EISNERAMPER

LOUISIANA PUBLIC FACILITIES AUTHORITY

2011A TAXABLE STUDENT LOAN BACKED BOND PROGRAM

DECEMBER 31, 2023

CONTENTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Louisiana Public Facilities Authority
2011A Taxable Student Loan Backed Bond Program

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Louisiana Public Facilities Authority's 2011A Taxable Student Loan Backed Bond Program (the "Program"), which comprise the statement of financial position as of December 31, 2023 and the related statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Louisiana Public Facilities Authority's 2011A Taxable Student Loan Backed Bond Program as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Program and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Program's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Other Matters

As discussed in Note 2, the financial statements present only the 2011A Taxable Student Loan Backed Bond Program and are not intended to present fairly the financial position and results of operations of the Louisiana Public Facilities Authority in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 9, the Federal Family Education Loan Program (FFELP) was amended in March 2010. As a result, FFELP lender participants, such as the Program, are prohibited from originating new student loans after June 30, 2010. Due to these changes in law, the lending activities of the Louisiana Public Facilities Authority's 2011A Taxable Student Loan Backed Bond Program have ceased. The Program will service and collect its student loans receivable and terminate at the final bond maturity date.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
June 28, 2024

LOUISIANA PUBLIC FACILITIES AUTHORITY
2011A TAXABLE STUDENT LOAN BACKED BOND PROGRAM

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

A S S E T S

Cash and cash equivalents	$	5,066,640
Student loans receivable (net)		85,463,350
Special allowance payment receivable		424,790
Accrued interest receivable		5,074,602
Total assets	$	96,029,382

L I A B I L I T I E S A N D N E T A S S E T S

Accounts payable	$	262,540
Accrued interest payable		1,027,249
Bonds payable		63,686,159
Total liabilities		64,975,948
Net assets - restricted for payment of bonds		31,053,434
Total liabilities and net assets	$	96,029,382

The accompanying notes are an integral part of this financial statement.

LOUISIANA PUBLIC FACILITIES AUTHORITY
2011A TAXABLE STUDENT LOAN BACKED BOND PROGRAM

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

REVENUES	
Interest earned on student loans	$ 4,632,521
Interest earned on cash equivalents	93,939
Special allowance payments	1,791,434
Total revenues	6,517,894
EXPENSES	
Program expenses	
Interest and bond discount amortization and bond issuance cost	4,187,793
Servicing fees	246,295
Administration fees	2,143,818
Trustee fees	16,383
Bad debt expense	137,894
Other expenses	125,543
Total expenses	6,857,726
DECREASE IN NET ASSETS	(339,832)
NET ASSETS - RESTRICTED FOR PAYMENT OF BONDS, BEGINNING OF YEAR	31,393,266
NET ASSETS - RESTRICTED FOR PAYMENT OF BONDS, END OF YEAR	$ 31,053,434

The accompanying notes are an integral part of this financial statement.

LOUISIANA PUBLIC FACILITIES AUTHORITY
2011A TAXABLE STUDENT LOAN BACKED BOND PROGRAM

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Cash Flow From Operating Activities	
Change in net assets	$ (339,832)
Adjustments to reconcile decrease in net assets	
to net cash used in operating activities:	
Amortization of cost of bond issuance	32,877
Non-cash capitalization of interest	(4,064,823)
Bad debt expense	137,894
Decrease in accrued interest receivable	1,295,238
Increase in accounts payable	30,113
Decrease in special allowance payment payable	(29,936)
Increase in accrued interest payable	23,639
Net cash used in operating activities	(2,914,830)
Cash Flow From Investing Activities	
Net repayments of student loans	15,011,778
Net cash provided by investing activities	15,011,778
Cash Flow From Financing Activities	
Cash paid to redeem bonds	(21,020,298)
Net cash used in financing activities	(21,020,298)
Net decrease in cash and cash equivalents	(8,923,350)
Cash and cash equivalents balance, beginning of year	13,989,990
Cash and cash equivalents balance, end of year	$ 5,066,640
Supplemental Disclosures of Cash Flow Information:	
Interest paid	$ 4,131,277

The accompanying notes are an integral part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting and Reporting Policies

Basis of Accounting and Reporting

The Louisiana Public Facilities Authority 2011A Taxable Student Loan Backed Bond Program (the Program) follows the accrual basis of accounting using certain funds established by the bond indentures. The funds, which are maintained by the trustee bank, provide for the accounting for bonds issued, debt service and bond redemption requirements, investments, and related revenues and expenses. These individual funds of the Program are aggregated in the accompanying financial statements.

