outstanding transactions and net the transactions' fair values so that a single sum will be owed by, or owed to, the non-defaulting party.

- Interest Rate Risk – The risk that the debt service costs associated with variable rate debt increases and negatively affects coverage ratios and cash flow margins. The Board is exposed to interest rate risk; as the 3-month LIBOR rate increases, the net payment on the swap agreement increases.

- Basis Risk – The risk that arises when variable rates or prices of a swap agreement and a hedged item are based on different interest rate indexes. Because the swap agreement requires the Board to pay a variable rate to the counterparty and is receiving a fixed rate payment in return, basis risk is not applicable.

- Termination Risk – The risk that the swap must be terminated prior to its stated final cash flow date. Purposes for termination include the deterioration of the Board's own credit, and the inability of the Board to obtain a replacement transaction with substantially similar terms. In such a circumstance, the Board would owe, or be owed, a termination payment. No termination events related to the swap agreement have occurred as of September 30, 2019.

- Rollover Risk – The risk that the maturity of the swap contract is not coterminous with the maturity of the related bonds. The swap agreement and the underlying bonds have a final maturity date of November 1, 2030.

2012 Revenue Bond Fund – The Program has outstanding student loan backed notes under the authority of the 2012 General Indenture. The notes are limited obligations of the Board and are secured, as provided in the indentures, by all assets of the 2012 Revenue Bond Fund and the revenues and receipts derived from such assets.

The indenture provides that a periodic analysis of cash receipts must be performed. Cash receipts remaining after the payment of bond costs, program related expenses, and administrative expenses must be used to reduce bond principal.

Notes payable for the 2012 Revenue Bond Fund consisted of the following at September 30, 2019:

Issue	Final Maturity Date	Interest Rate Type	Balance
2012-1	12/26/2031	1-Month LIBOR plus 0.75%	$ 147,847,322

Debt Service forecasts to maturity on the Series 2012-1 Notes as of September 30, 2019, are summarized below:

Fiscal Year	Principal Amount	Interest Amount
2020	$ 18,636,926	$ 2,861,661
2021	24,908,509	3,202,430
2022	24,427,874	2,520,057
2023	19,053,486	1,907,684
2024	17,126,585	1,426,297
2025-2026	43,693,942	1,604,611
Total	$ 147,847,322	$ 13,522,740

The debt service interest rate forecasts are calculated using the interest rates in effect at September 30, 2019. Actual results could differ from these estimates.

The Series 2012-1 Notes are subject to an optional prepayment of the notes when the Student Loan Pool Balance is 10% or less than the initial Student Loan Pool Balance.

The notes issued under the 2012 Trust Estate are special limited obligations of the Board secured by and payable solely from the Trust Estate established by the Indenture. The notes were issued to refinance eligible student loans and retire outstanding funding notes of the Board. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the notes and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay $147,847,322 of outstanding student loan backed notes which are payable through fiscal year 2032. Principal and interest paid for the current year and total net revenues before interest expense were $7,541,791 and $1,275,895, respectively.

The notes outstanding under the 2012 General Indenture are secured by a pledge of the student loans and other assets of the 2012 Revenue Bond Fund. The 2012 General Indenture contains provision governing events of default and remedies, including the possible remedy of acceleration of amounts due under such notes in certain circumstances and the disposition of assets following events of default.

2014 Revenue Bond Fund – The Program has outstanding student loan backed notes under the authority of the 2014 General Indenture. The notes are limited obligations of the Board and are secured, as provided in the indentures, by all assets of the 2014 Revenue Bond Fund and the revenues and receipts derived from such assets.

The indenture provides that a periodic analysis of cash receipts must be performed. Cash receipts remaining after the payment of bond costs, program related expenses, and administrative expenses must be used to reduce bond principal.

Notes payable for the 2014 Revenue Bond Fund consisted of the following at September 30, 2019:

Issue	Final Maturity Date	Interest Rate Type	Balance
2014-1	12/26/2038	1-Month LIBOR plus 0.55%	$ 112,207,092

Debt Service forecasts to maturity on the Series 2014-1 Notes as of September 30, 2019, are summarized below:

Fiscal Year	Principal Amount	Interest Amount
2020	$ 10,918,362	$ 2,045,886
2021	14,169,096	2,403,967
2022	13,982,987	2,042,631
2023	11,493,776	1,710,808
2024	10,603,801	1,435,458
2025-2029	41,055,235	3,573,351
2030-2032	9,983,835	217,947
Total	$ 112,207,092	$ 13,430,048

The debt service interest rate forecasts are calculated using the interest rates in effect at September 30, 2019. Actual results could differ from these estimates.

The Series 2014-1 Notes are subject to an optional prepayment of the notes when the Student Loan Pool Balance is 10% or less than the initial Student Loan Pool Balance.

The notes issued under the 2014 Trust Estate are special limited obligations of the Board secured by and payable solely from the Trust Estate established by the Indenture. The notes were issued to retire outstanding student loan revenue bonds of the Board, resulting in a deferred gain on bond purchases. At September 30, 2019, the unamortized deferred gain on bond purchases was $901,064. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the notes and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay $112,207,092 of outstanding student loan backed notes which are payable through fiscal year 2039. Principal and interest paid for the current year and total net revenues before interest expense were $4,454,884 and $1,065,346, respectively.

The notes outstanding under the 2014 General Indenture are secured by a pledge of the student loans and other assets of the 2014 Revenue Bond Fund. The 2014 General Indenture contains provision governing events of default and remedies, including the possible remedy of acceleration of amounts due under such notes in certain circumstances and the disposition of assets following events of default.

2015 Revenue Bond Fund – The Program has outstanding student loan backed notes under the authority of the 2015 General Indenture. The notes are limited obligations of the Board and are secured, as provided in the indentures, by all assets of the 2015 Revenue Bond Fund and the revenues and receipts derived from such assets.

The indenture provides that a periodic analysis of cash receipts must be performed. Cash receipts remaining after the payment of bond costs, program related expenses, and administrative expenses must be used to reduce bond principal.

