OFFICIAL STATEMENT DATED APRIL 21, 2021

NEW ISSUE **Moody's Rating: Aa3**

In the opinion of Bond Counsel, according to present State of Minnesota and federal laws, regulations and rulings, assuming compliance with certain covenants, the interest on the Bonds is not includable in gross income for federal income tax purposes or in taxable net income of individuals, estates and trusts for State of Minnesota income tax purposes, and is not an item of tax preference in determining federal or Minnesota alternative minimum tax applicable to individuals, estates and trusts. Interest on the Bonds is subject to the State of Minnesota franchise tax applicable to corporations, including financial institutions. The Bonds will not be designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. (See "TAX CONSIDERATIONS.")

MACALESTER

$12,870,000
Minnesota Higher Education Facilities Authority Revenue and Refunding Bonds, Series 2021 (Macalester College)
(DTC Book Entry Only)

Dated Date: Date of Delivery of the Bonds **Interest Due: March 1 and September 1, commencing September 1, 2021**

The Bonds are to mature on March 1 as follows:

Year	Amount	Rate	Yield	Price	CUSIP 60416J:	Year	Amount	Rate	Yield	Price	CUSIP 60416J:
2022	$445,000	4.000%	0.150%	103.236	DC 1	2030	$515,000	4.000%	1.130%	124.083	DL 1
2023	$395,000	4.000%	0.190%	107.000	DD 9	2031	$535,000	4.000%	1.230%	125.600	DM 9
2024	$405,000	4.000%	0.300%	110.461	DE 7	2032	$560,000	4.000%	1.340%	124.448†	DN 7
2025	$425,000	4.000%	0.430%	113.587	DF 4	2033	$580,000	4.000%	1.400%	123.824†	DP 2
2026	$440,000	4.000%	0.560%	116.408	DG 2	2034	$605,000	4.000%	1.440%	123.410†	DQ 0
2027	$460,000	4.000%	0.700%	118.855	DH 0	2035	$625,000	4.000%	1.500%	122.793†	DR 8
2028	$475,000	4.000%	0.870%	120.744	DJ 6	2036	$655,000	4.000%	1.540%	122.383†	DS 6
2029	$500,000	4.000%	1.010%	122.486	DK 3	2037	$680,000	4.000%	1.580%	121.975†	DT 4

$2,185,000 Term Bonds due March 1, 2040 Rate 3.000% Yield 1.880% Price 110.018† CUSIP 60416J DV 9
$2,385,000 Term Bonds due March 1, 2043 Rate 3.000% Yield 2.000% Price 108.891† CUSIP 60416J DW 7

† Priced to the first optional call date of March 1, 2031

The Minnesota Higher Education Facilities Authority (the "Authority") Revenue and Refunding Bonds, Series 2021 (Macalester College) (the "Bonds") are subject to optional redemption prior to maturity, as described herein. See "THE BONDS – Prior Redemption – Optional Redemption." The Bonds are also subject to optional redemption in whole or in part in certain cases of damage to or destruction or condemnation of the Project Facilities described in the Loan Agreement and the Indenture or in whole in case of damage to or destruction of a substantial portion of the facilities of Macalester College (the "College"). See "THE BONDS – Prior Redemption – Extraordinary Optional Redemption." The Bonds will be subject to optional redemption in whole or in part in the event of a Determination of Taxability, as described herein. See "THE BONDS – Determination of Taxability." Term Bonds are subject to mandatory redemption in installments as described herein. See "THE BONDS – Prior Redemption – Mandatory Redemption."

The Bonds will be issued as fully registered Bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases may be made in book entry form only, in the principal amount of $5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. See "THE BONDS – Book Entry System" herein. Wells Fargo Bank, National Association, Minneapolis, Minnesota, will act as Trustee.

The Bonds are special, limited obligations of the Authority payable solely from Loan Repayments made by or on behalf of the College pursuant to a Loan Agreement between the Authority and the College, or out of other amounts pledged pursuant to the Indenture as described herein. The Loan Repayments will be a general obligation of the College.

THE BONDS SHALL NOT BE LEGAL OR MORAL OBLIGATIONS OF THE STATE OF MINNESOTA (the "STATE"), NOR SHALL THEY CONSTITUTE A DEBT FOR WHICH THE FULL FAITH AND CREDIT OF THE AUTHORITY OR THE STATE, OR THE TAXING POWERS OF THE STATE, ARE PLEDGED. THE AUTHORITY HAS NO TAXING POWERS.

The Bonds are offered when, as and if issued by the Authority and accepted by the Underwriter named below subject to the opinion as to validity and tax exemption of the Bonds by Kennedy & Graven, Chartered, Minneapolis, Minnesota, Bond Counsel. Certain legal matters will be passed upon for the College by Fredrikson & Byron, P.A., Minneapolis, Minnesota and for the Underwriter by Dorsey & Whitney LLP, Minneapolis, Minnesota. The Bonds are expected to be available for delivery to the Underwriter at DTC on or about April 28, 2021.

PIPER | SANDLER

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No dealer, broker, sales representative or other person has been authorized by the Authority, the College, or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority, the College or the Underwriter. The information contained herein, except as it relates to the Authority, DTC, and the Trustee, has been obtained from the College and is not guaranteed as to accuracy or completeness. Information relating to the Authority, DTC and the Trustee has been obtained from such persons and is not guaranteed as to accuracy or completeness. Information regarding the tax-exempt status of the Bonds has been provided by Bond Counsel. Except for information concerning the Authority, the information contained herein is not to be construed as a representation by the Authority. Information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority or the College since the date hereof.

References herein to laws, rules, regulations, resolutions, agreements, reports and any other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts of such documents have not been included as appendices hereto, they will be furnished on request.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this official statement for purposes of, and as that term is defined in, the Securities and Exchange Commission Rule 15c2-12.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUE AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

The Bonds have not been registered with the Securities and Exchange Commission by reason of the provisions of Section 3(a)(2) of the Securities Act of 1933, as amended. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, and there shall not be any sale of the Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale. The registration or qualification of these securities in accordance with applicable provisions of securities laws of the jurisdictions in which the Bonds may be registered or qualified and the exemption from registration or qualification in other jurisdictions shall not be regarded as a recommendation thereof. Neither these jurisdictions nor any of their agencies have passed upon the merits of the Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

Certain of the parties involved in this financing have agreed to indemnify certain other parties for any untrue statement of a material fact contained in this Official Statement or any omission to state a material fact necessary to be stated in this Official Statement in order to make the statements contained herein not misleading.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS WHICH SHOULD BE CONSIDERED "FORWARD-LOOKING STATEMENTS," MEANING THEY REFER TO POSSIBLE FUTURE EVENTS OR CONDITIONS. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY WORDS SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET" OR SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE COLLEGE NOR ANY OTHER PARTY EXPECTS OR INTENDS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED, OCCUR OR FAIL TO OCCUR.

CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers provided in this Official Statement are included for convenience of the holders and potential holders of the Bonds. No assurance can be given that the CUSIP numbers for the Bonds will remain the same after the date of issuance and delivery of the Bonds. None of the Authority, the Underwriter, or the College takes any responsibility for the accuracy of such CUSIP numbers.

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

MEMBERS

Michael D. Ranum, Chair	Retired Chief Financial Officer, BWBR Architects, Inc. Resident of Circle Pines, Minnesota
David D. Rowland, Vice Chair	Executive Vice President and Co-Chief Investment Officer, The Travelers Companies, Inc. Resident of Edina, Minnesota
Gary D. Benson, Secretary	Director of Project Planning & Development, Kraus-Anderson Construction Company Resident of New Brighton, Minnesota
Bonnie M. Anderson Rons	Retired Banker Resident of Rosemount, Minnesota
Paul Cerkvenik (Ex Officio)	President, Minnesota Private College Council Saint Paul, Minnesota
Mary F. Ives	Real Estate Agent and Owner-Operator of Hospitality Properties Resident of Grand Rapids, Minnesota
Mark Misukanis	Adjunct Professor, Metropolitan State University Resident of Mendota Heights, Minnesota
Nancy Sampair	Retired Banker Resident of Saint Paul, Minnesota
Raymond VinZant, Jr.	Founder, Midway Vo-Tech, Saint Paul Resident of Wyoming, Minnesota
Poawit Yang (Ex Officio)	Chief Financial Officer, Minnesota Office of Higher Education Saint Paul, Minnesota

Barry W. Fick, Executive Director

Bond Counsel
Kennedy & Graven, Chartered

Municipal Advisor
North Slope Capital Advisors

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OFFICIAL STATEMENT

$12,870,000
MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
REVENUE AND REFUNDING BONDS, SERIES 2021
(MACALESTER COLLEGE)

(DTC Book Entry Only)

INTRODUCTORY STATEMENT

This Official Statement provides information concerning the Minnesota Higher Education Facilities Authority (the "Authority"), an agency of the State of Minnesota (the "State"), and Macalester College, a Minnesota non-profit corporation and 501(c)(3) organization and the owner and operator of an institution of higher education located in Saint Paul, Minnesota (the "College"), in connection with the issuance of the Authority's $12,870,000 Revenue and Refunding Bonds, Series 2021 (Macalester College) (the "Bonds").

The Bonds are being issued pursuant to the provisions of Sections 136A.25 through and including 136A.42, Minnesota Statutes, as amended, by the provisions of which the Authority was created and authorized to issue its obligations to assist institutions of higher education within the State to finance and refinance certain projects.

The Bonds are also being issued pursuant to the Trust Indenture (the "Indenture") to be dated as of April 1, 2021 between the Authority and Wells Fargo Bank, National Association, Minneapolis, Minnesota, as trustee (the "Trustee"). The Trustee will also be the Registrar and Paying Agent for the Bonds.

Pursuant to a Loan Agreement (the "Loan Agreement") dated as of April 1, 2021 between the College and the Authority relating to the Bonds, the College will covenant as a general obligation of the College to make Loan Repayments in amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due.