Cash and Cash Equivalents

The Program considers all money market accounts with an original maturity of three months or less to be cash and cash equivalents.

Loans and Allowance for Credit Losses

Loans are reported at their outstanding principal balance and adjusted for any charge-offs, premiums paid on loans, the allowance for credit losses, capitalized deferred interest, and any deferred fees or costs on originated loans.

The allowance for credit losses is established as losses are estimated to have occurred through a provision for credit losses charged to earnings. Credit losses are charged against the allowance when management believes the un-collectability of a loan balance is confirmed. The allowance for credit losses is evaluated annually and is maintained at a level which, in management's judgment, is adequate to absorb credit losses inherent in the loan portfolio. The amount of the allowance is based on management's evaluation of the collectability of the loans, trends in historical loss experience and specific delinquent loans, economic conditions and reasonable supportable forecasts.

Capitalized Interest

The cash flow from the financed student loans and the Program's ability to make payments due on the bonds will be reduced to the extent interest is not currently payable on the financed student loans. The borrowers on most student loans are not required to make payments during the period in which they are in school and for certain authorized periods thereafter, as described in the Higher Education Act (HEA). The Department of Education will make all interest payments while payments are deferred under the HEA on certain subsidized student loans that qualify for the interest benefit payments. For all other student loans, interest generally will be capitalized and added to the principal balance of the student loans. The financed student loans will consist of student loans for which payments are deferred as well as student loans for which the borrower is currently required to make payments of principal and interest. The proportions of the financed student loans for which payments are deferred and currently in repayment will vary during the period that the bonds are outstanding. The amount of capitalized interest recognized during the year ended December 31, 2023 was $4,064,823.

Fund Accounting

To ensure observance of limitations and restrictions placed on the uses of resources available to the Program, the accounting system is organized and operated on a fund basis. The assets, liabilities, and net assets of the Program are restricted funds, which represent the portion of funds available for support of the Program's supporting services, such as debt service on the bonds and other various Program expenses.

NOTES TO THE FINANCIAL STATEMENTS

1. **Summary of Significant Accounting and Reporting Policies** (continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U. S. 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.

Functional Expenses by Nature and Class

All expenditures are for the purpose of the 2011A Taxable Student Loan Backed Bond Program as outlined in the bond indenture, as amended and supplemented from time to time.

Revenue Recognition

Interest on student loans and investments is recorded as an increase in net assets restricted for payment of bonds when earned.

Accounting Pronouncements Adopted

On January 1, 2023, the Program adopted ASU 2016-13 Financial Instruments – Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments* (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. This standard changes the impairment model for most financial instruments including receivables and investments from an incurred loss method to a new forward-looking approach, based on expected losses. The estimate of credit losses requires entities to incorporate considerations of historical information, current information and reasonable supportable forecasts. The updated standard was effective for years beginning after December 15, 2022. The Foundation adopted ASU 2016-13 as of January 1, 2023, which did not have a material impact on its financial statements.

2. **Organization and Purpose**

The Louisiana Public Facilities Authority (the Authority) was established by a private corporation pursuant to the Louisiana Public Trust Act as a public trust and public corporation. The Authority receives no funding from the State of Louisiana. The Program was initially established by the Authority in 1984 to assure adequate loan availability for the students with a Louisiana connection, to promote greater access to higher education in the State, and to help reduce the cost of higher education. The funds for this Program were obtained through the issuance of various bond issues. All of the bonds issued to fund the Program are limited and special revenue obligations of the Authority and are not obligations of the State of Louisiana or any political subdivision thereof.

The 2011A Taxable Student Loan Backed Bond Program is one of many bond programs operated by the Authority. The accompanying financial statements present information only as to the 2011A Taxable Student Loan Backed Bond Program and are not intended to represent complete financial statements of the Authority.