Notes payable for the 2015 Revenue Bond Fund consisted of the following at September 30, 2019:

Issue	Final Maturity Date	Interest Rate Type	Balance
2015-1 A	2/25/2043	1-Month LIBOR plus 0.60%	$ 150,679,811
2015-1 B	5/25/2043	1-Month LIBOR plus 1.50%	10,850,000
Total			$ 161,529,811

Debt Service forecasts to maturity on the Series 2015-1 Notes as of September 30, 2019, are summarized below:

Fiscal Year	Principal Amount	Interest Amount
2020	$ 22,333,921	$ 3,001,574
2021	28,878,486	3,306,998
2022	27,630,783	2,551,544
2023	19,924,642	1,916,925
2024	18,658,739	1,409,105
2025-2028	44,103,240	1,513,950
Total	$ 161,529,811	$ 13,700,096

The debt service interest rate forecasts are calculated using the interest rates in effect at September 30, 2019. Actual results could differ from these estimates.

The Series 2015-1 Notes are subject to an optional prepayment of the notes when the Student Loan Pool Balance is 10% or less than the initial Student Loan Pool Balance.

The notes issued under the 2015 Trust Estate are special limited obligations of the Board secured by and payable solely from the Trust Estate established by the Indenture. The notes were issued to retire a portion of the outstanding advances from the Warehouse Facility to the Board. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the notes and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay $161,529,811 of outstanding student loan backed notes which are payable through fiscal year 2043. Principal and interest paid for the current year and total net revenues before interest expense were $9,241,861 and $1,368,953, respectively.

The notes outstanding under the 2015 General Indenture are secured by a pledge of the student loans and other assets of the 2015 Revenue Bond Fund. The 2015 General Indenture contains provision governing events of default and remedies, including the possible remedy of acceleration of amounts due under such notes in certain circumstances and the disposition of assets following events of default.

<u>2016 Revenue Bond Fund</u> – The Program has outstanding student loan backed notes under the authority of the 2016 General Indenture. The notes are limited obligations of the Board and are secured, as provided in the indentures, by all assets of the 2016 Revenue Bond Fund and the revenues and receipts derived from such assets.

The indenture provides that a periodic analysis of cash receipts must be performed. Cash receipts remaining after the payment of bond costs, program related expenses, and administrative expenses must be used to reduce bond principal.

Notes payable for the 2016 Revenue Bond Fund consisted of the following at September 30, 2019:

Issue	Final Maturity Date	Interest Rate Type	Balance
2016-1 A	9/25/2056	1-Month LIBOR plus 0.75%	$ 241,702,553
2016-1 B	9/25/2056	1-Month LIBOR plus 1.50%	10,450,000
Total			$ 252,152,553

Debt Service forecasts to maturity on the Series 2016-1 Notes as of September 30, 2019, are summarized below:

Fiscal Year	Principal Amount	Interest Amount
2020	$ 34,812,448	$ 4,803,139
2021	44,969,735	5,276,949
2022	37,793,873	4,113,520
2023	28,950,137	3,251,543
2024	27,671,479	2,478,200
2025-2029	77,954,881	3,953,645
Total	$ 252,152,553	$ 23,876,996

The debt service interest rate forecasts are calculated using the interest rates in effect at September 30, 2019. Actual results could differ from these estimates.

The Series 2016-1 Notes are subject to an optional prepayment of the notes when the Student Loan Pool Balance is 10% or less than the initial Student Loan Pool Balance.

The notes issued under the 2016 Trust Estate are special limited obligations of the Board secured by and payable solely from the Trust Estate established by the Indenture. The notes were issued to retire a portion of the outstanding advances from the Warehouse Facility to the Board. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the notes and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay $252,152,553 of outstanding student loan backed notes which are payable through fiscal year 2057. Principal and interest paid for the current year and total net revenues before interest expense were $13,780,163 and $1,961,626, respectively.

The notes outstanding under the 2016 General Indenture are secured by a pledge of the student loans and other assets of the 2016 Revenue Bond Fund. The 2016 General Indenture contains provision governing events of default and remedies, including the possible remedy of acceleration of amounts due under such notes in certain circumstances and the disposition of assets following events of default.

2017 Revenue Bond Fund – The Program has outstanding student loan backed notes under the authority of the 2017 General Indenture. The notes are limited obligations of the Board and are secured, as provided in the indentures, by all assets of the 2017 Revenue Bond Fund and the revenues and receipts derived from such assets.

The indenture provides that a periodic analysis of cash receipts must be performed. Cash receipts remaining after the payment of bond costs, program related expenses, and administrative expenses must be used to reduce bond principal.

Notes payable for the 2017 Revenue Bond Fund consisted of the following at September 30, 2019:

Issue	Final Maturity Date	Interest Rate Type	Balance
2017-1 A	1/25/2057	1-Month LIBOR plus 0.75%	$ 237,992,519
2017-1 B	1/25/2057	1-Month LIBOR plus 1.50%	17,800,000
Total			$ 255,792,519

Debt Service forecasts to maturity on the Series 2017-1 Notes as of September 30, 2019, are summarized below:

Fiscal Year	Principal Amount	Interest Amount
2020	$ 31,924,239	$ 5,040,381
2021	40,523,881	5,690,909
2022	38,718,684	4,575,708
2023	28,620,068	3,625,974
2024	26,489,767	2,864,964
2025-2029	89,515,880	5,044,542
Total	$ 255,792,519	$ 26,842,478

The debt service interest rate forecasts are calculated using the interest rates in effect at September 30, 2019. Actual results could differ from these estimates.

The Series 2017-1 Notes are subject to an optional prepayment of the notes when the Student Loan Pool Balance is 10% or less than the initial Student Loan Pool Balance.

The notes issued under the 2017 Trust Estate are special limited obligations of the Board secured by and payable solely from the Trust Estate established by the Indenture. The notes were issued to retire a portion of the outstanding advances from the Warehouse Facility to the Board. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the notes and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay $255,792,519 of outstanding student loan backed notes which are payable through fiscal year 2057. Principal and interest paid for the current year and total net revenues before interest expense were $13,578,587 and $1,997,761, respectively.

The notes outstanding under the 2017 General Indenture are secured by a pledge of the student loans and other assets of the 2017 Revenue Bond Fund. The 2017 General Indenture contains provision governing events of default and remedies, including the possible remedy of acceleration of amounts due under such notes in certain circumstances and the disposition of assets following events of default.