The Authority will loan the Bond proceeds to the College, and the College will use the Bond Proceeds to:

1. refund the outstanding principal of the Authority's Revenue Bonds, Series Seven-S (Macalester College) (the "Series Seven-S Bonds" or "Series Seven-S") maturing on and after May 1, 2022 (the "Refunding");
2. replace the roofs on the following buildings on the College Campus (the "Project"):
   - the Olin Building,
   - the Campus Center Building,
   - the DeWitt Wallace Library,
   - the Humanities Building; and
3. pay certain issuance costs.

See "USE OF PROCEEDS" herein for more detail on the Project.

The Bonds are secured by a pledge of the Loan Repayments. Under the Loan Agreement, the College will agree to provide the funds necessary to make timely payment of the Loan Repayments. See "SOURCE OF PAYMENT FOR THE BONDS AND FINANCIAL COVENANTS" herein.

The Bonds shall not be legal or moral obligations of the State, nor shall they constitute a debt for which the full faith and credit of the Authority or the State, or the taxing powers of the State, are pledged. The Authority has no taxing powers.

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to such documents. See Appendices IV and V for definitions of certain words and terms used herein and for a description of certain provisions of the documents hereinafter referred to.

EXCEPT AS EXPRESSLY PROVIDED HEREIN, THIS OFFICIAL STATEMENT PROVIDES INFORMATION RELEVANT TO THE BONDS ONLY AS OF THE DATE OF THIS OFFICIAL STATEMENT.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC"), pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"), the College will enter into a Continuing Disclosure Certificate (the "Certificate") for the benefit of beneficial owners of the Bonds to provide certain financial information and operating data relating to the College annually, and to provide notices of the occurrence of any of the events enumerated in the Rule to the Municipal Securities Rulemaking Board (the "MSRB"). The specific nature of the Certificate, as well as the information to be contained in the annual report or the notices of material events is set forth in the Certificate to be executed by the College at the time the Bonds are delivered, a copy of which is available from the College or the Trustee. Appendix III, "FORM OF CONTINUING DISCLOSURE CERTIFICATE," contains a summary of the financial information and operating data to be provided annually and the material events to be disclosed.

The Certificate may be amended under certain circumstances as permitted by the Rule. Furthermore, the College has reserved its right to discontinue providing information required by the Certificate or the Rule if a final determination is made by a court of competent jurisdiction that the Rule is invalid or otherwise unlawful, and to modify the terms of the Certificate if a court of competent jurisdiction or the College determines that such modification is required or permitted by the Rule.

During the past five years, the College timely filed all annual reports and notices of material events required by its existing continuing disclosure obligations under the Rule. A failure by the College to comply with the Certificate will not constitute an event of default on the Bonds (although holders may have other remedies in the event of noncompliance). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure, or the information supplied by the College pursuant to the Certificate, may adversely affect the transferability and liquidity of the Bonds and their market price.

THE BONDS

General

The Bonds will be issued in book entry form. The Bonds will be dated as of the date of delivery and will mature or be subject to mandatory redemption annually on each March 1, commencing March 1, 2022, as set forth on the cover page of this Official Statement. The Bonds are being issued in denominations of $5,000 and integral multiples thereof and shall be fully registered as to principal and interest. Interest on the Bonds will be payable on each March 1 and September 1, commencing September 1, 2021.

Book Entry System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

For further detail on DTC, see Appendix VI, "THE DEPOSITORY TRUST COMPANY."

Prior Redemption

Mandatory Redemption

Portions of the Term Bonds maturing on March 1 in the years as shown in the following table (the "Term Bonds") shall be called for redemption on March 1 in the years and in the principal amounts as set forth in said table, without premium, plus accrued interest to the date fixed for redemption, from moneys in the Bond and Interest Sinking Fund Account.

Term Bonds Due:

March 1, 2040		March 1, 2043	
Year	Amount	Year	Amount
2038	$710,000	2041	$770,000
2039	$725,000	2042	$795,000
2040†	$750,000	2043†	$820,000

† *Stated Maturity*

The Term Bonds may, at the option of the College, be reduced by the principal amount of any Bonds of such maturity which at least 45 days prior to such redemption:

(1) have been delivered to the Trustee for cancellation; or

(2) have been purchased or redeemed (other than through operation of the Bond and Interest Sinking Fund Account) and canceled by the Trustee and not theretofore applied as a credit against such mandatory redemption obligations.

Optional Redemption

At the College's request, the Authority may elect to prepay on March 1, 2031 and on any day thereafter Bonds due on or after March 1, 2032. Redemption may be in whole or in part and if in part in such order of maturity as the College directs and selected by random means within a maturity (and, in the case of Term Bonds, the College may treat the mandatory redemption amounts of Term Bonds as maturities for this purpose), in integral multiples of $5,000. All prepayments shall be at a price of par plus accrued interest.

Extraordinary Optional Redemption

1. The Bonds are subject to extraordinary optional redemption at par and accrued interest in integral multiples of $5,000, as a whole or in part, in certain cases of damage to or destruction or condemnation of the Project Facilities. In the event the Project Facilities are damaged such that the claim for loss exceeds $1,000,000, the College may elect to repair, rebuild or restore the Project Facilities or may elect, pursuant to the terms of the Loan Agreement, to redeem all or part of the outstanding Bonds.

2. The Bonds are subject to extraordinary optional redemption in the event that:

   (i) A substantial portion of the College's facilities are destroyed to such extent that, in the College's sole judgment, it is not practical to rebuild, repair and restore the same and operate the College in the general manner now operated; or

   (ii) Upon condemnation of all or substantially all of such facilities or the taking by eminent domain of such use or control of the facilities renders the facilities unsatisfactory to the College for their intended use.

   Upon any such event, all of the Bonds shall be subject to extraordinary optional redemption in whole and not in part, on the next date for which due notice of redemption can be given at a price of par plus accrued interest to the redemption date.

3. The Bonds are subject to extraordinary optional redemption at a price of par and accrued interest upon a Determination of Taxability as provided in the Loan Agreement. See "THE BONDS – Determination of Taxability," Appendix V, "SUMMARY OF DOCUMENTS – The Loan Agreement – Damage or Destruction," and Appendix V, "SUMMARY OF DOCUMENTS – Determination of Taxability."

Partial Redemption

If fewer than all Bonds of a maturity are called for redemption, the Trustee will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. See Appendix VI, "THE DEPOSITORY TRUST COMPANY."

In the case of Bonds of denominations greater than $5,000, if less than the full principal amount of such Bonds then outstanding is to be called for redemption, then for all purposes in connection with redemption, each $5,000 of principal amount shall be treated as though it were a separate Bond of the denomination of $5,000 bearing the number borne by such fully registered Bond and a subnumber assigned by the Trustee. Interest shall cease to accrue on the portion of the principal amount of such Bond represented by such $5,000 unit or units of principal amount on and after the date fixed for redemption provided that funds sufficient for payment of the redemption price shall have been deposited with the Trustee and available for the redemption of said $5,000 unit or units on the date fixed for redemption and, in such event, such Bond shall not be entitled to the benefit or security of the Indenture or the Loan Agreement to the extent of the portion of its principal amount (and accrued interest to the date fixed for redemption and applicable premium, if any) represented by such $5,000 unit or units of principal amount, nor shall new Bonds be thereafter issued corresponding to said unit or units.

Notice of Redemption

Notice of any redemption shall be mailed to the registered Owners at their addresses shown on the registration books of the Authority and maintained by the Trustee not less than 20 days, and if more than 60 days, then again not less than 20 nor more than 60 days, before the date fixed for such payment. Notice of such redemption may provide that the redemption is conditioned on the deposit of sufficient moneys for payment of the redemption price on or prior to the redemption date. If moneys are available at the office of the Trustee to pay the redemption price on the date of redemption, any Bonds thus called shall not bear interest after the call date and, except for the purpose of payment by application of the funds so deposited, shall no longer be protected by the Indenture.

Determination of Taxability

If a Determination of Taxability is made that the interest payable on the Bonds is subject to federal income taxes by reason of the application of the provisions of the Internal Revenue Code of 1986, as amended, and regulations thereunder in effect on the date of issuance, the Bonds shall bear additional interest equal to two percent (2.00%) per annum above the basic interest rate from the Date of Taxability effective until the date on which the principal of the Bonds is paid. **If a Determination of Taxability should occur, any monetary damages or loss resulting from or incident thereto shall be limited to the increased interest rate on the Bonds.** See "TAX CONSIDERATIONS" herein and Appendix IV, "DEFINITION OF CERTAIN TERMS."

The College has the option to prepay the Loan on the next date for which due notice of redemption can be given, in full or in part and on any date thereafter following a Determination of Taxability at a price of par and accrued interest (including additional interest from the Date of Taxability) and without a premium.

USE OF PROCEEDS

The Plan of Finance

Proceeds of the Bonds will be loaned to the College and will be used to:

1. refund the outstanding principal of the Authority's Revenue Bonds, Series Seven-S (Macalester College) (the "Series Seven-S Bonds" or "Series Seven-S") maturing on and after May 1, 2022 (the "Refunding");
2. replace the roofs on the following buildings on the College Campus (the "Project"):
   - the Olin Building,
   - the Campus Center Building,
   - the DeWitt Wallace Library,
   - the Humanities Building; and
3. pay certain issuance costs.

The Refunding

On the Issue Date, a portion of the Bond proceeds in an amount equal to the principal amount of the Series Seven-S Bonds maturing on and after May 1, 2022 to be refunded and prepaid (the "Refunded Bonds"; see the table immediately following) and interest accrued thereon to the redemption date will be deposited in the Prior Bonds Refunding Account created under the Indenture and immediately transferred to Wells Fargo Bank, National Association as the Trustee for the Series Seven-S Bonds for deposit into the Series Seven-S Redemption Account. The amounts so deposited shall not be invested, but will be in an amount sufficient to prepay the outstanding principal of and pay the interest accrued on the Refunded Bonds on the Redemption Date without a redemption premium. The Refunded Bonds are in the total principal amount of $12,655,000 and are identified by CUSIP as follows:

Maturity Date May 1:	Principal	CUSIP: 60416H
2022	$ 415,000	ZD 9
2023	$ 425,000	ZE 7
2024	$ 435,000	ZF 4
2032[(a)]	$ 3,955,000	ZH 0
2036[(a)]	$ 2,365,000	ZJ 6
2043[(a)(b)]	$ 5,060,000	ZK 3
Total	$12,655,000	

[(a)] *Term bond*
[(b)] *Final Maturity*

The College will make the scheduled principal and interest payments on the Series Seven-S Bonds maturing May 1, 2021 from its own funds.