NOTES TO THE FINANCIAL STATEMENTS

2. **Organization and Purpose** (continued)

The Program has entered into agreements with two corporations to service eligible loans acquired with the bond proceeds. In addition, the Program utilized financial institutions which qualify as eligible lenders under the HEA and entities which met the requirements of an eligible guarantee agency providing for the purchase of student loans. A bank has been designated as trustee of the Program and has the fiduciary responsibility for the custody and investment of funds. The Program is subject to periodic examinations by the Department of Education as required by the HEA.

On April 20, 2011, the Authority issued $509,000,000 of Taxable Student Loan Backed Bonds Series 2011A for the purpose of refunding all of the $567,200,000 of bonds outstanding in connection with the Authority's 1999 Student Loan Revenue Bond Program (the refunded bonds). The Authority used $67,997,843 of the 1999 Student Loan Revenue Bond Program funds held by the trustee to pay down the Refunded Bonds as of April 20, 2011. At that time, the Trustee also released all of the student loans described in Note 4 hereof from the lien created by the Indenture of Trust for the 1999 Student Loan Revenue Bond Program and transferred the loans to the Program. The 2011 Bonds and the transferred student loans are being accounted for in the accompanying financial statements.

These bonds originally consisted of $151,000,000 of Taxable Student Loan Backed Bonds, series 2011A-1 due April 26, 2021, $248,000,000 of Taxable Student Loan Backed Bonds Series 2011A-2 due April 26, 2027 and $110,000,000 of Taxable Student Loan Backed Bonds Series 2011A-3 due April 25, 2035 (collectively the "Series 2011A Bonds"), pursuant to an Indenture of Trust dated April 1, 2011, between the Authority and Wells Fargo Bank, National Association (as successor to the Bank of New York Mellon Trust Company, N.A.), as eligible lender trustee and trustee. The Series 2011A-1 bonds were paid in full during the year ended December 31, 2014 and the Series 2011A-2 bonds were paid in full during the year ended December 31, 2021. On April 1, 2022, the Program amended and restated the Indenture of Trust dated April 1, 2011 and on April 22, 2022, the series 2011A-3 bonds were subject to mandatory tender and were purchased by a single bondholder for a total of $102,730,827.

The Program was designed to originate or acquire eligible loans that provide for an upfront benefit or a reduction of the interest rate during repayment. Substantially all of the eligible loans in the Program are eligible for an upfront benefit or reduction of interest rate during repayment when certain timely payment conditions are met. The Program provides for a 1% interest rate reduction throughout standard repayment on all financed eligible loans initially disbursed from May 1, 1995 and prior to May 1, 1999. This benefit is forfeited only if the borrower consolidates or defaults or changes from standard repayment. For all eligible loans initially disbursed from May 1, 1999 through June 30, 2008, the Program offered a 3% interest rate reduction during standard repayment if the borrower met certain timely payment requirements. This benefit is forfeited if the borrower consolidates, defaults or becomes delinquent or changes from standard repayment.

The Program also offers up to a 0.50% interest rate reduction in repayment for all eligible loans when the borrower signs up for payment by auto debit.

The Program allows a portion of the eligible loans to be interest free during standard repayment for certain types of borrowers with loans initially disbursed from May 1, 2001 through March 31, 2009. Additionally, the Program provides for an interest rate reduction during standard repayment on all eligible consolidation loans initially disbursed prior to April 1, 2008, if the borrowers meet certain timely payment requirements. The Program offers a 6% cumulative principal reduction for all Stafford Loans initially disbursed between July 1, 2003 through December 31, 2007 and Graduate Student PLUS loans initially disbursed from July 1, 2006 through December 31, 2007 if the student borrower provides proof of graduation, employment, and residency in Louisiana after each year of repayment and meets certain timely payment requirements, with the principal reduction being applied over a three year period. The eligible lender trustee, as an eligible lender, acquired or originated all of the eligible loans.

NOTES TO THE FINANCIAL STATEMENTS

3. Cash and Cash Equivalents

The Program's cash and cash equivalents balance at December 31, 2023 consists of amounts invested in Wells Fargo Secured Institutional Money Market Account (SIMMA).

The Program's funds deposited under the trust indenture are authorized to be invested in marketable direct obligations of the United States or any state or political subdivision, time deposit open accounts, marketable bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by any government agency, shares of an investment company whose shares are registered under the Federal Securities Act of 1933, or commercial paper rated in the single highest classification.