Office Facility Bond Fund – The Program has issued revenue refunding bonds under the authority of the general indenture dated May 1, 2012 (Series 2012 Bonds). The bonds are special limited obligation bonds of the Board payable primarily from (i) funds of the Board budgeted on an annual basis (including from sources and in the amounts that the Board has, prior to the issuance of the Bonds and acquisition of the Building, used to pay rent for office space) and (ii) other legally available moneys of the Board, including certain revenues and reserves of the Program.

Bonds payable for the Office Facility Bond Fund consisted of the following at September 30, 2019:

Issue	Maturity Date	Interest Rate	Balance
Series 2012	2/1/2020-2/1/2024	2.0% - 5.0%	$ 2,695,000

Debt service forecasts to maturity on the Office Facility Bond issue as of September 30, 2019 are summarized below:

Fiscal Year	Principal Amount	Interest Amount
2020	$ 715,000	$ 48,894
2021	725,000	81,700
2022	765,000	52,700
2023	240,000	22,100
2024	250,000	12,500
Total	$ 2,695,000	$ 217,894

The Series 2012 Bonds are not subject to redemption prior to maturity.

The bonds issued under the Office Facility Bond Fund are limited obligations of the Board secured solely by a pledge of the proceeds from the sale of the bonds and the moneys and revenues in the fund and accounts held by the Trustee under the Indenture. No other money, revenue or income of the Board is pledged to the repayment of the Office Facility Bonds. The bonds were issued to refund the Series 2002 and Series 2004 Bonds. The Board has pledged these assets and net revenues to repay $2,695,000 of outstanding Office Facility Bonds which are payable through fiscal year 2024. Interest paid for the current fiscal year and total net revenues before interest expense were $48,894 and $204,560, respectively.

The 2012 Office Bonds outstanding under the Office Facility Bond Indenture are secured by a pledge of the revenues and funds of the Office Facility Bond Fund. The Office Facility Bond Indenture contains provision governing events of default and remedies, including the possible remedy of acceleration of amounts due under such bonds in certain circumstances and the application of revenues following events of default.

7. SEGMENT INFORMATION

The Board issues student loan revenue bonds and student loan back notes under separate indentures to finance its student loan portfolios. Investors in those bonds and notes rely solely on the revenue generated by the pledged assets in each indenture. The Program assets are only available in accordance with the applicable bond resolutions, federal and Utah state laws, and other outstanding agreements.

Financial information for each indenture and the Program unencumbered funds are presented below:

CONDENSED STATEMENT OF NET POSITION

	Short Term Note Fund	1993 Revenue Bond Fund	2012 Revenue Bond Fund	2014 Revenue Bond Fund	2015 Revenue Bond Fund	2016 Revenue Bond Fund	2017 Revenue Bond Fund	Office Facility Bond Fund
Assets								
Current assets	$ 63,308,063	$ 98,150,389	$ 38,538,952	$ 26,239,629	$ 46,792,955	$ 66,695,388	$ 64,836,191	$ 1,709,080
Capital assets	1,897,006	-	-	-	-	-	-	7,608,157
Other noncurrent assets	9,026,921	337,454,882	135,231,961	111,794,810	133,634,016	204,046,094	206,787,816	-
Total Assets	74,231,990	435,605,271	173,770,913	138,034,439	180,426,971	270,741,482	271,624,007	9,317,237
Deferred Outflows of Resources	897,126	-	-	-	-	-	-	-
Liabilities								
Current liabilities	3,586,445	91,734,769	25,740,060	14,761,819	30,494,692	47,580,646	43,500,363	812,349
Noncurrent liabilities	1,768,137	202,019,076	122,938,634	97,729,255	129,692,934	201,683,107	210,495,565	2,085,587
Total Liabilities	5,354,582	293,753,845	148,678,694	112,491,074	160,187,626	249,263,753	253,995,928	2,897,936
Deferred Inflows of Resources	441,620	18,931,432	-	901,064	-	-	-	-
Net Position:								
Net Investment in Capital Assets	1,897,006	-	-	-	-	-	-	4,776,678
Restricted	-	122,919,994	25,092,219	24,642,301	20,239,345	21,477,729	17,628,079	1,642,623
Unrestricted	67,435,908	-	-	-	-	-	-	-
Total Net Position	$ 69,332,914	$ 122,919,994	$ 25,092,219	$ 24,642,301	$ 20,239,345	$ 21,477,729	$ 17,628,079	$ 6,419,301

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Notes to the Financial Statements

For the Three Months Ended September 30, 2019

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	Short Term Note Fund	1993 Revenue Bond Fund	2012 Revenue Bond Fund	2014 Revenue Bond Fund	2015 Revenue Bond Fund	2016 Revenue Bond Fund	2017 Revenue Bond Fund	Office Facility Bond Fund
Operating revenues	$ 7,181,295	$ 2,677,649	$ 2,301,414	$ 1,418,676	$ 2,341,931	$ 3,516,665	$ 3,498,190	$ 218,315
Operating expenses	7,233,033	2,594,039	2,187,606	1,158,955	2,232,425	3,592,040	3,570,425	30,328
Operating income (loss)	(51,738)	83,610	113,808	259,721	109,506	(75,375)	(72,235)	187,987
Transfers	(100,000)	-	-	-	-	-	-	-
Change in Net Position	(151,738)	83,610	113,808	259,721	109,506	(75,375)	(72,235)	187,987
Net Position - Beginning of Year	69,484,652	122,836,384	24,978,411	24,382,580	20,129,839	21,553,104	17,700,314	6,231,314
Net Position - End of Period	$ 69,332,914	$ 122,919,994	$ 25,092,219	$ 24,642,301	$ 20,239,345	$ 21,477,729	$ 17,628,079	$ 6,419,301

CONDENSED STATEMENT OF CASH FLOWS

	Short Term Note Fund	1993 Revenue Bond Fund	2012 Revenue Bond Fund	2014 Revenue Bond Fund	2015 Revenue Bond Fund	2016 Revenue Bond Fund	2017 Revenue Bond Fund	Office Facility Bond Fund
Cash provided by operating activities	$ 1,464,906	$ 12,676,456	$ 7,477,864	$ 4,487,951	$ 8,916,052	$ 13,726,899	$ 13,936,067	$ 303,498
Noncapital financing activitites	(28,746)	(993,518)	(7,573,731)	(4,485,097)	(9,266,861)	(13,805,163)	(13,603,587)	(48,894)
Capital and related financing activites	(274,719)	-	-	-	-	-	-	(2,456)
Investing activities	369,380	(11,859,446)	226,475	4,057	200,515	(34,790)	(431,296)	52,944

8. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the three months ended September 30, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds and notes payable	$ 1,265,879,755	$ -	$ (41,244,459)	$ 1,224,635,296	$ 245,537,907
Unamortized premiums	2,128,689	-	(281,999)	1,846,690	768,880
Unamortized discounts	(14,381,384)	-	169,948	(14,211,436)	(679,792)
Net bonds and notes payable	1,253,627,060	-	(41,356,510)	1,212,270,550	245,626,995
Net pension liability	1,342,283	-	-	1,342,283	-
Compensated absences	1,104,214	143,550	(169,255)	1,078,510	652,053
Total long-term liabilities	$ 1,256,073,557	$ 143,550	$ (41,525,765)	$ 1,214,691,343	$ 246,279,048

9. DESIGNATED AND RESTRICTED NET POSITION

The Program has designated $67,400,000 of the Short-Term Note Fund Net Position for bond financing, loan repurchases, supplemental loans and working capital.

The Revenue Bond Fund net positions are restricted in total by the general and supplemental indentures (see Note 1).

10. RELATED PARTY TRANSACTIONS

The Program reimburses the University of Utah for payroll, benefits, and certain administrative expenses. The Program incurred $6,187,611 of such expenses for the three months ended September 30, 2019. Of this amount, $1,012,601 was payable at September 30, 2019.

The Student Loan Guarantee Program (SLGP), another program of the Board, guarantees student loans held by the Program. Claim payments received from the SLGP amounted to $4,634,856 for the three months ended September 30, 2019. As of September 30, 2019, SLGP owed $1,215,898 in defaulted loan claims to the Program. This amount is included in the Student Loan Receivables on the Statement of Net Position.

For the three months ended September 30, 2019, the Program charged the Board, the SLGP, and my529 for rent and other services, totaling $808,009. Of this amount, $321,553 was a receivable at September 30, 2019.

11. ESTIMATED LIABILITY FOR PURPOSE AND NON-PURPOSE INTEREST ARBITRAGE REBATE

In accordance with the Internal Revenue Code of 1986, as amended (the Code), the Program is required to pay to the United States Treasury certain amounts related to the Program's tax-exempt bond issues. The estimated amount of non-purpose arbitrage payable represents the excess of amounts earned on taxable investments (other than educational loans) over the interest cost of the tax-exempt borrowing, plus income attributable to the excess. Rebate payments are due every fifth year during the life of each bond issue and when the bonds are retired. At September 30, 2019, there was no liability for non-purpose interest arbitrage rebate.

The Code and the related Treasury Regulations also require the Program to keep the yield to the Program on student loans within a designated percentage of the interest cost of the related tax-exempt borrowing. One method of reducing this yield is to make yield reduction payments to the United States Treasury. Estimated yield reduction payments may be made by the end of the tenth year and every fifth year thereafter during the life of each bond issue and when the bonds are retired. At September 30, 2019, there was no liability for yield reduction payments.

12. RETIREMENT PLANS

Plan Descriptions – As required by State law, eligible nonexempt employees (as defined by the U.S. Fair Labor Standards Act) of the Program are covered either by the Utah Retirement Systems' (the System) State and School Noncontributory pension plan (Noncontributory plan) or the Tier 2 Public Employees Contributory pension plan (Tier 2 plan). The Tier 2 plan became effective July 1, 2011. All eligible employees, beginning on or after July 1, 2011, who had no previous service credit with the System, are members of the Tier 2 plan. Eligible exempt employees (as defined by the U.S. Fair Labor Standards Act) are covered by the Teachers Insurance and Annuity Association (TIAA) or Fidelity Investments (Fidelity).

The Program contributes to the System Noncontributory plan and the Tier 2 plan covering state employee groups, school districts and other local government entities. Those plans are multiple employer, cost-sharing, defined benefit, public employee pension plans. Retirement benefits are determined in accordance with Title 49 of the Utah Code and are based on age, years of credited service and highest average monthly salary.

The System is established and governed by the respective sections of Chapter 49 of the Utah Code Annotated, 1953, as amended. The defined benefit plans of the System may be amended statutorily by the State Legislature. The Utah State Retirement Office Act provides for the administration of the System under the direction of the Utah State Retirement Board, whose members are appointed by the governor.

The System is a component unit of the State of Utah. System funds are fiduciary funds defined as pension (and other employee benefit) trust funds. Chapter 49 of the Utah Code grants authority to establish and amend the benefit terms. The System issues a publicly available financial report that includes financial statements and required supplementary information. A copy of the report may be obtained by contacting the System at 560 East 200 South, Salt Lake City, UT 84102 or visiting the website: www.urs.org.

Benefits and Contributions – The System provides retirement, disability, and death benefits. Retirement benefits, which vest after four years of employment, are as follows:

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefits	Benefit Percent per Year of Service	COLA**
Noncontributory	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2% per year all years	Up to 4%
Tier 2	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

**with actuarial reductions*

***All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) Increase for the year, although unused CPI increases not met may be carried forward to subsequent years.*

As a condition of participation in the System, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the System Board. Contributions are actuarially determined at an amount that is expected to finance the costs and benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Employer contribution rates during the three months ended September 30, 2019 were 22.19% for the System Noncontributory plan and 18.44% for the System Tier 2 plan. The Tier 2 rates include a 9.94% required contribution to finance the unfunded actuarial accrued liability of the Noncontributory plan.

For the three months ended September 30, 2019, the Program's contributions to the System Noncontributory plan were $44,567 based on an actuarially determined 22.19% of participating employee gross earnings. An additional 1.50% was contributed to the employee's 401(k) deferred salary plan.

For the three months ended September 30, 2019, the Program's contributions to the System Tier 2 plan were $55,245 based on an actuarially determined 18.44% of participating employee gross earnings. An additional 1.58% was contributed to the employee's 401(k) deferred salary plan.

The Program also contributes to TIAA and Fidelity which provide individual retirement fund contracts with each participating employee. Employees may allocate Program contributions to either or both of the providers and the contributions to the employee contracts become vested at the time contributions are made. Employees are eligible to participate from the date of employment and are not required to contribute to either fund. Benefits provided to retired employees are based on the value of the individual contracts and the estimated life expectancy of the employee at retirement.

