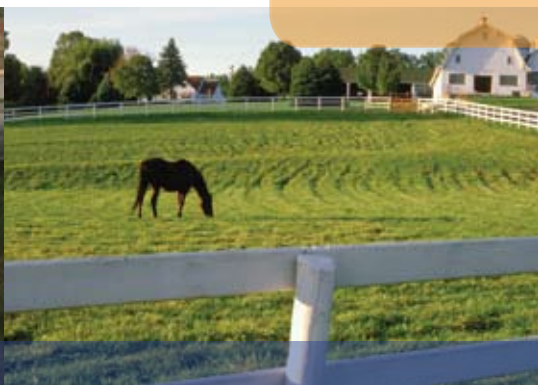


Reinvesting in Kentuckians

Kentucky Higher Education Assistance Authority
The Student Loan People
FY 2007 Annual Report





Reinvesting in Kentuckians

About us

The 1966 Kentucky General Assembly created the Kentucky Higher Education Assistance Authority (KHEAA) as a public corporation and governmental agency and instrumentality of the Commonwealth to improve access to college and technical training. KHEAA administers federal student loan programs, provides state student financial aid, and distributes information about college opportunities. In 1978, the state legislature created the Kentucky Higher Education Student Loan Corporation (KHESLC), an independent *de jure* municipal corporation, to ensure funding would be available to Kentuckians by making, purchasing, and financing student loans. KHESLC assumed the name of The Student Loan PeopleSM in 1999. The Student Loan People and KHEAA are governed by a Board of Directors with identical membership, and the Executive Director/CEO of KHEAA also serves as Executive Director/CEO of The Student Loan People. For more information, visit www.kheaa.com or www.studentloanpeople.com.

A message from our Governor...

My administration recognizes that higher education is no longer a luxury—it is an essential element that can lead individual students and the entire Commonwealth to a successful future.

The Commonwealth of Kentucky's commitment to its students and families is most clearly evident through its wide variety of postsecondary opportunities, as well as the student financial aid programs and services administered by the Kentucky Higher Education Assistance Authority (KHEAA) and The Student Loan People.

I am pleased to say that KHEAA and The Student Loan People provide our citizens with some of the most generous and comprehensive outreach, student aid, and borrower benefits in the country to help ensure Kentuckians' access to college or technical training. Our combined investment is a key component to equipping our citizens with the education and skills needed to successfully compete and make the Commonwealth an even better place in which to live, work, and raise their families.

Thank you for your interest in the activities and accomplishments of KHEAA and The Student Loan People on behalf of Kentuckians.



A handwritten signature in blue ink that reads "Ernie Fletcher".

Governor, Commonwealth of Kentucky



Reinvesting in Kentuckians

All General Funds received by KHEAA go directly to students as awards. Kentucky Lottery revenue funds the vast majority of state student aid awards disbursed by KHEAA. Federal Leveraging Educational Assistance Partnership/Special Leveraging Educational Assistance Partnership Funds, Coal Severance Tax, Tobacco Settlement Funds, Federal Funds, Civil Penalties under KRS 199.990, and The Student Loan People revenue transfers fund the remainder. Neither KHEAA nor The Student Loan People receive General Fund appropriations for administration.

Revenue generated by KHEAA and The Student Loan People's administration of the Federal Family Education Loan Program (FFELP) funds additional state student aid awards, outreach programs to increase Kentucky's college-going rate, zero-fee loans for all borrowers, and interest and loan forgiveness programs to encourage our citizens to enter the Commonwealth's critical-shortage professions. These important services are provided at no cost to taxpayers.

Reinvesting in Kentuckians

Dedicated to our public-service mission

As public, nonprofit agencies created by the Kentucky General Assembly, KHEAA and The Student Loan People have invested their time, energy, and resources on making higher education accessible for Kentucky students and their families for more than four decades. Fiscal Year (FY) 2007 was no exception.

KHEAA and The Student Loan People fulfill their public-purpose mission in a variety of ways. While the agencies administer state student financial aid and Federal Family Education Loan Programs (FFELP) to help Kentuckians pay their higher education expenses, they do much more.