The Project

On the Issue Date, a portion of the Bond proceeds will be deposited into the Construction Account established under the Indenture to be used, along with College funds, to fund the replacement of roofs on the Olin Building, the Campus Center Building, the DeWitt Wallace Library, and the Humanities Building, all on the College's Saint Paul campus (the "Project"). The Project is expected to commence in May of 2021 with an expected completion date of August 31, 2023.

SOURCES AND USES OF FUNDS

Sources of Funds	
Par Amount of the Bonds	$12,870,000.00
Premium	2,059,198.70
Total Sources:	$14,929,198.70
Uses of Funds	
Refund Series Seven-S	$12,678,903.13
Construction Project Costs†	2,043,320.07
Costs of Issuance††	206,975.50
Total Uses	$14,929,198.70

† *Includes rounding amount of $3,320.07.*
†† *Includes, without limitation, Underwriter's discount, legal and advisory fees, Authority fees, printing costs and other costs associated with the issuance of the Bonds.*

SOURCE OF PAYMENT FOR THE BONDS AND FINANCIAL COVENANTS

General

The Bonds will be special, limited obligations of the Authority payable solely from Loan Repayments made by the College as required by the Loan Agreement or out of other amounts pledged therefor under the Indenture. There is no reserve fund established for the Bonds.

The Bonds are secured by the pledge of the Loan Repayments, which are a general obligation of the College, and other funds the Trustee holds under the Indenture. The College will agree pursuant to the terms of the Loan Agreement to make payments directly to the Trustee in such amounts and at such times as to assure that the Trustee has sufficient funds with which to pay the principal of and interest on the Bonds. The College agrees to make such payments out of its operating funds or any other moneys legally available.

The College covenants and agrees in the Loan Agreement to charge tuition, fees, rentals and charges which, together with the College's general funds or any other moneys legally available, will be sufficient at all times to make the Loan Repayments and other payments required under the Loan Agreement; to meet current operation and maintenance expenses of the Project Facilities; and to pay all other obligations of the College as they become due.

The Bonds shall not be legal or moral obligations of the State of Minnesota nor constitute a debt for which the full faith and credit of the Authority or the State, or the taxing powers of the State, are pledged. The Authority has no taxing powers.

ACCOUNTS

Summary

The Indenture will provide for the creation of certain trust accounts into which the proceeds from the sale of the Bonds and revenues received as Loan Repayments and other amounts payable under the Loan Agreement are to be deposited. These accounts include a Prior Bonds Refunding Account, a Construction Account, a Costs of Issuance Account, a Bond and Interest Sinking Fund Account, and a Redemption Account. The net proceeds of original issue and sale of the Bonds are to be deposited into the Construction Account and the Bond and Interest Sinking Fund Account, as described below. Following Bond Closing, amounts received by the Trustee from the College as Loan Repayments are to be deposited into the Bond and Interest Sinking Fund Account and the Redemption Account and used, to the extent needed, to redeem or pay the principal of and interest on the Bonds when due.

Prior Bonds Refunding Account

There shall be deposited initially into the Prior Bonds Refunding Account certain Bond proceeds in an amount sufficient, along with any available moneys for such purposes from the Prior Trustee, to pay the redemption price of and accrued interest on the Series Seven-S Bonds on the Redemption Date, as described herein. The monies deposited to this account shall not be invested, but shall immediately be transferred to the Prior Trustee for deposit in the Prior Bonds Redemption Account as more fully described in "USE OF PROCEEDS – The Refunding" herein.

Construction Account

There shall be deposited initially into the Construction Account certain Bond proceeds, except as otherwise required to be deposited into the Prior Bonds Refunding Account and the Costs of Issuance Account. The College will agree in the Loan Agreement to provide for payment of all costs of the Project in excess of the Bond proceeds available therefor. Upon receipt of proper documentation, the Trustee will reimburse or pay for the account of the College costs incurred in connection with the Project. When work on the Project has been completed, the Project Equipment has been installed, and a certificate to that effect has been furnished to the Trustee, any balance in the Construction Account shall be deposited into the Redemption Account or the Bond and Interest Sinking Fund Account under certain conditions.

Costs of Issuance Account

There shall be deposited into the Costs of Issuance Account the amount specified in the Indenture to be applied to the costs, fees and expenses incurred in connection with the issuance of the Bonds. The Trustee shall disburse funds from this account upon the College's written request from time to time presented to the Trustee. The College will agree in the Loan Agreement to pay out of available general funds all costs of issuance of the Bonds (including underwriting discount) in excess of 2.00% of the proceeds of the Bonds (principal adjusted for original issue premium according to the reoffering scale). Any funds remaining in the Costs of Issuance Account 120 days after the Issue Date shall be transferred to the Construction Account.

Bond and Interest Sinking Fund Account

After the Bonds have been delivered, deposits to the Bond and Interest Sinking Fund Account shall be made from transfers of amounts in other accounts, as permitted by the Indenture, and from Loan Repayments made by the College. Deposits into the Bond and Interest Sinking Fund Account shall be made at least one (1) Business Day prior to each Interest Payment Date in amounts that, along with amounts already in the Bond and Interest Sinking Fund Account, are at least equal to interest and, if applicable, principal due on such Interest Payment Date.

The moneys and investments in the Bond and Interest Sinking Fund Account will be irrevocably pledged to and shall be used by the Trustee, from time to time, to the extent required, for the payment of principal of and interest on the Bonds as and when such principal and interest shall become due and payable and for that purpose only.

Redemption Account

There shall be deposited into the Redemption Account all other amounts required to be deposited therein pursuant to any provision of the Loan Agreement or the Indenture.

Amounts on deposit to the credit of the Redemption Account shall be used, first, to make up deficiencies in the Bond and Interest Sinking Fund Account; and second, at the College's request or direction for the redemption of outstanding Bonds or for the purchase of outstanding Bonds on the market at prices not exceeding the redemption price on the next available date for redemption. Notwithstanding the foregoing, the Trustee is authorized, if directed by the Authority or the College, to use funds and investments in the Redemption Account to pay the amount of any rebate due the United States in respect of the Bonds under Section 148 of the Internal Revenue Code of 1986, as amended, if the College or the Authority shall have failed to pay or provide for the payment thereof under the Loan Agreement.

Authorized Investments

Moneys on deposit to the credit of the Construction Account, the Bond and Interest Sinking Fund Account and the Redemption Account shall be invested by the Trustee as directed in writing by the Authorized Institution Representative only in investments as authorized by law from time to time subject to the additional restrictions set forth in Section 5.04 of the Indenture. See Appendix V – "SUMMARY OF DOCUMENTS – the Indenture – Authorized Investments."

INVESTMENT CONSIDERATIONS

No person should purchase Bonds without carefully reviewing the following information which sets forth some, but not all, of the factors which may affect the Owners' receipt of payments of the principal of or interest on the Bonds.

Risk of Insufficient Collateral

The Bonds are an obligation of the College secured solely by (a) a pledge by the Authority to the Trustee of amounts payable by the College under the Loan Agreement, and (b) amounts in accounts and funds that will be held by the Trustee under the Indenture and applied to the payment of principal of, premium, if any, and interest on the Bonds. If an Event of Default occurs, there can be no assurance that such sources will be sufficient to pay the principal of, premium, if any, or interest on the Bonds when due.

General Obligation of the College; No Mortgage or Debt Service Reserve Fund

No entity or person other than the College is, or shall be, in any way liable or responsible for any payments to be made under the Loan Agreement, the Indenture, the Bonds or the other obligations of the College under such documents. Accordingly, for payment of principal of and interest on the Bonds, holders of the Bonds must look solely to the Loan Repayments to be made by the College under the Loan Agreement and other funds, if any, the Trustee holds under the Indenture. The College's obligation to make Loan Repayments is a general, unsecured obligation. The Bonds are not secured by any mortgage on or security interest in any of the College's property or by any other collateral. Payment of principal and interest on the Bonds is not secured by any debt service reserve fund.

No Limitation on Indebtedness

The College may issue additional indebtedness following issuance of the Bonds. Neither the Loan Agreement nor any of the loan documents for the other indebtedness of the College described in Appendix

I under the caption "Long-Term Debt of the College" contains any limitation on incurrence by the College of additional long-term or short-term indebtedness. Therefore, the College could incur additional indebtedness in the future, and the additional payments of principal and interest required for such indebtedness could limit the funds available to pay the Loan Repayments and the payments of principal and interest required for the College's existing indebtedness.

Adequacy of Revenues

Payment of principal of, premium, if any, and interest on the Bonds is intended to be made from the College's Loan Repayments. The College's ability to make Loan Repayments will be dependent on its ability to receive sufficient unrestricted revenues in excess of expenditures, to invest and maintain sufficient monies in its investments and to obtain sufficient investment earnings therefrom. Such revenues and expenditures are subject to many conditions and factors, some of which may be beyond the control of the College and may change in the future to an extent that cannot be presently determined.

Competition

There is intense competition among institutions of higher education for students. Universities and colleges compete principally based on academic reputation, location, net tuition rates, and degree offerings. To the extent that competitors have or achieve an advantage with respect to any of these factors, the College could be adversely affected. In addition, competitive pressures could result in tuition reductions, the inability to raise tuition, or increases in financial aid in the form of discounted tuition, which could adversely affect the amount of the College's unrestricted net assets available for the payment of debt service on the Bonds.

Changes in demographics, such as a decrease in the overall number of high school graduates or a decrease in the number of high school graduates who elect to go to college, could adversely affect the College's efforts to attract students.