For the three months ended September 30, 2019, the Program's contributions to the TIAA and Fidelity retirement plans were $469,390 based on 14.20% of participating employee gross earnings. The Program has no further liability once contributions are made.

Net Pension Liability – The net pension liability is calculated annually and was last measured by the System as of December 31, 2018. The total System liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018 and rolled forward using generally accepted actuarial procedures. The Program's proportion of the net pension liability is equal to the ratio of the Program actual contributions to the System during the plan year over the total of all employer contributions to the System during the year.

For the three months ended September 30, 2019, no adjustments were made to the net pension liability. For the year ended June 30, 2019, the Program recognized additions to the net pension liability of $342,158 for the Noncontributory plan and $67,352 for the Tier 2 plan. The additions were based on the Program's proportion of the System net pension liability as of December 31, 2018. The total net pension liability at June 30, 2019 was $1,244,799 for the Noncontributory plan and $97,484 for the Tier 2 plan totaling $1,342,283.

At December 31, 2018, the Program's proportion of the System net pension liability was 0.03% of the Noncontributory plan and 0.23% of the Tier 2 plan. For comparison, at December 31, 2017, the Program's proportion of the System net pension liability was 0.04% of the Noncontributory plan and 0.34% of the Tier 2 plan.

Net Pension Expense – The total employer net pension expense (net pension expense) is calculated annually, and was last measured by the System as of December 31, 2018. For the three months ended September 30, 2019, no adjustments were made to the net pension expense. For the year ended June 30, 2019, the Program recognized net pension expense of ($6,176) for the Noncontributory plan and $17,403 for the Tier 2 plan totaling $11,227.

The net pension expense contains the following System components: normal cost (annual cost of current service); plus interest on total pension liability; plus amortization of experience gains/losses, changes in assumptions, and changes in plan benefits; less expected return on plan assets.

Pension – Deferred Outflows of Resources and Deferred Inflows of Resources – For the three months ended September 30, 2019, no adjustments were made to the deferred outflows or inflows of resources. For the year ended June 30, 2019, the Program recognized deferred outflows of resources (deferred outflows) and deferred inflows of resources (deferred inflows) as follows:

	Noncontributory Plan	Tier 2 Plan	Total
Deferred Outflows:			
Differences Between Expected and Actual Experience	$ 6,631	$ -	$ 6,631
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	457,637	54,131	511,768
Changes in Assumptions	126,613	24,434	151,047
Changes in Proportion	-	28,058	28,058
Contributions Subsequent to the Measurement Date	89,133	110,489	199,622
Total	$ 680,014	$ 217,112	$ 897,126
Deferred Inflows:			
Differences Between Expected and Actual Experience	$ (17,466)	$ (20,148)	$ (37,614)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	(250,537)	(21,702)	(272,239)
Changes in Assumptions	-	(8,970)	(8,970)
Changes of Proportion	(122,797)	-	(122,797)
Total	$ (390,800)	$ (50,820)	$ (441,620)

The Program recognized deferred outflows of $199,622 in the preceding schedule resulting from contributions made subsequent to the December 31, 2018 System measurement date. Those contributions will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. The other deferred outflows and inflows recognized in the preceding schedule will be recognized in future years pension expense as follows:

Year ended June 30:	Deferred Outflows (Inflows) of Resources
2020	$50,204
2021	50,204
2022	50,204
2023	50,204
2024	50,204
Thereafter	4,864
Total	$255,884

Actuarial Assumptions – The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: inflation 2.50%, salary increases 3.25% - 9.75% including inflation, and investment rate of return 6.95% net of pension plan investment expense including inflation.

The assumptions used in the January 1, 2018 actuarial valuation date were based on the results of a System actuarial experience study for the five year period ended December 31, 2016.

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation, and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The following actuarial assumptions were adopted on January 1, 2018: the investment return assumption remained unchanged at 6.95%; and the assumed inflation rate also remained unchanged at 2.50%. With the same assumed rate of inflation, both the payroll growth and wage inflation assumptions remained the same as the prior year assumptions.

The long-term expected rate of return on System pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Utah Retirement Systems Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Real Rate of Return
Equity Securities	40%	6.15%	2.46%
Debt Securities	20	0.40	0.08
Real Assets	15	5.75	0.86
Private Equity	9	9.95	0.89
Absolute Return	16	2.85	0.46
Cash and Cash Equivalents	0	0.00	0.00
Total	100%		4.75%
Inflation			2.50
Expected Arithmetic Nominal Return			7.25%

The total System long-term expected rate of return is 6.95%, which is comprised of a 2.50% inflation rate, an offset of 0.35% for administrative and investment expenses, and a real long-term expected rate of return of 4.80%.

Discount Rate – The discount rate used to measure the total System pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating employers will be made at actuarially determined, contractually required rates.

Based on those assumptions, the System pension plan fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the Program's proportionate share of the System net pension liability, at December 31, 2018. This is calculated using the discount rate of 6.95%, as well as what the Program's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

	1% Decrease (5.95%)	**Current Discount Rate (6.95%)**	**1% Increase (7.95%)**
Program's Proportionate Share Of the Net Pension Liability:			
Noncontributory Plan	$2,237,478	$1,244,799	$ 414,299
Tier 2 Plan	390,570	97,484	(128,692)
Total	$2,628,048	$1,342,283	$ 285,607

13. LEASE COMMITMENTS

The Program leases office equipment and a building which are classified as operating leases. Lease payments, recorded as expenses when incurred, totaled $148,836 for the three months ended September 30, 2019. Future minimum lease commitments are as follows:

Year ended June 30:	Operating	Capital
2020	$ 482,888	$ -
2021	628,387	-
2022	644,657	-
Total	$ 1,755,932	$ -

14. RISK MANAGEMENT

As a State entity, the Program participates in the Utah State Risk Management Fund (the Fund). The Program pays an annual premium for participation in the Fund. Through the Fund, the Program has both property and liability coverage.

The Fund provides property coverage through a combination of self-insurance and private carriers. The Fund provides liability coverage through self-insurance and private carriers up to $10,000,000 per occurrence.