At no cost to taxpayers or the state's General Fund, KHEAA and The Student Loan People reinvest their revenue in a wide range of financial aid programs and services for Kentuckians. This revenue has helped countless Kentuckians pursue a college education or technical training.

Since 1993, the agencies have supplemented state General Funds with millions of dollars for several student aid programs. During FY 2007 alone, KHEAA and The Student Loan People contributed more than \$40 million directly to Kentucky families through additional student aid awards, zero-fee student loans, and interest and loan forgiveness for teachers, nurses, and public service attorneys.



In 2007, KHEAA and The Student Loan People contributions also covered \$5.3 million in administrative costs of Kentucky's state student aid programs and comprehensive early awareness and college planning activities, publications, and websites for students of all ages. KHEAA and The Student Loan People revenue has paid administrative costs of Kentucky's state student aid and FFELP programs since 1979.

For many years, these contributions have been carefully planned to meet the specific needs of Kentucky students, families, and others who can help us increase access to higher education. In this year's annual report, KHEAA and The Student Loan People are pleased to share not only amounts of student aid disbursed and guaranteed but also comments from those served about how our programs and services are making a positive difference in the lives of Kentucky's citizens.

Of course, these contributions to Kentuckians could not be possible without the participation of Kentucky schools and lenders in FFELP which is administered by the Commonwealth's only nonprofit student aid agencies. We extend our sincere appreciation to them as well as to our staff, board of directors, state legislators, and Governor. Their support, trust, and dedication to Kentucky students and their families make it possible for KHEAA and The Student Loan People to provide cost-efficient and taxpayer-friendly programs and services to help the citizens of the Commonwealth pursue higher education.

Spencer D. Noe

FY 2007 Board Chair



KHEAA and The Student Loan People's outreach counselors have provided much needed assistance and information to parents in our GEAR UP grant project. During our first year in GEAR UP, we were looking for someone that could explain the various college-bound programs and financial aid opportunities available to parents. The outreach counselors we worked with were very helpful and always willing to meet with our parents whenever we had a meeting and even stayed afterwards to answer questions.

– Mike Hughes, GEAR UP Project Coordinator
Green River Regional Educational Cooperative

Kentucky's free higher education publications, user-friendly websites, and free financial aid workshops are a tremendous asset to students in Grayson County and all across the state. I consider KHEAA and The Student Loan People as Kentucky's go-to resource for information about college and student aid.

– Michael Meredith, Guidance Counselor
Grayson County High School



We use the GoHigherKY.org website with all our students. It is fantastic! I used to lug around armloads of the *Affording Higher Education* booklets to all my sessions, but now I just go to the site and get the information I need. As part of our curriculum, we even help students register and check their KEES accounts. It is a great source of information for both me and my students!

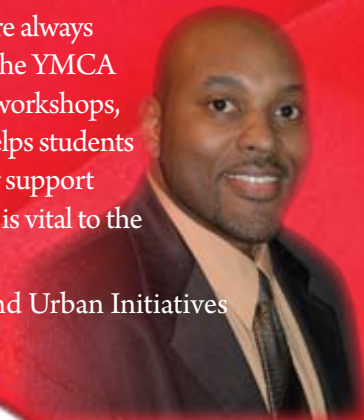
– Becky Miller-Thomas, Educational Advisor
Educational Talent Search, Northern Kentucky University

Of all the outreach services, number one on my list is *Getting In* for seniors. These books have up-to-date information about colleges and scholarships and are a big help to our students. Often, students and parents don't know what options are available, especially if the parents haven't been through the college process. With these free college-planning books, all the information is right at their fingertips.

– Matt Spencer, Guidance Counselor
Meade County High School

KHEAA and The Student Loan People's outreach counselors are always available to provide information to the students and parents of the YMCA Black Achievers program. The counselors take the time to lead workshops, answer questions, and distribute a wealth of information that helps students set educational goals and objectives and allows parents to better support their children. The service provided by the outreach counselors is vital to the community and instrumental to our program.