Substantially all of the cash and cash equivalents of the Program are restricted for debt service on bonds and payment of various program expenses. See Note 6.

4. Student Loans Receivable

Student loans acquired by the Program have various maturity dates. The maximum maturity date is dependent on loan type, repayment option and outstanding balance and other terms as established by the US Department of Education (DOE) and authorized by the HEA. For consolidation loans the maximum maturity date is thirty years. As of December 31, 2023, the Program's principal balance in the student loan portfolio was $85,554,380 of student loans at interest rates ranging from 4.87% to 8.71%. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding.

Each student loan purchased or originated by the Program has a loan guarantee agreement in effect covering at least 98% for loans first guaranteed prior to July 1, 2006 and 97% for loans first guaranteed on or after July 1, 2006 of the principal and interest outstanding on the student loan issued under the FFELP in accordance with the HEA. However, all loans must meet due diligence requirements in order to be eligible for federal guarantee. The Program feels substantially all loans under the Program have met all necessary requirements. In the event of any denied default claim due to an error by the originating lender or a servicer, the Program may have recourse against the servicers and/or the original lending institution. Loans are considered past due based on their contractual terms. Loans that are past due 90 days or more and still accruing interest amounted to $6,221,963 at December 31, 2023.

Delinquent student loans (past due 90 days or more) included in the accompanying financial statements represented 7.3% of total loans. As a result of the aforementioned, the Program has included a reserve of $91,030 for uncollectible loans at December 31, 2023.

All of the student loans originated or purchased by the Program met one of the following criteria:

1) A basic eligible federally guaranteed subsidized or nonsubsidized Stafford student loan in which the federal government makes interest subsidy payments available to reduce student interest costs and is eligible as defined in Section 438 of the HEA for purposes of receiving Special Allowance Payments.

2) An eligible federal PLUS/SLS loan for graduate and professional students, undergraduate independent students, and supplemental loans to parents of dependent students.

4. **Student Loans Receivable** (continued)

3) An eligible federal consolidation loan for borrowers to fund payment and consolidation of the borrower's obligation of guaranteed student loans and certain other loans authorized pursuant to other federal programs.

The student loans are serviced by third party corporations, which receive a monthly servicing fee from the Program. The Program assesses a total to be paid for both servicing and program administration fees (the total) equal to a percentage of the outstanding pool balance (loan principal plus expected interest to be capitalized) paid on a monthly basis. Thus the monthly program administration fee received by the Program is equal to the difference between the monthly total fee and the monthly servicing fees. As part of the amended and restated indenture noted in Note 1, program administration and servicing fees were restructured to assess the program a fixed monthly total amount to pay servicing, trustee and program administrative fees. The monthly program administration fee received by the program is equal to the difference between the monthly total fee and the total of servicing and trustee fees.

5. **Special Allowance Payments**

Special allowance payments are either received from, or paid to, the Department of Education in accordance with the HEA. The amount of interest that the Program is allowed to earn on the student loans held under the Indenture is set by the HEA. The permitted amount of interest can be either above or below the amount of interest received by the Program from the borrowers. If the interest received from the borrowers is below the permitted amount, the Department of Education will make a special allowance payment to the Program equal to the difference between the permitted amount of interest and the actual interest received from the borrower. If the interest received from the borrowers is above the permitted amount, the Program must pay the excess interest received from the borrower to the Department of Education as a negative special allowance payment. The special allowance payments are calculated based on the daily average unpaid principal balance for certain types of loans.

For the year ended December 31, 2023, excess interest of approximately $1,791,000 was either remitted or owed to the Department of Education and is presented as a contra revenue account on the Statement of Activities and Changes in Net Assets.