REQUIRED SUPPLEMENTARY INFORMATION

Program's Proportionate Share of the Net Pension Liability
and
Program's Defined Benefit Pension Contributions

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Required Supplementary Information
For the Three Months Ended September 30, 2019

Proportionate Share of the Net Pension Liability – A schedule of the Program's proportionate share of the net pension liability follows:

	Noncontributory Plan	Tier 2 Plan	Total
Program Proportion of the Net Pension Liability:			
December 31, 2018	0.03%	0.23%	-
December 31, 2017	0.04%	0.34%	-
December 31, 2016	0.04%	0.58%	-
December 31, 2015	0.05%	0.80%	-
December 31, 2014	0.04%	0.62%	-
Program Proportionate Share of the Net Pension Liability (Asset):			
December 31, 2018	$1,244,799	$97,484	$1,342,283
December 31, 2017	$902,641	$30,132	$932,773
December 31, 2016	$1,371,835	$64,547	$1,436,382
December 31, 2015	$1,464,785	($1,740)	$1,463,045
December 31, 2014	$1,062,126	($18,893)	$1,043,233
Program Covered Payroll:			
December 31, 2018	$960,152	$1,158,362	$2,118,514
December 31, 2017	$1,030,080	$1,404,505	$2,434,585
December 31, 2016	$1,171,140	$1,967,328	$3,138,468
December 31, 2015	$1,260,380	$2,150,735	$3,411,115
December 31, 2014	$1,118,932	$1,356,212	$2,475,144
Program Proportionate Share of the Net Pension Liability (Asset) As a Percentage of Covered Payroll:			
December 31, 2018	129.64%	8.41%	-
December 31, 2017	87.62%	2.14%	-
December 31, 2016	117.13%	3.28%	-
December 31, 2015	116.22%	-0.08%	-
December 31, 2014	94.92%	-1.39%	-
Plan Fiduciary Net Position as a Percentage of Total Pension Liability:			
December 31, 2018	84.10%	90.80%	-
December 31, 2017	89.20%	97.40%	-
December 31, 2016	84.90%	95.10%	-
December 31, 2015	84.50%	100.20%	-
December 31, 2014	87.20%	103.50%	-

Amounts were presented for the System years ended December 31, 2014 through 2018. Going forward, a full 10-year schedule will be presented as it becomes available.

Details regarding actuarial assumptions can be found in Footnote 12 which precedes this section of the statements.

Defined Benefit Pension Contributions – A schedule of the Program's pension contributions to the System follows:

	Noncontributory Plan	Tier 2 Plan	Total
Contractually Required Program Contributions:			
June 30, 2019	$202,374	$231,408	$433,782
June 30, 2018	$238,644	$251,281	$489,925
June 30, 2017	$249,016	$294,983	$543,999
June 30, 2016	$292,406	$475,577	$767,983
June 30, 2015	$299,848	$318,563	$618,411
Program Contributions in Relation to the Contractually Required Contributions:			
June 30, 2019	(202,374)	(231,408)	($433,782)
June 30, 2018	(238,644)	(251,281)	($489,925)
June 30, 2017	(249,016)	(294,983)	($543,999)
June 30, 2016	(292,406)	(475,577)	($767,983)
June 30, 2015	(299,848)	(318,563)	($618,411)
Program Contribution Deficiency (Excess):			
June 30, 2019	$0	$0	$0
June 30, 2018	$0	$0	$0
June 30, 2017	$0	$0	$0
June 30, 2016	$0	$0	$0
June 30, 2015	$0	$0	$0
Program Covered Payroll:			
June 30, 2019	$854,259	$1,155,884	$2,010,143
June 30, 2018	$1,007,362	$1,255,150	$2,262,512
June 30, 2017	$1,051,144	$1,473,442	$2,524,586
June 30, 2016	$1,234,301	$2,375,509	$3,609,810
June 30, 2015	$1,265,715	$1,611,345	$2,877,060
Program Contributions as a Percentage of Covered Payroll:			
June 30, 2019	23.69%	20.02%	-
June 30, 2018	23.69%	20.02%	-
June 30, 2017	23.69%	20.02%	-
June 30, 2016	23.69%	20.02%	-
June 30, 2015	23.69%	19.77%	-

Amounts were presented for the years ended June 30, 2015 through 2019. Going forward, a full 10-year schedule will be presented as it becomes available.

Note to Required Supplementary Information

The following actuarial assumption changes were adopted on January 1, 2018: the investment return assumption remained unchanged at 6.95%; and the assumed inflation rate also remained unchanged at 2.50%. With the same assumed rate of inflation, both the payroll growth and wage inflation assumptions remained the same as the prior year assumptions.

SUPPLEMENTAL SCHEDULES

Combining Financial Statements

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Combining Statement of Net Position
September 30, 2019