– Freddie L. Brown, Jr., Director of Outreach and Urban Initiatives
Executive Director, YMCA Black Achievers



Reinvesting in Kentuckians

Comprehensive early awareness efforts

A vital component in increasing access to higher education is ensuring our citizens are aware of higher education opportunities, financial aid programs, and how and when to apply. KHEAA and The Student Loan People reinvest in Kentuckians by administering some of the most comprehensive early awareness and outreach activities in the nation. In fact, many states across the country have used our programs as models on which to base their own programs. Outreach activities for FY 2007 are briefly described below.

- **Free, age-specific college planning publications**, which are updated and distributed annually:
 - *Getting In* for high school seniors — 57,940 copies
 - *Getting Ready* for high school juniors — 59,880 copies
 - *Getting Set* for high school sophomores — 63,200 copies
 - *Getting Started* for high school freshmen — 64,500 copies
 - *Adults Returning to School* (for nontraditional students) — 11,310 copies
 - *Affording Higher Education* (Kentucky financial aid reference) — 3,810 copies
 - *College Circuit* (overview of KEES and financial aid) — 76,350 copies
- **Nine Regional Outreach Counselors** (who visit all 120 Kentucky counties) — 540 exhibits and 860 presentations at financial aid workshops, college and career fairs, and other events; 4,480 on-site visits; and 162,940 miles traveled.
- **GoHigherKY.org** (Kentucky's one-stop higher education website) — 54,890 accounts created to date.
- **College Info Road Show** (traveling college-planning classroom) — 24,700 miles traveled across Kentucky visiting high schools, adult education centers, public libraries, county fairs, GEAR UP expos, community festivals, the Kentucky State Fair, and other events.
- **Parent/student newsletters** — Eight editions distributed to share information about college planning and student financial aid.
- **Counselor newsletters** — Six editions distributed to provide important student financial aid updates.
- **Financial Aid Tips of the Month** — 860 published in newspapers and aired on radio.
- **Customer care call center** — 67,300 student and parent callers served.
- **College Goal Sunday** — Joint sponsorship of a free, statewide event to help families complete the Free Application for Federal Student Aid.

A college education is very important to me, and receiving a combination of KEES awards, grants, and work-study means I haven't had to rely on loans. KHEAA's student aid programs have been a big help for me and my family.

– Dana Runyon, Pike County native
Transylvania University junior



My son and I attended College Goal Sunday at the Elizabethtown location for help in filling out the Free Application for Federal Student Aid. The presenter went over each question step-by-step and was very informative. The smaller one-on-one sessions were also helpful. The counselors provided answers to our questions that you just can't get from reading the directions alone, such as whether retirement accounts and the home you live in are treated as assets when applying for student aid. For my family, College Goal Sunday made applying for student aid much easier and less intimidating than if we'd gone it alone.

– Cindy Smith, Brandenburg
Parent of University of Louisville freshman



KHEAA and The Student Loan People have helped my family so much. My daughters lost their father, my husband of 26 years, to cancer this winter; and now I am a single mother trying to make ends meet. My oldest daughter received a full KEES scholarship at her university and plans to attend Pikeville College School of Osteopathic Medicine, where she hopes to use your scholarship for that program. My middle daughter is now in college studying engineering, and she earned the full amount of KEES. My youngest daughter is going into the educational program at college in the fall and will receive the full amount of KEES as well. I am so thankful for all the financial aid programs. I know, because of them, my children will follow their dreams.

– Norma Cummins
Parent, Rockcastle County

Reinvesting in Kentuckians

\$188 million in student aid

Rising college costs have made student financial aid programs more important than ever to help Kentuckians achieve their higher education and career goals. During FY 2007, KHEAA disbursed more than \$188 million directly to 120,780 students to help them pay college costs, including \$91 million in need-based grants and \$88 million in merit-based KEES awards funded by Kentucky Lottery revenue. To provide additional awards to students, KHEAA and The Student Loan People contributed \$4 million for Kentucky National Guard Tuition Awards, KHEAA Work-Study wages, and Mary Jo Young Scholarships. Student aid programs and the amount disbursed during FY 2007 are briefly described below.