6. **Bonds Payable**

The Bond Indenture provides that bond principal and interest are secured by pledges of all student loans acquired, all revenues and collections with respect to such loans, and all funds established by the Program, together with all of the proceeds generated therefrom. The original indenture provided for the issuance of its Taxable Student Loan Backed Bonds 2011A-1, 2011A-2 and 2011A-3 totaling $509,000,000. The Series A-3 bonds were the only outstanding bonds as of December 31, 2021. The original 2011A-3 bond had a variable LIBOR indexed floating interest rate which was the three month LIBOR rate, plus .95%. On April 1, 2022, the Program amended and restated the Indenture of Trust dated April 1, 2011 and on April 22, 2022, the series 2011A-3 bonds were subject to mandatory tender and were purchased by a single bondholder for a total of $102,730,827. The amended and restated indenture restructured the 2011A-3 bonds to bear interest at an Indexed Floating Rate, which equals the sum of: (A) the Applicable Index (100% of the Daily SOFR Rate, with a 0.05% floor) plus (B) the Applicable Index Adjustment (0.1144% per annum) plus (C) the Applicable Spread (0.78%; 10 year term). The bond is subject to mandatory tender on April 22, 2032 and matures on April 25, 2035.

6. **Bonds Payable** (continued)

The bonds pay quarterly distributions of principal and interest on the twenty-fifth day of each January, April, July and October beginning on July 25, 2022. Outstanding bonds payable at December 31, 2023, consist of the following:

Series 2011 A-3	
Term bonds, due April 25, 2035,	
bearing interest at a variable rate as stated in the bond indenture	
which was 6.2244% at December 31, 2023, payable quarterly.	$ 63,686,159
Total bonds payable	$ 63,686,159

The scheduled debt principal maturities during the five years ending December 31, 2028, and thereafter are as follows:

2024	$ -
2025	-
2026	-
2027	-
2028	-
Years thereafter	63,686,159
	$ 63,686,159

The revenue bonds are subject to mandatory tender and purchase by the Program at par, plus accrued interest on April 22, 2032 and the bonds mature on April 25, 2035. Principal will be paid on the series A-3 bonds until paid in full.

7. **Availability and Liquidity**

The following represents the Program's financial assets at December 31, 2023:

Financial assets at year end:	2023
Cash and cash equivalents	$ 5,066,640
Student loans receivable (net)	85,463,350
Special allowance payment receivable	-
Accrued interest receivable	5,499,392
Total Financial assets	96,029,382
Less:	
Estimated amount of loan assets not available in 2023 (HESC only)	73,357,418
Estimated accrued interest not available including government interest payments	2,182,649
Estimated loan repurchases in 2024	273,139
Estimated refunds and late fees in 2024	(61,476)
Estimated bond payments	4,672,335
	80,424,066
Total available cash for operating purposes over the next twelve months	$ 15,605,316

All interest received on loans and investments are restricted funds, which represent the portion of funds available for support of the Program's supporting services, such as debt service on the bonds and other various Program expenses.

8. Fair Value of Financial Instruments

The Fair Value Measurements and Disclosure topic of FASB Accounting Standards Codification (ASC), requires disclosure of fair value information about financial instruments, whether or not recognized in the statement of financial position. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, could not be realized in immediate settlement of the instruments from its disclosure requirements. The fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. The three levels of the fair value hierarchy under the framework are described as follows:

- Level 1 – inputs are based upon adjusted quoted prices for identical instruments traded in active markets.

- Level 2 – inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of assets or liabilities.

- Level 3 – inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The carrying amounts of cash and cash equivalents approximate fair value and are classified as Level 1. Due to bonds being carried at a variable rate, the carrying amount approximates fair value and are classified as Level 2. The fair value of student loan receivables is based upon market data and estimated to be at par, less the allowance and are classified as Level 3. The following table sets forth by level, within the fair value hierarchy, the Program's assets and certain liabilities at fair value as of December 31, 2023:

	Level 1	Level 2		Level 3
Cash & cash equivalents – SIMMA	$ 5,066,640	$ -		$ -
Student loans receivable, net	-	-		85,463,350
Bonds payable	-	63,686,159		-
Total assets at fair value	$ 5,066,640	$ 63,686,159	$	$ 85,463,350

Since judgment is required to develop fair value estimates, the estimated amounts may not be indicative of the amounts the Program could realize in a current market exchange. The aggregate fair value amounts are not intended to represent the underlying aggregate fair value of the Program.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

8. **Fair Value of Financial Instruments** (continued)

The following table provides further details of the Level 3 fair value measurement at December 31, 2023:

