

2015-16 Annual Report



Serving Montana Students for 33 Years

Letter From The Chair

The Montana Higher Education Student Assistance Corporation (MHESAC) continued its work on behalf of Montana students in Fiscal Year 2015-16.

During the past year, MHESAC provided benefits to Montana student borrowers in the form of principal reductions, interest rate reductions and more. This year alone, MHESAC delivered over \$1.8 million in benefits bringing the total borrower benefits delivered since 1995 to over \$55 million.

Consistent with its bond structuring strategy completed in FY 2011-12, the company redeemed \$107 million in bonds in FY 2016, retiring that portion of the debt. In addition, MHESAC continued to benefit from a lower interest rate environment which allows the company to perform in alignment with results projected and modeled four years ago. At fiscal year-end, MHESAC's student loan portfolio totaled \$916.9 million.

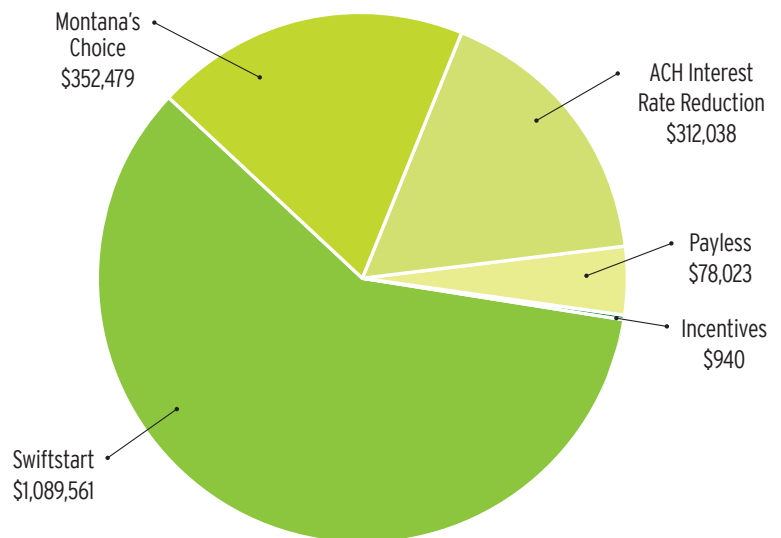
Our board of directors and management team are pleased to continue to reward MHESAC's customers with generous borrower benefit programs. In addition, they are proud of the stable business environment established for their investors.

Mike Green

Mike Green
Board Chair
Montana Higher Education
Student Assistance Corporation



MHESAC borrower benefits delivered to Montana students by program for FY 2015-16



Since 1995,
MHESAC has
delivered \$55 million
in borrower benefits.

Montana Higher Education Student Assistance Corporation

CONDENSED STATEMENT OF NET POSITION

June 30, 2016 and Comparative Totals for 2015

(expressed in thousands)

	2016	2015
ASSETS		
Current Assets	\$ 5,295	\$ 4,224
Restricted Assets	951,335	1,060,397
Other Assets	8,803	9,930
Total Asset	<u>\$ 965,433</u>	<u>\$ 1,074,551</u>
LIABILITIES		
Current Liabilities	\$ 106,875	\$ 119,201
Long-term Debt	763,200	855,708
Total Liabilities	<u>870,075</u>	<u>974,909</u>
Fund Net position	<u>95,358</u>	<u>99,642</u>
Total Liabilities and Fund Net Position	<u>\$ 965,433</u>	<u>\$ 1,074,551</u>

Montana Higher Education Student Assistance Corporation

STATEMENTS OF REVENUE, EXPENSE AND CHANGES

IN FUND NET POSITION

Year ended June 30, 2016 and Comparative Totals for 2015

(expressed in thousands)

	2016	2015
Total Operating Revenue	\$ 29,443	\$ 31,057
Total Operating Expense	<u>33,727</u>	<u>34,624</u>
Increase (Decrease) in Net Assets	(4,284)	(3,567)
Fund Net Assets, Beginning of Year	<u>99,642</u>	<u>103,209</u>
Fund Net Assets, End of Year	<u>\$ 95,358</u>	<u>\$ 99,642</u>

MHESAC Board of Directors

MIKE GREEN
Board Chairman
Helena

BILL THOMAS
Board Vice Chairman
Great Falls

FRED FLANDERS
Helena

GEORGE OLSEN
Helena

JIM PENNER
Helena

LILA TAYLOR
Busby

Officers

MIKE GREEN
President
Helena

JIM PENNER
Vice President
Helena

GEORGE OLSEN
Secretary/Treasurer
Helena

Montana Higher Education Student
Assistance Corporation (MHESAC)
is a Montana private, nonprofit corporation
organized to provide Montana citizens
with financial access to higher education.



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Helena, MT 59601-4901
mhesac.org

For general information
call MHESAC's business manager,
Student Assistance Foundation:
(406) 495-7800