- **Kentucky Educational Excellence Scholarship** — Recognizes students based on GPAs/ACT scores.
- **College Access Program Grant** — Provides access to students with financial need.
- **Kentucky Tuition Grant** — Offers students with financial need a choice of attending an independent institution.
- **Teacher Scholarship** — Assists education majors demonstrating financial need.
- **Osteopathic Medicine Scholarship** — Assists students attending Pikeville College School of Osteopathic Medicine.
- **Kentucky National Guard Tuition Award** — Provides tuition for active Guard members in good standing.
- **KHEAA Work-Study Program** — Enables students to earn wages to help pay for higher education.
- **Early Childhood Development Scholarship** — Assists students working in early childhood education.
- **Robert C. Byrd Honors Scholarship** — Rewards students demonstrating academic achievement.
- **Mary Jo Young Scholarship** — Pays for AP or dual credit courses for disadvantaged high school students.
- **Kentucky's Affordable Prepaid Tuition** — Allows families to prepay tuition.
- **Kentucky Education Savings Plan Trust** — Encourages families to save for future college costs.

State Student Aid Expenditures—FY 2007	Recipients	Amount
Kentucky Educational Excellence Scholarship (KEES)	64,070	\$88,441,100
College Access Program (CAP) Grant	38,970	59,606,800
Kentucky Tuition Grant (KTG)	12,620	31,406,000
Teacher Scholarship Loan Service Cancellation/Write-off	670	1,782,100
Osteopathic Medicine Scholarship Loan Service Cancellation/Write-off	110	1,047,400
Kentucky National Guard Tuition Award	1,350	3,867,400
KHEAA Work-Study	1,140	809,400
Early Childhood Development Scholarship	1,120	1,075,200
Robert C. Byrd Honors Scholarship	350	483,600
Mary Jo Young Scholarship	910	327,800
Total	121,310	\$188,846,800

Other Program Benefits—FY 2007	Recipients/Loans	Amount
Teacher Scholarship/Loan*	840	\$2,712,500
Osteopathic Medicine Scholarship/Loan*	90	822,400
Kentucky Education Savings Plan Trust (KESPT) Payments	980	3,198,600
Kentucky's Affordable Prepaid Tuition (KAPT) Payments	570	3,376,600
Total	2,480	\$10,110,100

*These programs are scholarships if service requirements are met; otherwise, they are repayable loans with interest.

“The majority of freshmen come to campus with little practical financial knowledge, such as how to balance a checkbook or create a budget. ‘It’s Money, Baby’ seminars provide information students need to be successful. Students should be careful about not taking on too much debt, especially credit card debt. After attending a seminar, one of our students came to the financial aid office to ask about student loans. She had been using credit cards to pay for college expenses and not paying the balance each month. The seminar made her realize low-cost federal student loans are a much better option.

– Patricia Arauz, Financial Aid Director
University of Louisville

“I am grateful for the excellent service I received while working on my student loans with The Student Loan People customer service representatives. All worked extremely hard to see that my account was where it needed to be. I extend my gratitude to them and appreciate their time and attention to taking care of my student loan needs.

– Selena Renee’ Spivey, Richmond
Student Loan People Borrower

“Through KHEAA and The Student Loan People, I have made my dream of pursuing a nursing career a reality. Without the help of caring and understanding staff, my college career would not be possible. Through the Stafford Loans and Best In Care program, I can graduate with ease knowing that I won’t have a fortune of debt to pay back. KHEAA and The Student Loan People have my sincere gratitude.

– Terri Miller, Campbellsville
Campbellsville University junior



Reinvesting in Kentuckians

\$663 million in low-cost loans
\$1.2 billion in guarantees

KHEAA and The Student Loan People reinvest in students and families by providing Kentucky's lowest-cost student loans. During FY 2007, The Student Loan People disbursed over \$663 million and serviced a portfolio of \$8 billion, while KHEAA guaranteed \$1.2 billion in Federal Family Education Loan Program (FFELP) loans. KHEAA guarantees FFELP loans made by The Student Loan People as well as student loans made by other lenders. Zero fees and other discounts make our student loans the most affordable for Kentucky students and parents.

- 🎓 **Federal Stafford Loan** — For undergraduate, graduate, and professional students.
- 🎓 **Federal PLUS Loan** — For parents and graduate and professional students.
- 🎓 **Federal Consolidation Loan** — For borrowers in repayment.
- 🎓 **The Student Loan People Advantage Loan** — For borrowers who need additional funds after using their federal student aid eligibility.