	Short-Term Note Fund	1993 Revenue Bond Fund	2012 Revenue Bond Fund	2014 Revenue Bond Fund	2015 Revenue Bond Fund	2016 Revenue Bond Fund	2017 Revenue Bond Fund	Office Facility Bond Fund	Total
ASSETS									
Current Assets									
Cash and cash equivalents	$ 56,307,787	$ 229,092	$ 273,569	$ 108,928	$ 150,846	$ 321,512	$ 300,913	$ 841,549	$ 58,534,196
Funds held by Trustee	-	47,421,064	3,480,260	2,241,378	4,180,279	6,413,674	6,274,914	829,089	70,840,658
Receivables									
Student loans	2,378,669	44,495,587	30,465,847	20,933,527	37,680,569	52,853,282	50,690,916	-	239,498,397
Interest - student loans	377,655	5,255,989	4,313,493	2,951,452	4,776,065	7,106,920	7,565,101	-	32,346,675
Due from counterparty	-	707,827	-	-	-	-	-	-	707,827
Other receivables	3,440,442	19,729	-	-	-	-	-	38,442	3,498,613
Prepaid expenses	803,510	21,101	5,783	4,344	5,196	-	4,347	-	844,281
Total Current Assets	63,308,063	98,150,389	38,538,952	26,239,629	46,792,955	66,695,388	64,836,191	1,709,080	406,270,647
Noncurrent Assets									
Student loans receivable	9,026,921	325,536,972	135,231,961	111,794,810	133,634,016	204,046,094	206,787,816	-	1,126,058,590
Derivative instrument - interest rate swap	-	11,917,910	-	-	-	-	-	-	11,917,910
Capital assets, less accumulated depreciation of $9,083,292	1,897,006	-	-	-	-	-	-	7,608,157	9,505,163
Total Noncurrent Assets	10,923,927	337,454,882	135,231,961	111,794,810	133,634,016	204,046,094	206,787,816	7,608,157	1,147,481,663
TOTAL ASSETS	74,231,990	435,605,271	173,770,913	138,034,439	180,426,971	270,741,482	271,624,007	9,317,237	1,553,752,310
DEFERRED OUTFLOWS OF RESOURCES									
Deferred pension expense	897,126	-	-	-	-	-	-	-	897,126
TOTAL DEFERRED OUTFLOWS OF RESOURCES	897,126	-	-	-	-	-	-	-	897,126
LIABILITIES									
Current Liabilities									
Accounts payable	1,788,942	577,142	129,625	175,925	99,913	192,317	198,326	40,580	3,202,770
Special allowance	5,889	(612,069)	633,531	60,025	747,018	1,102,052	1,036,461	-	2,972,907
Payable to affiliate	1,006,592	-	-	-	-	-	-	6,009	1,012,601
Compensated absences	649,086	-	-	-	-	-	-	2,967	652,053
Other liabilities	135,936	-	-	-	-	-	-	-	135,936
Accrued interest payable	-	4,165,330	68,216	48,032	72,117	117,645	120,243	16,298	4,607,881
Bonds and notes payable	-	87,604,366	24,908,688	14,477,837	29,575,644	46,168,632	42,145,333	746,495	245,626,995
Total Current Liabilities	3,586,445	91,734,769	25,740,060	14,761,819	30,494,692	47,580,646	43,500,363	812,349	258,211,143
Noncurrent Liabilities									
Compensated absences	425,854	-	-	-	-	-	-	603	426,457
Net pension liability	1,342,283	-	-	-	-	-	-	-	1,342,283
Bonds and notes payable, net of unamortized premiums and discounts of $12,364,746	-	202,019,076	122,938,634	97,729,255	129,692,934	201,683,107	210,495,565	2,084,984	966,643,555
Total Noncurrent Liabilities	1,768,137	202,019,076	122,938,634	97,729,255	129,692,934	201,683,107	210,495,565	2,085,587	968,412,295
TOTAL LIABILITIES	5,354,582	293,753,845	148,678,694	112,491,074	160,187,626	249,263,753	253,995,928	2,897,936	1,226,623,438
DEFERRED INFLOWS OF RESOURCES									
Deferred interest rate swap income	-	11,917,910	-	-	-	-	-	-	11,917,910
Deferred gain on bond refundings	-	7,013,522	-	901,064	-	-	-	-	7,914,586
Deferred pension income	441,620	-	-	-	-	-	-	-	441,620
TOTAL DEFERRED INFLOWS OF RESOURCES	441,620	18,931,432	-	901,064	-	-	-	-	20,274,116
NET POSITION									
Net investment in capital assets	1,897,006	-	-	-	-	-	-	4,776,678	6,673,684
Restricted	-	122,919,994	25,092,219	24,642,301	20,239,345	21,477,729	17,628,079	1,642,623	233,642,290
Unrestricted	67,435,908	-	-	-	-	-	-	-	67,435,908
TOTAL NET POSITION	$ 69,332,914	$ 122,919,994	$ 25,092,219	$ 24,642,301	$ 20,239,345	$ 21,477,729	$ 17,628,079	$6,419,301	$ 307,751,882

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Three Months Ended September 30, 2019

	Short-Term Note Fund	1993 Revenue Bond Fund	2012 Revenue Bond Fund	2014 Revenue Bond Fund	2015 Revenue Bond Fund	2016 Revenue Bond Fund	2017 Revenue Bond Fund	Office Facility Bond Fund	Total
OPERATING REVENUES									
Interest on student loans	$ 158,341	$ 2,470,492	$ 2,275,188	$ 1,403,303	$ 2,310,167	$ 3,471,511	$ 3,455,492	$ -	$ 15,544,494
Federal loan servicing revenue	5,927,790	-	-	-	-	-	-	-	5,927,790
Investment income	369,380	207,157	26,226	15,373	31,764	45,154	42,698	9,781	747,533
Other revenue	725,784	-	-	-	-	-	-	208,534	934,318
Total Operating Revenues	7,181,295	2,677,649	2,301,414	1,418,676	2,341,931	3,516,665	3,498,190	218,315	23,154,135
OPERATING EXPENSES									
Interest expense	-	2,336,065	1,162,087	805,625	1,259,447	2,037,001	2,069,996	16,573	9,686,794
Bond and financing related expense	(76,379)	12,899	26,157	26,374	26,949	28,374	28,260	-	72,634
Special allowance	6,770	(539,225)	639,112	73,680	739,289	1,093,023	1,029,429	-	3,042,078
Student loan servicing expense	(205,237)	760,719	334,599	244,643	176,688	383,379	384,879	-	2,079,670
General and administrative expense	773,754	99,567	44,613	31,454	42,536	63,897	64,147	(90,470)	1,029,498
Federal loan servicing expense	6,562,469	-	-	-	-	-	-	-	6,562,469
Depreciation expense	172,634	-	-	-	-	-	-	104,225	276,859
Uninsured claims expense	(978)	(75,986)	(18,962)	(22,821)	(12,484)	(13,634)	(6,286)	-	(151,151)
Total Operating Expenses	7,233,033	2,594,039	2,187,606	1,158,955	2,232,425	3,592,040	3,570,425	30,328	22,598,851
OPERATING INCOME (LOSS)	(51,738)	83,610	113,808	259,721	109,506	(75,375)	(72,235)	187,987	555,284
Transfers - UHEAA Grants	(100,000)	-	-	-	-	-	-	-	(100,000)
CHANGES IN NET POSITION	(151,738)	83,610	113,808	259,721	109,506	(75,375)	(72,235)	187,987	455,284
NET POSITION − Beginning of Year	69,484,652	122,836,384	24,978,411	24,382,580	20,129,839	21,553,104	17,700,314	6,231,314	307,296,598
NET POSITION − End of Period	$ 69,332,914	$ 122,919,994	$ 25,092,219	$ 24,642,301	$ 20,239,345	$ 21,477,729	$ 17,628,079	$ 6,419,301	$ 307,751,882