Reliance on Tuition and Fees

The adequacy of the College's unrestricted net assets available for the payment of debt service on the Bonds will depend in part on the amount of future tuition revenue the College receives. Such revenue in turn will depend primarily on the College's ability to charge sufficient rates for tuition and to maintain enrollment levels. Future enrollment levels will depend on the number of students applying to the College and accepting offers of admission. A number of factors, including, without limitation, levels of tuition rates and other fees, competition from other colleges and universities, a change in the number of college age students and adverse general economic conditions will influence the number of applicants to the College.

Financial Aid

Approximately 85% of the College's students currently receive some form of financial assistance through scholarships, grants, loans, student employment, etc., from federal, state, College or private sources covering some of tuition and fees and living expenses. No assurance can be given that federal and state financial aid will continue to be funded at current levels or that the College will continue to fund student aid at current levels. Curtailment of such aid could cause a decline in enrollment, which could in turn have an adverse effect on the College's revenues. See Appendix I, "THE COLLEGE – Financial Aid" herein.

No assurance can be given that student loans will continue to be available to students and their parents at historical levels and at historic interest rates. Reductions in availability of such loans or increases in interest rates may cause a decline in enrollment, which may in turn have an adverse effect on the College's revenues.

Damage, Destruction or other Liability

Although the College will be required to obtain certain insurance as set forth in the Loan Agreement, there can be no assurance that the College will not suffer losses for which insurance cannot be or has not been obtained or that the amount of any such loss will not exceed the coverage of such insurance policies. Under certain circumstances the Bonds may be subject to redemption at par upon damage to or destruction of all or substantially all, or a portion, of the Project Facilities. See "THE BONDS – Prior Redemption – Extraordinary Optional Redemption" and Appendix V, "SUMMARY OF DOCUMENTS – The Loan Agreement – Damage or Destruction" and "– Condemnation."

Construction Risks

Construction of the Project is subject to ordinary risks associated with new construction, such as risks of cost overruns, contractor and subcontractor claims, noncompletion and delays due to a variety of factors, including, among other things, site difficulties, necessary design changes or final detailing, labor shortage or strife, delays in and shortages of materials, weather conditions, fire, and casualty. Any delays in construction may adversely impact the College's ability to complete the Project by the expected completion date, which may result in, among other things, cost overruns. See "USE OF PROCEEDS" herein.

Nature of Pro Forma Debt Service

Certain historical and computed pro forma debt service is provided in APPENDIX I under the caption "Pro Forma Debt Service." The pro forma debt service includes actual debt service on the Bonds based on the scheduled maturities (including mandatory redemptions) and interest rates that appear herein.

Bankruptcy

The ability of the Trustee to exercise rights under the Loan Agreement and the Indenture may be limited by bankruptcy, insolvency, reorganization or other similar laws or equitable principles related to or affecting the enforcement of creditors' rights.

Endowment Portfolio Risk

Market conditions that negatively affect the College's investments may adversely affect debt service coverage and endowment spending. The College's endowment funds, return objectives and risk parameters, and investment strategies are discussed in Note 10 of the College's Fiscal Year Financial Statements for the Fiscal Year ended May 31, 2020 (Appendix VII hereto). The College has a blended endowment draw policy. Half of the allowable spending in the previous Fiscal Year is increased by 2% from the previous year and that amount represents one-half of the current Fiscal Year endowment draw. The other half of the draw is computed as 5% of a trailing 16-quarter average market value of long-term investments. See also Appendix I, "THE COLLEGE – Market Value of Long-Term Investments" and "THE COLLEGE – Endowment Draw Policy and Investment Objectives."

Derivative Products

The College is currently a party to an interest rate swap agreement. See Appendix I "THE COLLEGE – Long-Term Debt of the College" and Note 8 of the College's Financial Statements for the Fiscal Year ended May 31, 2020 (Appendix VII hereto). The College may enter into other interest rate swaps, other derivative financial products, or similar arrangements in the future. Under certain market conditions, termination of an interest rate swap agreement prior to its expiration may require the College to pay a termination fee to the counterparty to the agreement and such payment could be material to the College.

Variable Rate Demand Obligations

The College has two outstanding issues of variable rate demand bonds ("VRDBs"). As of March 1, 2021, the outstanding principal amount of the VRDBs is $21,960,000 out of a total of $83,195,000 for all of the College's long-term debt. See Appendix I, "THE COLLEGE – Long-Term Debt of the College" and Note 8 of the College's Financial Statements for the Fiscal Year ended May 31, 2020 (Appendix VII hereto).

The holders of the VRDBs have the right to tender their bonds to the College for purchase on any business day upon seven days' notice. In the event the VRDBs are tendered for purchase but not remarketed, the College will be required to pay the purchase price of the tendered VRDBs from College funds. There is no independent or third-party source of liquidity or payment for the VRDBs, such as a letter of credit. The College presently maintains custodial accounts to facilitate the availability of liquid funds to pay the purchase price of tendered VRDBs, but is not required to continue that practice. See Appendix I, "THE COLLEGE – Long-Term Debt of the College."

The Bonds are not VRDBs. However, the obligation of the College to pay the purchase price of the tendered VRDBs out of its own funds may limit funds available to make Loan Repayments on the Bonds.

In addition, while the College has entered into an interest rate swap agreement with respect to a substantial part of its VRDBs, for the portion of the VRDBs not subject to the interest rate swap agreement, sustained increases in interest rates could increase interest expense for the College.

Secondary Market

There can be no assurance that there will always be a secondary market for purchase or sale of the Bonds, and from time to time there may be no market for purchase or sale of the Bonds depending upon prevailing market conditions, the financial condition or market position of firms who may make the secondary market and the financial condition and results of the College and the Project Facilities. The Bonds should therefore be considered long-term investments in which funds are committed to maturity.

Maintenance of Rating

The Bonds will be rated as to their creditworthiness by Moody's (as defined under the heading "RATING"). No assurance can be given that the Bonds will maintain their original credit rating as set forth on the front cover of this Official Statement. If the rating on the Bonds decreases, the Bonds may lack liquidity in the secondary market. See "RATING" in this Official Statement.

Potential Impact of COVID-19

In connection with the outbreak of the COVID-19 respiratory disease, the College on or about March 30, 2020 transitioned to remote instruction for the remainder of the Spring 2020 semester. Nearly all campus events for the remainder of the 2019-20 academic year were canceled or postponed. The College refunded room and board on a pro-rata basis for those students who vacated campus in Spring 2020. The College provided housing for approximately 40 students who remained on campus throughout spring and summer.

The College began the 2020-21 academic year in early September with primarily online instruction. The traditional two semester calendar was divided into four modules with Modules One and Two aligning closely with the previously planned fall semester. Student housing was reconfigured by limiting one student to each residence hall room. Students were required to participate in COVID-19 testing at the start of the semester and students, faculty and staff living, learning teaching or working on campus were required to participate in ongoing random surveillance testing throughout the semester. The College ended Module Two on December 18, 2020 without having to suspend classes. Module Three began January 21, 2021 with a combination of in-person and remote instruction. The College has followed testing protocols similar to those established in the fall. Numerous additional steps were taken to protect individuals on campus including changes to physical spaces, modified cleaning practices, and required behavior protocols. The College continues to monitor the situation and will adjust its response in concert with the recommendations or directives of federal, state and local health officials and governmental authorities.

The continued spread of COVID-19 or any other similar outbreaks in the future and the continued impact on social interaction, travel, economies and financial markets may materially impact College finances and operations. The full impact of COVID-19 and the scope of any adverse impact on College finances and operations cannot be fully determined at this time. Other adverse consequences of COVID-19 may include, without limitation, decline in enrollment, decline in demand for College housing, decline in revenues and decline in demand for College programs that involve travel or that have international connections.

This information is current as of the date of this Official Statement. Because of the evolving nature of the circumstances described herein, it is very likely those circumstances will continue to be fluid. Although the College may provide additional information to the public from time to time regarding the matters described herein, it does not anticipate providing such information in the form of an additional supplement to the Official Statement after the delivery of the Bonds.

Cybersecurity Risks

The College relies on security measures included in its information systems to enable secure processing, transmission and storage of confidential and other sensitive information. Information systems security breaches, including electronic break-ins, computer malware, attacks by internal and external parties and similar breaches, could create disruption or shutdown of the College information systems and disrupt the services the College provides. Security breaches could also facilitate unauthorized access to or disclosure of personally identifiable information and other confidential or sensitive information.

The College employs a full-time information security manager who oversees a comprehensive cybersecurity program. The College conducts monthly internal reviews of its cybersecurity program, including its overall vulnerability. The College also has external reviews of its cybersecurity program. The most recent external penetration tests were completed in May 2020. The Audit and Risk Committee of the Board of Trustees receives regular updates regarding cybersecurity topics and a full Board plenary session dedicated to Information Technology Services was held in February 2021.

Despite implementing, monitoring and regularly updating information system security measures, the College may remain vulnerable to intrusion attempts by outside or internal parties, as well as data breaches resulting from employee error, negligence or malfeasance. Failure to maintain proper functionality and security of the College's information systems could interrupt the College's operations, damage its reputation, subject it to significant costs, liability claims or regulatory penalties, and could have a material adverse effect on the operations and financial condition of the College.

The College maintains insurance coverage for losses associated with information system security breaches. The policy covers legal, forensic, public relations, crisis management, data recovery, cyber extortion, and business interruption.

Other Possible Risk Factors

The occurrence of any of the following events, or other unanticipated events, could adversely affect the operations of the College:

(1) Inability to control increases in operating costs, including salaries, wages and fringe benefits, supplies and other expenses, without being able to obtain corresponding increases in revenues.

(2) Adoption of federal, state or local legislation or regulations having an adverse effect on the future operating or financial performance of the College.

(3) International events, including any acts of war and terrorism, which may have adverse effects on enrollment and investments.

(4) Market conditions that negatively affect the College's investments and therefore may adversely affect debt coverage and endowment spending.

See also "TAX CONSIDERATIONS" herein.