In keeping with our public-purpose mission, KHEAA and The Student Loan People are completely committed to the success of college students. We work with borrowers throughout the entire process to ensure they understand and can meet their financial obligations and can realize the full benefit of their investment in higher education.

- 🎓 **How to Save if You Have to Borrow** — An online feature that contains loan cost comparisons of KHEAA's largest lenders.
- 🎓 **It's Money Baby** — Financial literacy seminars conducted at high schools and college campuses.
- 🎓 **Investing in Your Future** — Loan counseling for new borrowers.
- 🎓 **The Keys to Successful Repayment** — Loan counseling for borrowers who are graduating or leaving school.
- 🎓 **Borrower advocates** — Staff who provide personalized assistance and counseling to borrowers on ways to keep their loans in good standing, including:
 - 🎓 **Repayment options** — A choice of standard, graduated, and income-sensitive repayment options.
 - 🎓 **Consolidation Loans** — A program that combines several types of federal loans into a single loan to reduce monthly payments.
 - 🎓 **Deferments and forbearances** — Temporary reduction or suspension of payments due to economic hardship, military service, or other circumstances.

Disbursed by The Student Loan People	Loans	Amount
Stafford and PLUS	121,550	\$452,813,600
Consolidation	8,030	177,237,700
Purchases and Repurchases	5,480	33,410,900
Total	135,060	\$663,462,200

Guaranteed by KHEAA*	Loans	Amount
Subsidized Stafford (based on financial need)	114,030	\$417,774,200
Unsubsidized Stafford (without regard to financial need)	95,440	431,279,600
PLUS	9,320	80,507,900
Consolidation	18,090	247,275,100
Total	236,880	\$1,176,836,800

*Guarantees net of cancellations, refunds, and consolidations.

I am a special education teacher and have been able to benefit from the Best in Class student loan forgiveness program. This program has truly been a blessing. I was able to consolidate my student loans from both my undergraduate and graduate work. Each year that I have qualified for Best in Class has helped my husband and me in our goal to become debt free. Thank you for providing a program that is so beneficial.

– Susan Owens, Special Education Teacher
Owen County Primary School



KHEAA and The Student Loan People provide an immeasurably valuable service to the caregivers of Kentucky. The current national nursing workforce shortage is estimated to grow to 800,000 by the year 2020. This program ensures that we continue to have a healthy pipeline of nurses to care for the people of Kentucky by allowing nurses to pay off existing student loans while working full-time as a nurse. As an employer and the largest healthcare provider in the region, Norton Healthcare appreciates and supports this tremendous program.

– Kimberly Black Maffet
Associate Vice President
Workforce Development
Norton Healthcare



I am proud to live in a state that values the need for furthering education. Going back to school is stressful enough with the academic portion, not to mention the financial constraints it adds to one's life. The Best in Care program was one of the selling points in going back to school. Since then many nurses have asked me, 'Is the Best in Care Program worth it?' My comment was absolutely!

– Kathy Toborowsky, MSN, RN, CMSRN
Kentucky Clinical Education
Norton Audubon Hospital, Louisville

Hopefully Best in Care will encourage others to become members of our wonderful, caring profession. My daughter was an undergraduate at the University of Louisville during the time I attended Bellarmine's graduate program in nursing. I could not have made it financially without the assistance from KHEAA and The Student Loan People's Best in Care program.

– Jo Singleton, MSN, RN-BC
Director, Clinical Education
Norton Audubon Hospital, Louisville

The Best in Law student loan forgiveness program has had a tremendous impact upon my financial situation! Without this program, my government salary would be inadequate to allow me to meet my student loan obligation while also making a meaningful contribution to my family's expenses. I believe this program is essential to ensure that the judicial branch is able to attract and maintain top quality attorneys despite relatively lower salaries. I am very grateful for the forgiveness I received and am hopeful that the program will continue to provide assistance to those serving the public in governmental positions!