Beginning balance of student loans receivable, net	$ 96,548,199
Net repayment of student loans receivable	(15,011,778)
Non-cash capitalization of interest	4,064,823
Bad debt expense	(137,894)
Ending balance of student loans receivable, net	$ 85,463,350

9. **State of the Industry**

COVID-19 Pandemic. On January 30, 2020, the World Health Organization announced that the outbreak of the novel coronavirus disease 2019 ("COVID-19") constituted a public health emergency of international concern. On January 31, 2020, the United States Department of Health and Human Services Secretary declared a public health emergency in response to the spread of COVID-19, (the "COVID-19 Pandemic"). In March 2020, the World Health Organization characterized the outbreak of COVID-19 as a global pandemic. As a result, on March 13, 2020, the President of the United States declared a national emergency.

On January 20, 2021, the President of the United States signed an executive order instructing the U.S. Department of Education to extend the federal Direct student loan payment forbearance and the halting of interest accrual and collections activities through September 30, 2021, for federally-owned loans (which does not include the Financed Eligible Loans of approximately $96,625,927). On August 6, 2021, the U.S. Department of Education announced an additional extension until January 31, 2022, then through May 1, 2022, then through August 31, 2022, and further extended through December 31, 2022, and then beyond through on or before June 30, 2023, in conjunction with the USDOE payment pause extension and the resolution of the litigation at the Supreme Court with respect to student loan forgiveness. The Authority provides COVID-19 related administrative forbearances to borrowers of the Financed Eligible Loan upon request for up to 90-day periods. Interest continues to accrue in any Financed Eligible Loans for which a COVID-19 related forbearance is requested and granted. Such forbearances could cause the rate of repayment of the Financed Eligible Loans to be slower than expected, which would have a corresponding impact on the payment of the Bonds. The Authority continued to offer COVID-19 administrative forbearances, upon request, through June 30, 2023.

In conjunction with the COVID-19 national emergency and as provided by the U.S. Department of Education, the Authority has advised borrowers of their option to request and apply a temporary federal disaster emergency administrative forbearance to their student loans. This allows a borrower facing financial hardship to suspend interest and principal payments for up to 90 days. Additional 90-day administrative forbearance extensions may be requested in writing by the borrower as provided by the U.S. Department of Education, during this state of emergency and during the federal direct payment pause period. There are no restrictions on the number of extensions a borrower may request during these periods. As an additional relief measure, the Authority waived all late fees for borrowers impacted by COVID-19 for up to 90 days. The Authority reserves the right to adopt and/or suspend relief measures in response to the COVID-19 Pandemic and as provided by the U.S. Department of Education. All otherwise available options for the borrower to suspend or reduce monthly payments remain in full force.

9. **State of the Industry** (continued)

Effective JUNE 9, 2023, the Authority no longer offered COVID- related administrative payment relief forbearances to the Authority's Federal Family Education Loan (FFEL) borrowers. At this time, the Authority also transferred servicers of all FFEL loans from Edfinancial Services LLC to Higher Education Servicing Corporation (HESC), in two phases with final completion on June 19, 2023. Any COVID forbearance requests processed prior to June 9, 2023, were honored by HESC through the approved forbearance period.

10. **Subsequent Events**

The Authority is in negotiations with Pennsylvania Higher Education Assistance Agency (PHEAA) to secure their services for related back-up servicing as required by the related trust documents with a targeted completion date prior to September 30, 2024.

The Biden-Harris Administration announced on May 15, 2024, an update on the timing of the payment count adjustment for student loans in income-driven repayment plans. This administrative fix ensures borrowers get proper credit for progress borrowers made toward income-driven repayment (IDR) forgiveness and Public Service Loan Forgiveness (PSLF). The payment count adjustment is anticipated to be fully implemented in September 2024. At that time, borrowers with Direct Loans or Federal Family Education Loan (FFEL) Program loans held by the U.S. Department of Education (Department) will see a full and accurate count of their progress toward loan forgiveness. Because of this updated timeline, borrowers with non-federally held FFEL loans who apply to consolidate by June 30, 2024, can still benefit from the payment count adjustment. The prior consolidation deadline was April 30, 2024.

Management has evaluated subsequent events through June 28, 2024, the date that the financial statements were available to be issued and determined that there were no other events that require disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.