FUTURE FINANCING

The College regularly improves and expands its physical plant. The College does not anticipate financing any additional projects with debt within the next twelve months.

THE AUTHORITY

The Minnesota Higher Education Facilities Authority was created by Chapter 868, Laws of Minnesota, 1971 (Minnesota Statutes Sections 136A.25 through 136A.42), for the purpose of assisting institutions of higher education within the State in the construction and financing of projects. The Authority consists of eight members appointed by the Governor with the advice and consent of the Senate. Appointed Board members serve staggered four-year terms. A representative of the Minnesota Office of Higher Education and the President of the Minnesota Private College Council, who is a non-voting member, are also members of the Authority.

All Authority members must be residents of Minnesota. At least two members must reside outside the metropolitan area of Minneapolis-Saint Paul. At least one member must be knowledgeable in the field of municipal finance, at least one member shall be knowledgeable in the building construction field and at least one member shall be a trustee, director, officer, or employee of an institution of higher education.

The administration and overall operation of the Authority is the responsibility of its Executive Director, Barry W. Fick. Mr. Fick has been the Executive Director of the Authority since July 13, 2016. Mr. Fick has a Bachelor of Science degree in Economics from the University of Minnesota and a Juris Doctorate from Mitchell | Hamline School of Law. Prior to becoming Executive Director of the Authority, Mr. Fick served for 28 years as an executive at Springsted Incorporated, Public Sector Advisors, now Baker Tilly Municipal Advisors, LLC.

The Authority is authorized and empowered to issue revenue bonds whose aggregate outstanding principal amount at any time shall not exceed $1.3 billion. The Authority has issued bonds totaling over $3.00 billion, of which approximately $913 million of Authority issued debt is outstanding as of March 1, 2021. Bonds issued by the Authority are payable only from the loan repayments, rentals, and other revenues and moneys pledged for their payment. The bonds of the Authority do not represent or constitute a debt or pledge of the full faith or credit or a moral obligation of the State.

Each series of bonds or other obligations of the Authority issued for the benefit of a particular higher education institution is secured by a separate trust indenture or financing agreement (in the case of private placements). Consequently, each series of obligations of the Authority (with the exception of additional bonds with respect to that series) is separate and distinct as to security and source of payment. The Authority may authorize other series of bonds or other obligations for the financing of projects for other private nonprofit educational institutions eligible for Authority financing assistance,

Educational institutions eligible for assistance by the Authority are generally private nonprofit educational institutions authorized to provide a program of education beyond the high school level. Under current statutory authority, public community and technical colleges in the State are also eligible for assistance in financing of child-care and parking facilities. In addition, pursuant to special legislation, the Authority has twice issued bonds on behalf of a public community college for housing purposes. Sectarian institutions are not eligible for assistance; however, the fact that an institution is sponsored by a religious denomination does not of itself make the institution sectarian. Application to the Authority is voluntary.

The scope of projects for which the Authority may issue bonds is broad, including buildings or facilities for use as student housing, academic buildings, parking facilities, day-care centers, and other structures or facilities required or useful for the instruction of students, or conducting of research, in the operation of an institution of higher education.

While the Authority retains broad powers to oversee planning and construction, it is current policy to permit the institution almost complete discretion with respect to these matters.

The Authority is also authorized to issue revenue bonds for the purpose of refunding bonds of the Authority and to refinance other debt for capital improvements.

The operations of the Authority are financed solely from fees paid by the participating institutions; the Authority has no taxing power. The Authority does not receive any funds from the State.

Bond issuance costs, including fees of bond counsel, the municipal advisors and the trustee, are paid by the participating institution.

MUNICIPAL ADVISOR

The Authority has retained North Slope Capital Advisors, Denver, Colorado, as municipal advisor (the “Municipal Advisor”) in connection with the issuance of the Bonds. The Municipal Advisor has assisted the Authority with matters relating to the planning, structure, rating and issuance of the Bonds. The Municipal Advisor has not undertaken to make an independent verification of or to assume the responsibility for the accuracy or completeness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

UNDERWRITING

The Bonds are being purchased by Piper Sandler & Co. (the “Underwriter”). The Underwriter has agreed to purchase the Bonds at a purchase price of $14,882,223.20 (representing the aggregate principal amount of the Bonds of $12,870,000.00 less an underwriter's discount of $46,975.50 and adjusted for original issue premium of $2,059,198.70).

The Underwriter intends to offer the Bonds to the public initially at the offering prices set forth on the front cover of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at prices lower than the public offering prices.

The Underwriter has entered into a distribution agreement (“Distribution Agreement”) with Charles Schwab & Co., Inc. (“CS&Co.”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase Bonds from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

The College has agreed in the Bond Purchase Agreement to indemnify the Underwriter and the Authority against certain civil liabilities, including certain potential liabilities under federal securities laws.

RATING

As noted on the cover page hereof, Moody's Investors Service (“Moody’s”), 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York, has assigned a rating of Aa3 to the Bonds. This rating reflects only Moody’s view. Any explanation of the significance of the rating may be obtained only from Moody's.

Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigations, studies and assumptions by the rating agency. There is no assurance that such rating will continue for any given period of time or that Moody's may not lower or withdraw it entirely if in Moody's judgment circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

LITIGATION

The Authority and the College are unaware of any pending or threatened litigation which would affect the validity of the Bonds, the tax-exempt nature of the Bonds, the authority of either party to enter into the Bond-related documents or the ability of either to perform as described herein, or materially affect the ability of the College to pay the principal of or interest on the Bonds as the same become due.

LEGALITY

The Bonds will be subject to the unqualified approving opinion as to validity and tax exemption by Kennedy & Graven, Chartered, Minneapolis, Minnesota, as Bond Counsel. A legal opinion in substantially the form set out in Appendix II herein will be delivered at Bond Closing.

Certain legal matters will be passed upon for the College by Fredrikson & Byron, P.A., Minneapolis, Minnesota and for the Underwriter by Dorsey & Whitney LLP, Minneapolis, Minnesota.

TAX CONSIDERATIONS

Federal Tax-Exempt Interest

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excludable from gross income under Section 103 of the Code. These requirements include, but are not limited to, (1) provisions relating to the expenditure of Bond proceeds, (2) provisions which prescribe yield and other limits relative to the investment of the proceeds of the Bonds and other amounts, (3) provisions which require that certain investment earnings be rebated periodically to the Federal government and (4) provisions relating to the ownership and operation of the facilities financed by the Bonds. Noncompliance with such requirements may cause interest on the Bonds to become includable in gross income for purposes of Federal and State income taxation retroactive to their date of original issue, irrespective in some cases of the date on which such noncompliance is ascertained.

The Loan Agreement and Indenture contain provisions (the "Tax Covenants") including covenants of the Authority and the College, pursuant to which, in the opinion of Bond Counsel, such requirements can be satisfied. The Tax Covenants do not relate to all the continuing requirements referred to in the preceding paragraph. If a Determination of Taxability occurs, however, whether or not as a result of violation of any of the Tax Covenants, the outstanding Bonds are subject to optional redemption without premium, and the Bonds shall bear additional interest at a rate of two percent (2%) per annum from the Date of Taxability until the respective dates on which the principal of the Bonds is paid. (See "SUMMARY OF DOCUMENTS – The Loan Agreement – Determination of Taxability" in Appendix V). A change of law as in effect on the date of issuance of the Bonds or a determination that interest on the Bonds is includable in the computation of the alternative minimum tax imposed on individuals under the Code is not a Determination of Taxability.

Assuming compliance with the Tax Covenants and on the basis of the certifications to be furnished at Bond Closing, in the opinion of Bond Counsel, under present laws and rulings, interest on the Bonds is excludable from gross income for federal income tax purposes. Interest on the Bonds is not treated as a preference item in determining federal alternative minimum taxable income of individuals.

Related Federal Tax Considerations

Ownership of the Bonds may result in collateral federal tax consequences to certain taxpayers, including, without limitation, financial institutions, S corporations with excess net passive income, property and casualty companies, individual recipients of social security or railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, foreign corporations that may be subject to the foreign branch profits tax, and taxpayers who may be deemed to have incurred indebtedness to purchase or carry the Bonds. The nature and extent of the tax benefit to a taxpayer of ownership of the Bonds will generally depend upon the particular nature of such taxpayer or such taxpayer's own particular circumstances, including other items of income or deduction.

Bond Counsel will express no opinion with respect to these or any other collateral tax consequences of the ownership of the Bonds. Prospective investors, particularly those who may be subject to special rules such as those described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Minnesota Tax Considerations

Assuming compliance with the Tax Covenants and on the basis of the certifications to be furnished at Bond Closing, in the opinion of Bond Counsel, under present laws and rulings, interest on the Bonds is not includable in the net taxable income of individuals, estates and trusts for Minnesota income tax purposes. Interest on the Bonds is not treated as a preference item in determining the Minnesota alternative minimum tax applicable to individuals, estates and trusts. However, the interest is subject to the Minnesota franchise tax imposed on corporations, including financial institutions, measured by income.

Minnesota, like many other states, generally taxes interest on obligations of governmental issuers in other states. In 1995, Minnesota enacted a statement of intent, codified at Minn. Stat. § 289A.50, subd. 10, that interest on obligations of Minnesota governmental units and Indian tribes be included in the net income of individuals, estates and trusts for Minnesota income tax purposes if a court determines that Minnesota's exemption of such interest and its taxation of interest on obligations of governmental issuers in other states unlawfully discriminates against interstate commerce. This provision applies to taxable years that begin during or after the calendar year in which any such court decision becomes final, irrespective of the date upon which the obligations were issued.

Changes in Federal and State Tax Law

From time to time there are Presidential proposals, proposals from various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed.

It cannot be predicted, however, whether or in what form any other such proposal might be enacted or whether if enacted it would apply to the Bonds even if issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, such as described above, as well as any pending or proposed regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds and Bond

Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Original Issue Premium

All maturities of the Bonds were sold to the public at an amount in excess of their stated redemption price at maturity (the "Premium Bonds"). Such excess of the purchase price of a Bond over its stated redemption price at maturity constitutes premium on such Bond. A purchaser of a Premium Bond must amortize any premium over such Bond's term using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the purchaser's basis in such Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed. Purchasers of Premium Bonds, whether at the time of initial issuance or subsequent thereto, should consult with their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning such Premium Bonds.