– Angela Fallin-Ward, Staff Attorney
Kentucky Court of Appeals

Reinvesting in Kentuckians

\$36 million in borrower benefits

The Student Loan People and KHEAA reinvest in Kentuckians by providing low-cost student loans for all borrowers and generous interest and principal forgiveness programs to encourage students to enter and remain employed in the Commonwealth's critical-shortage professions of teaching, nursing, and public service law. KHEAA and The Student Loan People borrowers received more than \$36 million in savings during FY 2007 and more than \$147 million since FY 2003. Borrower benefits, as well as the amount of savings by program, are briefly described below.

BestStart — for Stafford Borrowers

- Zero fees plus interest rate and principal reductions.

BestPLUS and BestGrad — for Parents and Graduate Students

- No default fee plus interest rate and principal reductions.

Best in Class — for Teachers

- Interest forgiveness for teachers, counselors, and librarians.
- Interest and up to 20% student loan principal forgiveness for qualifying math, science, special education, foreign language, English as a second language, and minority teachers.

Best in Care — for Nurses

- Interest forgiveness for RNs, LPNs, and LVNs.
- Up to 20% principal forgiveness for qualifying RNs, LPNs, and LVNs who work in hospitals, long-term care facilities, public health care, or nursing education at colleges and universities.

Best in Law — for Public Service Attorneys

- Interest and up to 20% principal forgiveness for qualifying public defenders; assistant commonwealth's attorneys; assistant county attorneys; legal service attorneys; and law clerks in the supreme, appellate, and circuit courts.

Program		FY 2007		Savings Since FY 2003
		Loans	Savings	
BestStart BestPLUS BestGrad	Stafford and PLUS Borrowers	129,590	\$13,243,600	\$77,777,300
Best in Class	Teachers, Counselors, Librarians	4,280	1,640,300	5,562,200
	Special Education Teachers	8,080	9,950,100	35,139,000
	Math Teachers	1,540	1,790,100	6,206,900
	Science Teachers	1,340	1,619,800	5,988,500
	Minority Teachers	550	1,000,300	1,964,700
	Foreign Language Teachers	160	241,600	465,600
	ESL Teachers	80	111,500	458,500
Best in Care	Nurses	8,130	6,205,700	13,024,500
Best in Law	Public Service Attorneys	150	695,200	1,128,900
Total Benefits to Borrowers/Students			\$36,498,200	\$147,716,100

For complete eligibility requirements, visit www.studentloanpeople.com.

Reinvesting in Kentuckians

Board of Directors

as of June 30, 2007

Spencer D. Noe, Chair, Lexington
Joey B. Bailey, Louisville
Ronald D. Butt, Louisville
Marcia Kuegel Carpenter, Owensboro
Dr. Barbara Holsinger, Wilmore
Dr. Jim A. Jackson, Frankfort
Dr. Sarah H. Laws, Midway
Jerry T. Shroat, Union
Charles Simpson, Somerset
Daniel W. Stanfield, Harrodsburg

Ex-Officio Members

Dr. Gary S. Cox, President, Association of Independent Kentucky Colleges and Universities
Dr. Thomas D. Layzell, President, Council on Postsecondary Education
Jonathan Miller, State Treasurer
John Farris, Secretary, Finance and Administration Cabinet
Kevin Noland, Interim Commissioner, Kentucky Department of Education

Senior Leadership

as of June 30, 2007

Edward J. Cunningham, Executive Director/CEO
James R. Ackinson, Executive Vice President
Blake Tanner, KHEAA Chief Operating Officer
Ted Franzeim, Senior Vice President for Customer Relations
Matthew A. Korn, Senior Vice President for Finance and Accounting
Thomas Wantuck, Senior Vice President of Asset Management
Scotty Bryan, Chief Information Officer
Rick Casey, General Counsel
Mary Henry, The Student Loan People Senior Vice President of Operations

Our leadership

Spencer D. Noe

Board Chair

Mr. Noe was appointed to the KHEAA and The Student Loan People Board of Directors in July 2004 and is a partner with the law firm of Bowles, Rice, McDavid, Graff & Love in Lexington. He previously served as Assistant Commonwealth's Attorney for Fayette County; attorney with Stoll, Keenon and Park; and Kentucky Counsel to the Bush-Cheney 2004 Committee. He also served on the Executive Committee for the Kentucky Center for Public Issues; the New Cities Foundation Board of Directors; and the State Republican Party as Kentucky Counsel and Executive Director of the Management Committee. He is a member of the Board of Cardinal Hill Hospital in Lexington and a member of the Fayette County, Kentucky, Tennessee, and West Virginia Bar Associations. Mr. Noe earned his B.S. from Tennessee Wesleyan College and his J.D. from the University of Tennessee.