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Combining Statement of Cash Flows
For the Three Months Ended September 30, 2019

	Short-Term Note Fund	1993 Revenue Bond Fund	2012 Revenue Bond Fund	2014 Revenue Bond Fund	2015 Revenue Bond Fund	2016 Revenue Bond Fund	2017 Revenue Bond Fund	Office Facility Bond Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES									
Principal received on student loans	$ 764,934	$ 12,426,378	$ 7,748,041	$ 4,301,679	$ 8,446,707	$ 13,043,925	$ 13,245,065	$ -	$ 59,976,729
Interest received on student loans	59,825	1,207,426	1,192,438	692,217	1,428,744	2,145,993	2,118,967	-	8,845,610
Special allowance payments	(1,002)	879,391	(520,488)	18,635	(660,398)	(967,348)	(894,490)	-	(2,145,700)
Net borrower payments received for (sent to) related funds	398,383	-	-	-	-	-	-	-	398,383
Payments received for internal services	527,711	-	-	-	-	-	-	-	527,711
Payments for loan purchases	(356,594)	(968,174)	(558,401)	(246,278)	(75,738)	(41,951)	(77,908)	-	(2,325,044)
Payments for student loan servicing expense	(1,112,639)	(767,461)	(338,582)	(246,597)	(180,133)	(388,903)	(390,486)	-	(3,424,801)
Payments for general and administrative expense	579,071	(101,104)	(45,144)	(31,705)	(43,130)	(64,817)	(65,081)	83,786	311,876
Payments for federal loan servicing expense	(6,442,481)	-	-	-	-	-	-	-	(6,442,481)
Payments received for federal loan servicing revenue	7,431,305	-	-	-	-	-	-	-	7,431,305
Payments received for rental revenue	-	-	-	-	-	-	-	219,712	219,712
Payments for student loan disbursements	(383,607)	-	-	-	-	-	-	-	(383,607)
Cash provided by operating activities	1,464,906	12,676,456	7,477,864	4,487,951	8,916,052	13,726,899	13,936,067	303,498	62,989,693
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Transfer for UHEAA Grants	(100,000)	-	-	-	-	-	-	-	(100,000)
Principal paid on bonds and notes	-	-	(6,366,845)	(3,628,552)	(7,992,048)	(11,749,822)	(11,507,189)	-	(41,244,456)
Interest paid on bonds and notes	-	(959,518)	(1,174,946)	(826,332)	(1,249,813)	(2,030,341)	(2,071,398)	(48,894)	(8,361,242)
Payments for bond related expense	71,254	(34,000)	(31,940)	(30,213)	(25,000)	(25,000)	(25,000)	-	(99,899)
Cash used in noncapital financing activities	(28,746)	(993,518)	(7,573,731)	(4,485,097)	(9,266,861)	(13,805,163)	(13,603,587)	(48,894)	(49,805,597)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Acquisition of capital assets	(274,719)	-	-	-	-	-	-	(2,456)	(277,175)
Cash used in capital and related financing activities	(274,719)	-	-	-	-	-	-	(2,456)	(277,175)
CASH FLOWS FROM INVESTING ACTIVITIES									
Proceeds from maturing investments	-	2,754,396	8,491,932	5,020,942	10,236,465	15,365,153	15,108,671	48,894	57,026,453
Interest received on investments	369,380	196,872	26,226	15,373	31,764	45,154	42,698	9,781	737,248
Purchases of investments	-	(14,810,714)	(8,291,683)	(5,032,258)	(10,067,714)	(15,445,097)	(15,582,665)	(5,731)	(69,235,862)
Cash provided by (used in) investing activities	369,380	(11,859,446)	226,475	4,057	200,515	(34,790)	(431,296)	52,944	(11,472,161)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,530,821	(176,508)	130,608	6,911	(150,294)	(113,054)	(98,816)	305,092	1,434,760
CASH AND CASH EQUIVALENTS − Beginning of Year	54,776,966	405,600	142,961	102,017	301,140	434,566	399,729	536,457	57,099,436
CASH AND CASH EQUIVALENTS − End of Period	$ 56,307,787	$ 229,092	$ 273,569	$ 108,928	$ 150,846	$ 321,512	$ 300,913	$ 841,549	$ 58,534,196

(continued next page)

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Combining Statement of Cash Flows
For the Three Months Ended September 30, 2019

(continued)

	Short-Term Note Fund	1993 Revenue Bond Fund	2012 Revenue Bond Fund	2014 Revenue Bond Fund	2015 Revenue Bond Fund	2016 Revenue Bond Fund	2017 Revenue Bond Fund	Office Facility Bond Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES									
Operating income (loss)	$ (51,738)	$ 83,610	$ 113,808	$ 259,721	$ 109,506	$ (75,375)	$ (72,235)	$ 187,987	$ 555,284
Adjustments to reconcile income (loss) to net cash provided by operating activities									
Amortization and depreciation	172,634	(178,371)	-	-	24,029	29,060	21,105	96,351	164,808
Interest expense for noncapital and capital financing	-	2,514,436	1,162,087	805,625	1,235,418	2,007,941	2,048,891	24,447	9,798,845
Interest revenue from nonoperating investing activities	(369,380)	(207,157)	(26,226)	(15,373)	(31,764)	(45,154)	(42,698)	(9,781)	(747,533)
Bond related expense	(76,379)	12,899	26,157	26,374	26,949	28,374	28,260	-	72,634
Change in assets/liabilities:									
Student loans receivable	(227,912)	10,136,520	5,962,402	3,226,769	7,283,609	11,283,239	11,423,046	-	49,087,673
Borrower interest receivable	70,762	(9,667)	125,592	96,391	194,113	381,174	402,652	-	1,261,017
Special allowance	5,768	340,165	118,625	92,316	78,890	125,675	134,939	-	896,378
Other receivables	1,932,261	-	-	-	-	-	-	11,179	1,943,440
Prepaid expenses	(28,214)	-	-	-	-	-	-	-	(28,214)
Accounts payable and payable to affiliate	37,104	(15,979)	(4,581)	(3,872)	(4,698)	(8,035)	(7,893)	(6,685)	(14,639)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 1,464,906	$ 12,676,456	$ 7,477,864	$ 4,487,951	$ 8,916,052	$ 13,726,899	$ 13,936,067	$ 303,498	$ 62,989,693