Bondholders should consult their tax advisors with respect to collateral consequences arising from the receipt of interest on the Bonds, including without limitation the calculations of alternative minimum tax or foreign branch profits tax liability, or the inclusion of social security or other retirement payments in taxable income.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds will not be "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations. Bondholders should consult their tax advisors with respect to collateral consequences arising from the receipt of interest on the Bonds.

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THE COLLEGE

Macalester College is a four-year, co-educational, liberal arts institution located in Saint Paul, Minnesota. The legislature of the State of Minnesota granted a charter to the College in 1874 and the College opened on September 15, 1885. Historically, the College has been affiliated with the Presbyterian Church (USA). The College has a diverse student body and does not discriminate based on religious preference or any other prohibited basis.

The College offers a variety of four-year programs leading to a Bachelor of Arts degree and is accredited by the North Central Association of Colleges and Secondary Schools. The College is also registered with the Minnesota Higher Education Services Office in accordance with Minnesota Statutes.

Governance

The College is governed by a Board of Trustees which consists of such number of members as may be determined from time to time by the Board. Currently there are 34 members, including the President of the College, who is a full voting member of the Board of Trustees. Except for the President, who serves as an ex-officio Trustee, the Board elects its own members. Elected Board members serve three-year overlapping terms.

Board of Trustees – Officers and Members

Date references above refer to Trustees’ graduation dates from the College and “P” references refer to Trustees who are parents of College students and those students’ graduation dates.

Administration

The principal officers and members of the Senior Staff are as follows:

President. Dr. Suzanne M. Rivera became Macalester College's 17th president on June 1, 2020. Having worked in higher education for 25 years, Dr. Rivera is an accomplished leader, instructor, researcher, and scholar. She is an advocate for social justice and brings a strong commitment to inclusion and equity to her role as president.

Prior to her appointment at Macalester, Dr. Rivera was the Vice President for Research and Technology Management at Case Western Reserve University ("CWRU") in Cleveland, Ohio. She also served on the faculty in the Departments of Bioethics and Pediatrics at CWRU, leading original research projects funded by the National Institutes of Health, the federal Office of Research Integrity, and The Cleveland Foundation. She previously served as Vice President for Research Administration at UT Southwestern Medical School in Dallas, Texas, where she also was a faculty member in the Department of Clinical Sciences, and at the University of California-Irvine campus as an instructor and administrator.

Dr. Rivera earned her BA in American Civilization from Brown University, a Master of Social Work Degree from the University of California-Berkeley, and a doctorate in Public Affairs with an emphasis on health policy from the University of Texas at Dallas.

Provost and Dean of the Faculty. Dr. Karine Swensen Moe has been Provost and Dean of the Faculty since 2015. Dr. Moe came to Macalester in 1995 as Assistant Professor of Economics. She received tenure in 2001 and was appointed the F. R. Bigelow Professor of Economics in 2010. In addition to teaching and scholarship, she has held numerous leadership positions at the College, including Presiding Officer of the Faculty, Chair of the Faculty Personnel Committee (twice), Chair of the Economics Department, and member of the President's strategic planning committee. Dr. Moe has announced her intention to complete her service as Provost as of May 31, 2021.

Dr. Moe received a B.A. from St. Olaf College and received a Master's in Public Policy from Harvard's Kennedy School, and received an M.A. and Ph.D. in Economics from the University of Minnesota.

Vice President of Administration and Finance/Chief Financial Officer. Mr. David Wheaton is the Vice President of Administration and Finance/Chief Financial Officer and has held this position since 2002. Previously, Mr. Wheaton served as the Vice President for Administration and Finance for the William Mitchell College of Law. Mr. Wheaton reports to the President and serves on the senior staff of the College. He is responsible for development and control of the College's budget, cash management, physical plant and off-campus properties, human resources, business services, and information technology. Mr. Wheaton chairs the task force on the budget, and serves as liaison to the resources and planning committee, as well as the trustee committees on finance, audit, and infrastructure, and is an ex officio member of the investment committee. Mr. Wheaton holds a Bachelor's degree from the University of Notre Dame, and a Master of Management (MBA) from Northwestern University.

Mr. Wheaton will retire from the College effective May 31, 2021. Patricia Langer has been named to act as Interim Vice President of Administration and Chief Financial Officer upon Mr. Wheaton's retirement. See Ms. Langer's bio immediately following.

Associate Vice President for Finance. Patricia Langer is currently the College's Associate Vice President for Finance. She joined the College in October 2013 after serving as Budget Director at Carleton College for five years, her first position in higher education. Ms. Langer spent most of her early career working for the State of Nebraska serving in both the executive and judicial branches, most recently as the Administrative Fiscal and Budget Analyst for the Nebraska Supreme Court system. She holds a Bachelor of Science in business administration from the University of Nebraska, Lincoln, and a Master of Public Administration from the University of Nebraska, Omaha.

The College has named Ms. Langer to act as Interim Vice President of Administration and Chief Financial Officer upon David Wheaton's retirement.

Other Members of the Senior Staff:

Jeff Allen	Vice President for Admissions and Financial Aid
D. Andrew Brown	Vice President for Advancement
Jenn Haas	Vice President for ITS and Chief Information Officer
Donna Lee†	Vice President for Student Affairs
Paul Overvoorde	Vice President; Special Advisor to the President and Director of COVID Operations
Dianna Shandy	Acting Associate Dean of the Faculty

† *Ms. Lee has announced that she will leave the College effective May 31, 2021 to assume similar duties at another institution.*

Campus and Buildings

The College campus occupies approximately 53 acres in a residential neighborhood, located four miles west of downtown Saint Paul, and the 280-acre Ordway Field Station on the Mississippi River. There are 66 buildings on or adjacent to the campus. The insured value of the campus buildings is estimated by the College to be approximately $458 million.

Over the past 10 years, the College has completed a three-phase renovation of the Janet Wallace Fine Arts Center (total cost $95 million, with the final phase opened in 2019), home to Music, Studio Art, the College's art gallery, Art History program facilities, and Theater and Dance, and the complete renovation and expansion of the College's Facilities Services offices and shops. Markim Hall ($7.7 million, opened in 2009), is the home of the Kofi Annan Institute for Global Citizenship and was awarded the Platinum Level of the Leadership in Energy and Environmental Design (LEED) program. The Leonard Center ($42 million, opened in 2008), is an athletic and wellness complex which was designed to promote significant energy reductions for the College. Other significant projects include construction of the Ruth Stricker Dayton Campus Center ($18.5 million, opened in 2001), renovation of Kagin Commons ($7.5 million, opened in 2002); a major renovation and expansion of two science halls ($22 million, opened in 1997), and a new residence hall ($6 million, opened in 1997).

Academic Information

Macalester College follows the early semester academic calendar of two 14-week semesters during the academic year. The normal student course load is considered to be four courses for 16 hours of credit during each of the fall and spring semesters. Macalester's 31 academic departments offer 38 majors with 63 areas of study. Ranked #27 among National Liberal Arts Colleges by U.S. News Spring 2021 survey, Macalester offers over 800 courses each year.

Student Enrollment

The College's actual full-time equivalent and total enrollment is reflected in the table below. The objective of the College is to maintain the full-time equivalent enrollment at 2,025 students. Adjustments to enrollment are typically the result of a decision by the College to optimize enrollment to match capacity.

Fall Term	Total FTE	Total Number of Students
2016	2,121	2,146
2017	2,107	2,136
2018	2,151	2,174
2019	2,082	2,098
2020	2,022	2,049

Geographical Distribution

Following is the geographic distribution of students in fall 2020:

Place of Origin	Number of Full-time Students
Minnesota	334
California	189
Illinois	169
Wisconsin	131
New York	93
Massachusetts	80
Washington	79
Oregon	56
Colorado	51
Texas	42
Iowa	39
Other States/Territories	492
International/US Abroad	294
Total	2,049

First Years' Applications, Admissions and Enrollments

Fall Semester	Applications Received	Offers of Admission	Percent Admitted	First-years Enrolled	Percent of Admitted Enrolled	Median Composite SAT Scores
2016	5,946	2,206	37	506	23	2,060
2017	5,900	2,395	41	543	23	2,060
2018	5,985	2,468	41	621	25	1,400†
2019	6,598	2,129	32	502	24	1,400
2020	6,372	2,466	39	547	22	1,370

† *First year reporting under new SAT methodology*

As of March 24, 2021 the College has received 9,049 applications for Fall of 2021. The College attributes much of this growth to a series of pre-pandemic decisions: pursuing test optional admissions, eliminating the $40 application fee or fee waiver requirement, and the addition of an Early Action admissions round. All of these practices shall continue in future admission cycles.

Student Retention

The following student retention rates are based on tracking incoming freshmen through to graduation.

		Percentage of Students Returning			Percent of Graduates	
Fall Semester	New First-years	2nd Year	3rd Year	4th Year	4 Years	By 5th Year
2015	582	93%	91%	89%	85%	88%
2016	506	93%	89%	88%	83%	
2017	543	96%	92%	87%†		
2018	621	93%	83%†			
2019	502	90%†				
2020	547					

† *Dip in student retention is directly related to an increase in Leave of Absence requests related to the 2020 COVID-19 pandemic.*

Tuition, Fees, Room and Board

The College meets the cost of educational programs primarily through tuition and fees. The following table lists the schedule of fees charged to full-time undergraduate students for the Fiscal Years 2016-17 through 2020-21. Please note: Certain other fees may be charged depending on activity or course of study.