Edward J. Cunningham

Executive Director/CEO

Mr. Cunningham was appointed Executive Director/CEO of KHEAA and The Student Loan People in August 2006 following a nationwide search. He previously served AES-PHEAA as Senior Executive; First Vice President, Education Services Group; and Vice President, Loan Division. He also held positions with KPMG Peat Marwick Consulting as Manager, Education Finance Services Group, and with the Iowa Student Loan Liquidity Corporation as Executive Director. He is a Past Treasurer, Executive Committee member, and Regional Representative for the NCHLP Board of Directors; a founding member of the Education Finance Council; and a member of various state, regional, and national student aid organizations. Mr. Cunningham is a retired Command Re-enlistment Sergeant Major for the U.S. Army Reserves, serving as an instructor for interpersonal communications and human relations. He earned his B.S. from Drake University, Des Moines, Iowa.



Selected financial information

as of June 30, 2007, and for the fiscal year then ended

	Governmental and Fiduciary Funds				Proprietary Funds	
	KHEAA				The Student Loan People	
	Governmental Fund	Federal Student Loan Reserve Fund	Kentucky's Affordable Prepaid Tuition	Kentucky Education Savings Plan Trust	Agency Operating Fund and Internal Service Fund	2007 Operating Fund and Education Finance Fund
Statement of Net Assets						
Current assets	\$ 3,457,783	\$25,228,775	\$ 7,065,575	\$ 100,707,146	\$ 20,227,680	\$ 319,207,566
Loans, net						1,782,581,491
Other noncurrent assets	12,196,560	1,151,145	150,237,128		28,062,760	46,647,585
Total assets	15,654,343	26,379,920	157,302,703	100,707,146	48,290,440	2,148,436,642
Current liabilities	277,827	19,724,093	133,280	58,725	211,757	23,758,740
Noncurrent liabilities			171,184,299		6,590,000	2,059,592,349
Total liabilities	277,827	19,724,093	171,317,579	58,725	6,801,757	2,083,351,089
Total Net Assets	\$ 15,376,516	\$ 6,655,827	(\$ 14,014,876)	\$ 100,648,421	\$ 41,488,683	\$ 65,085,553
Statement of Activities						
Program revenue/additions	\$183,355,170	\$77,817,059	\$ 18,736,882	\$ 26,920,831	\$ 26,271,839	\$ 164,160,726
Direct expenses/deductions	194,012,438	71,243,129	12,572,396	4,728,094	11,393,007	156,705,936
Total	(10,657,268)	6,573,930	6,164,486	22,192,737	14,878,832	7,454,790
Interfund transfers	8,961,763		129,876		(5,491,639)	(3,600,000)
Transfer to USDE for recall		(1,151,145)				
Change in Net Assets	(1,695,505)	5,422,785	6,294,362	22,192,737	9,387,193	3,854,790
Net assets at beginning of year	17,072,021	1,233,042	(20,309,238)	78,455,684	32,101,490	61,230,763
Net Assets at End of Year	\$ 15,376,516	\$ 6,655,827	(\$ 14,014,876)	\$ 100,648,421	\$ 41,488,683	\$ 65,085,553

KHEAA and The Student Loan People's audited financial statements are available at www.kheaa.com, www.studentloanpeople.com, or by calling (502) 696-7421.

Kentucky Higher Education Assistance Authority
P.O. Box 798, Frankfort, KY 40602-0798
Toll Free (800) 928-8926
www.kheaa.com

The Student Loan People
P.O. Box 24266, Louisville, KY 40224-0266
Toll Free (888) 678-4625
www.studentloanpeople.com

KHEAA and The Student Loan People do not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or services and provide, upon request, reasonable accommodations to afford individuals with disabilities an equal opportunity to participate in all programs and services. Printed 10/07.



LEAN ON US, FROM CLASS TO CAREER.



Kentucky's trusted source for grants, scholarships and loans