	2016-17	2017-18	2018-19	2019-20	2020-21
Tuition	$50,418	$52,234	$54,114	$56,062	$58,248
Room	6,020	6,238	6,526	6,762	7,026
Full Board	5,246	5,434	5,630	5,830	6,058
Student Activity Fee	221	230	230	230	230
Total	$61,905	$64,136	$66,500	$68,884	$71,562

2020/21 Undergraduate Tuition, Fees, Room and Board Comparison (Ranked by Comprehensive Charges)

The following list of colleges and universities is comprised generally of institutions that are ranked similarly to the College by U.S. News and World Report in its report on America's Best Colleges or with which the College has a substantial overlap of applications. The following table is a comparison of that group for tuition, fees, room and board, and comprehensive charges.

	Tuition and Required Fees	Room and Board	Comprehensive Charges
Tufts University	$60,862	$15,630	$76,492
Wesleyan University	$59,686	$16,384	$76,070
Vassar College	$61,010	$14,990	$76,000
Oberlin College	$58,554	$17,334	$75,888
Colgate University	$60,015	$15,035	$75,050
Middlebury College	$58,316	$16,630	$74,946
Colby College (a)	N/A	N/A	$74,725
Carleton College	$59,352	$15,147	$74,499
Claremont McKenna College (b)	$56,475	$17,300	$73,775
Hamilton College	$58,510	$14,860	$73,370
Washington & Lee University	$57,285	$15,810	$73,095
Bryn Mawr College	$55,300	$17,100	$72,400
Macalester College	**$58,478**	**$13,084**	**$71,562**
Smith College	$54,224	$16,880	$71,104
Grinnell College	$56,680	$13,864	$70,544
Averages:	$58,196	$15,718	$73,968

[a] *Colby College's tuition, fees, and room and board are not itemized on its website.*
[b] *Claremont McKenna's room and board cost includes a residence hall room option and a full meal plan.*

Source: Information posted on each institution's website.

Athletics

The College is part of the intensely competitive Minnesota Intercollegiate Athletic Conference (MIAC) for 20 of its 21 varsity sports. Women's Water polo competes in the College Water Polo Association. The College currently offers men and women the opportunity to compete in 21 varsity sports and 9 club sports. More than 600 undergraduate students participate in intercollegiate varsity or club competitions annually. Nearly 500 students participate in a variety of intramural sports, ranging from esports to basketball.

Over the past 10 years, Macalester's student-athletes have earned 41 All-American honors and have won two individual national championships. Twenty-eight student-athletes have been recognized as Academic All-Americans since 1982.

Women's varsity sports offered include: Basketball, Cross Country, Golf, Soccer, Softball, Swimming & Diving, Tennis, Track & Field, Water Polo, and Volleyball. Men's varsity sports offered include: Baseball, Basketball, Cross Country, Football, Golf, Soccer, Swimming & Diving, Tennis, and Track & Field. The College's athletic facilities include the $42M, 175,000 square-foot Leonard Center health and wellness complex, a new golf simulator, and a new synthetic turf field installed at the Macalester Stadium in 2018 for football and soccer.

The College was a founding member of the Minnesota Intercollegiate Athletic Conference ("MIAC") in 1920. The College's football team played in the MIAC until after the 2001 season, when the College left to become an independent football program. The College's football team joined the Midwest Conference ("MWC") in 2014, where it has played through the 2020 season, after which the MWC voted to not renew the College's membership. The College's football team will rejoin the MIAC beginning with the 2021 season.

As a result of COVID-19, the college has retrofitted athletic facilities for physically distanced training sessions. The College postponed Fall and Winter sports, leaving open the possibility to compete in the spring. The College Athletics will participate in intercollegiate competition in spring of 2021. The fall and winter programs will play limited schedules, while the spring programs will play against conference opponents only. All plans to return to competition are subject to change in accordance with Minnesota's and the College's health and safety policies related to the COVID-19 pandemic.

Faculty and Staff

The teaching student-faculty ratio for the academic year 2020-21 was 10 to 1. There are no religious or denominational prerequisites or any participatory religious requirements for faculty or staff membership. The College subscribes to the 1940 Statement of Principles on Academic Freedom of the American Association of University Professors ("AAUP") and the Association of American Colleges.

The College employs 193 full-time and 11 part-time teaching faculty. The total faculty payroll for Fiscal Year 2020-21 is estimated to be $27.9 million including benefits. The total faculty payroll for Fiscal Year 2021-22 is expected to be approximately $28.6 million including benefits.

Academic Rank	Number of Faculty	Average Salary	Average Total Compensation [a]
Professor	79	$127,154	$166,572
Associate Professor	44	95,519	125,130
Assistant Professor	35	80,085	104,911
No rank [b]	46	63,361	83,003

[a] *Includes salary, life and health insurance, pension, long-term disability, unemployment insurance and workers compensation insurance.*

[b] *Faculty without rank are persons hired on a visiting (temporary) basis.*

Collective Bargaining Units

The International Union of Operating Engineers, Local 70, AFL-CIO, Saint Paul, Minnesota represents employees in two collective bargaining agreements at the College. The maintenance unit, composed of 53 employees, represents custodians, grounds persons, and skilled crafts positions. The engineer unit, composed of 13 employees, represents maintenance and operating engineers. Both agreements expire on May 31, 2021. These are the only two bargaining units at the College. The College considers its relations with its employees to be good. The College anticipates extension of the bargaining agreements prior to Fiscal Year End.

Pension and Defined Contribution Plans

The College provides retirement benefits to substantially all employees. Certain academic and non-academic personnel are covered under defined contribution plans with Teachers Insurance and Annuity Association (TIAA), and Vanguard Fiduciary Trust Company. A plan covering union employees is managed by the bargaining unit and is funded by deposits with trustees based on a fixed rate of contribution per hour worked. The College has no liability for the retirement plans once deposits are made to the administrators. Total benefit expense for the years ended May 31, 2020 and 2019 was approximately $4.9 million and $4.7 million, respectively.

Financial Aid

The following table shows a five-year history of financial aid awarded to students of the College from all sources, excluding non-need based aid such as SELF and PLUS loans.

	2015-16	2016-17	2017-18	2018-19	2019-20
Grants	$55,543,698	$56,959,448	$60,493,198	$63,270,760	$62,990,689
Loans	1,940,236	1,355,414	1,562,785	1,115,500	1,297,528
Work-Study	3,319,099	3,231,500	3,294,879	3,470,849	3,358,033
Total	$60,803,033	$61,546,362	$65,350,862	$67,857,109	$67,646,250
Percent of Full-Time Students Receiving Aid	81%	83%	84%	83%	85%
Average Award Per Recipient	$35,599	$35,929	$37,710	$39,911	$39,513

Market Value of Long-Term Investments

The College treats its long-term investments as the principal component of the College's endowment. The following table shows the market value of the College's long-term investments for the past five Fiscal Years.

Fiscal Year	Long-Term Investments†
2016	$686,040,000
2017	$764,803,000
2018	$787,902,000
2019	$765,462,000
2020	$705,753,000

† *Includes beneficial interest in perpetual trust.*

The estimated value of the College's endowment as of February 28, 2021 was $804,684,000. This value is drawn from statements from the College's custodian.

According to The Chronicle of Higher Education's 2019-2020 Almanac of Higher Education, dated August 21, 2020, the College ranked 141st among liberal arts institutions with endowments over $500 million (as identified by The Chronicle of Higher Education) reporting on the market value of total endowment assets at the end of Fiscal Year 2019.

The College's total net assets and assets by asset class for the past five fiscal years are as follows:

Fiscal Year	Assets Without Donor Restrictions	Assets With Donor Restrictions	Total Net Assets
2016	$196,200,000	$683,425,000	$879,625,000
2017	203,984,000	729,528,000	933,512,000
2018	209,115,000	756,544,000	965,659,000
2019	214,569,000	734,312,000	948,881,000
2020	206,178,000	681,766,000	887,944,000

Endowment Draw Policy and Investment Objectives

The College has a blended endowment draw policy. Half of the allowable spending in the previous Fiscal Year is increased by 2%, and that amount represents one-half of the current Fiscal Year endowment draw. The other half of the draw is computed as 5% of a trailing a 16-quarter average market value of long-term investments. The amount to be spent is constrained by a test to ensure the formula does not create a spending amount that is too large or too small relative to the current endowment size. In establishing this policy, the College considered the expected return on its endowment. Accordingly, the College expects the current spending policy to allow its endowment to maintain its purchasing power by growing at a rate equal to planned payouts. Additional real growth will be provided through new gifts and any excess investment returns. If yield (interest and dividend income) is not sufficient to support the calculated spending, the balance is allocated from gains on the endowment assets.

The College's Finance Committee determines the disposition of the funds drawn from the endowment. Historically, the vast majority of the funds have been used to support current operations, including student aid. For further information, please see Appendix VII of this Official Statement containing the College's audited financial statements for the Fiscal Year ended May 31, 2020.

The College's annual returns on the endowment for the past five Fiscal Years were:

2016	-3.91%
2017	11.93%
2018	7.32%
2019	5.36%
2020	-5.68%

As of February 28, 2021, the College's return on the endowment for Fiscal Year 2021 was 18.6%.

Private Gifts and Grants

Private gifts and grants revenues received by fund for the past five years as reported in the annual financial statements of the College have been:

	Current Funds					
Fiscal Year	Without Donor Restrictions	With Donor Restrictions	Endowment Funds	Deferred Gift Funds	Plant Funds	Total
2016	$4,029,000	$2,457,000	$1,745,000	$ 0	$ 250,000	$ 8,481,000
2017	4,540,000	5,837,000	2,129,000	170,000	297,000	12,973,000
2018	4,887,000	3,353,000	3,043,000	33,000	5,743,000	17,059,000
2019	4,735,000	7,904,000	1,532,000	23,000	975,000	15,169,000
2020	4,067,000	1,965,000	9,076,000	236,000	9,000	15,353,000

Statements of Activities Without Donor Restrictions for Fiscal Years 2016 through 2020

In fiscal year 2018, the College adopted the Financial Accounting Standard Board's Accounting Standards Update No. 2016-14, which entailed, *inter alia*, the renaming of the unrestricted net assets class to net assets without donor restrictions. The College accordingly changed its designation of "Statements of Unrestricted Activities" to the functionally equivalent "Statement of Activities Without Donor Restriction." The College's fiscal year 2018 audit included this presentation for both of Fiscal Years 2018 and 2017. Fiscal Year 2016 appears in the following table as if similarly renamed.

The following table summarizes the College's Statements of Activities Without Donor Restrictions for the Fiscal Years ended May 31, 2016 through 2020. For more complete information of the College for the Fiscal Years ended May 31, 2020 and 2019, see Appendix VII of this Official Statement containing the College's audited financial statements for such period.

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MACALESTER COLLEGE
Statements of Activities Without Donor Restrictions
Years Ended May 31
(in thousands of dollars)

	2016	2017	2018	2019	2020
Operating Activities:					
Revenues and other additions					
Tuition and fees, net	$ 50,625	$ 51,614	$ 51,071	$ 55,142	$ 54,507
Federal and state grants and contracts	1,819	1,985	1,936	1,647	1,194
Private gifts and grants	4,029	4,540	4,887	4,735	4,067
Sales and service of Auxiliary enterprises	15,995	16,020	16,032	17,409	14,290
Other sources	1,127	1,019	1,182	1,277	1,153
Net investment return	112	216	362	1,088	1,298
Investment return appropriated by the governing board for operations	3,641	3,807	3,945	4,033	4,100
Gain (loss) on disposal of fixed assets	(8)	25	-	-	-
Net assets released from restrictions	35,512	36,187	37,268	37,794	38,161
Total operating revenues and other additions	112,852	115,413	116,683	123,125	118,770
Expenses:					
Instruction	42,584	42,922	43,573	46,980	48,425
Research	1,996	2,191	1,949	1,822	1,699
Public service	168	148	155	-	-
Academic support	12,410	12,642	12,818	12,992	12,533
Student services	22,499	23,062	23,351	24,981	24,485
Auxiliary enterprises	11,524	11,590	11,694	11,817	11,171
Institutional support	20,422	20,504	21,949	23,872	23,995
Total expenses	111,603	113,059	115,489	122,464	122,308
Change in net assets from operating activities	1,249	2,354	1,194	661	(3,538)
Non-operating Activities:					
Investment related:					
Net investment return	(142)	8,538	8,353	2,593	123
Investment return appropriated by the governing board for operations	(3,641)	(3,807)	(3,945)	(4,033)	(4,100)
Change in value of planned giving agreements	(30)	39	32	(10)	(111)
Gift-related:					
Private gifts and grants restricted for long-term investment	42	-	22	23	481
Private gifts and grants restricted for capital projects	220	-	-	-	167
Other:					
Change in value of interest rate swap	(1,075)	559	761	(753)	(1,444)
Extinguishment of debt	-	-	(1,390)	-	-
Reclassification of net assets	-	-	104	-	-
Net assets released from restrictions	48	101	-	6,973	31
Change in net assets from non-operating activities	(4,578)	5,430	3,937	4,793	(4,853)
Change in net assets	(3,329)	7,784	5,131	5,454	(8,391)
Net assets beginning of year	199,529	196,200	203,984	209,115	214,569
Net assets end of year	$ 196,200	$ 203,984	$ 209,115	$ 214,569	$ 206,178

Source: Audited Financial Statements of the College.

Statements of Financial Position

The following table displays the College's Statements of Financial Position for the Fiscal Years ended May 31, 2016 through 2020. For more complete information of the College for the Fiscal Years ended May 31, 2020 and 2019, see Appendix VII of this Official Statement containing the College's audited financial statements for such period.

MACALESTER COLLEGE
Statements of Financial Position
Years Ended May 31
(in thousands of dollars)

ASSETS	2016	2017	2018	2019	2020
Cash and cash equivalents	$ 20,236	$ 18,215	$ 18,356	$ 10,495	$ 10,417
Restricted cash and cash equivalents	5,671	742	18,737		
Accrued investment income, prepaid expenses and other assets	953	898	1,395	5,538	5,312
Notes and accounts receivable	8,542	8,791	8,952	8,986	9,310
Contributions receivable, net	1,536	2,429	3,990	3,124	5,242
Short term investments	25,507	34,313	34,387	44,174	41,309
Long term investments	686,440	733,420	755,794	735,366	676,253
Real estate	15,567	15,473	15,473	15,473	15,755
Land, buildings and equipment, net of accumulated depreciation	200,379	197,558	206,882	220,863	214,607
Beneficial interest in perpetual trust	29,810	31,383	32,108	30,096	29,500
	$ 994,641	$ 1,043,222	$ 1,096,074	$ 1,074,115	$ 1,007,705
LIABILITIES AND NET ASSETS					
Liabilities					
Accounts payable and accrued expenses	$ 12,774	$ 14,422	$ 17,126	$ 15,511	$ 12,478
Deferred revenue and deposits	1,597	1,345	1,301	1,336	2,493
Interest rate swap agreement	1,526	966	205	958	2,402
Liabilities under planned giving agreements	7,696	8,707	8,857	8,417	8,279
Government grants refundable	4,424	4,550	3,893	3,893	3,090
Bonds payable	86,999	79,720	99,033	95,119	91,019
Total liabilities	115,016	109,710	130,415	125,234	119,761
Net assets					
Without donor restrictions					
Operations	21,898	21,467	23,290	25,533	25,317
Investments	55,589	61,499	64,002	63,350	59,512
Plant	118,713	121,018	121,823	125,686	121,349
Total without donor restrictions	196,200	203,984	209,115	214,569	206,178
With donor restrictions					
Operations	8,075	10,091	9,704	13,673	11,892
Investments	675,079	718,937	740,563	720,325	669,547
Plant	271	500	6,227	314	327
Total with donor restrictions	683,425	729,528	756,494	734,312	681,766
Total net assets	879,625	933,512	965,609	948,881	887,944
Total liabilities and net assets	$ 994,641	$ 1,043,222	$ 1,096,024	$ 1,074,115	$ 1,007,705

Source: Audited Financial Statements of the College.

Fiscal Year 2021 Operations

The College moved most instruction to a remote mode. Residence hall occupancy was reduced to one student per room to provide a safer environment. This change resulted in a loss of occupancy and dining revenue. Even with these changes, student retention remained very strong. Full-year Fiscal 2021 enrollment is expected to reach 97% of the originally budgeted number of students.

The net tuition per student is projected at 93% of the originally planned level. Substantial cost savings were realized from the reduced campus occupancy including lower cost for utilities, study away, food service, events, and department budgets. Compensation savings were also realized from salary freezes and a temporary suspension of retirement plan contributions. The original Fiscal Year 2021 budget, approved by the Board of Trustees on January 31, 2020, was expected to generate a $1.8 million surplus; the most recent forecast for Fiscal Year 2021 projects an operating deficit of $2.4 million including federal aid to higher education and some one-time expenses unrelated to the pandemic. The current projected operating deficit does not incorporate any funds to be received by the College for operations based on the Coronavirus Aid, Relief, and Economic Security (CARES) Act signed into law on March 27, 2020. The College plans to fund the Fiscal Year 2021 deficit from a draw on unrestricted reserves.

Long-Term Debt of the College

The College's long-term debt outstanding as of March 1, 2021 is as follows:

1. $6,660,000 Minnesota Higher Education Facilities Authority Variable Rate Demand Revenue Bonds, Series Three-Z (Macalester College), dated September 15, 1994 (the "Series Three-Z Bonds"). The College provides liquidity for the Series Three-Z Bonds, which are an unsecured general obligation of the College. Holders may tender bonds on seven days' notice and interest is re-set weekly. To facilitate the availability of sufficient funds, the College maintains a custodial account. The College is required to own, on each semi-annual valuation date, investments having a market value in excess of the purchase price of outstanding Series Three-Z Bonds, but the College is not required to maintain any specified amount of liquid funds at any other times. The outstanding balance on the Series Three-Z Bonds is $6,660,000, all scheduled to mature in March 2024.

2. $15,300,000 Minnesota Higher Education Facilities Authority Variable Rate Demand Revenue Bonds, Series Five-Q (Macalester College), dated February 20, 2003 (the "Series Five-Q Bonds"). The College provides liquidity for the Series Five-Q Bonds, which are an unsecured general obligation of the College. Holders may tender bonds on seven days' notice and interest is re-set weekly. To facilitate the availability of sufficient funds, the College has maintained a custodial account, but the College has no obligation to continue to maintain the account or to otherwise reserve liquid funds. The Series Five-Q Bonds are subject to an interest rate swap in the notional amount of $15,300,000 that expires on March 1, 2030. The outstanding balance on the Series Five-Q Bonds is $15,300,000, all scheduled to mature in March 2033.

3. $14,730,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Seven-S (Macalester College), dated December 12, 2012. The Series Seven-S Bonds are an unsecured general obligation of the College. The true interest cost on the Series Seven-S Bonds as of the issue date was 3.28% with the final maturity due May 1, 2043. The outstanding balance on the Series Seven-S Bonds is $13,055,000. **The Series Seven-S Bonds maturing on May 1, 2022 and thereafter will be refunded in full with proceeds of the Bonds. The College will make the scheduled May 1, 2021 principal and interest payments from its own funds.**

4. $22,660,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Eight-J (Macalester College), dated October 1, 2015. The Series Eight-J Bonds are an unsecured general obligation of the College. The true interest cost on the Series Eight-J Bonds as of the issue date was 2.88% with the final maturity due March 1, 2032. The outstanding balance on the Series Eight-J Bonds is $16,125,000.

5. $40,315,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series 2017 (Macalester College), dated November 8, 2017. The Series 2017 Bonds are an unsecured general obligation of the College. The true interest cost on the Series 2017 Bonds as of the issue date was 3.10% with the final maturity due March 1, 2048. The outstanding balance on the Series 2017 Bonds is $32,055,000.

As of March 1, 2021, the College's total long-term debt outstanding is $83,195,000. After issuance of the Bonds, the College's outstanding long-term debt will increase by the principal amount of the Bonds minus the refunded balance of the Series Seven-S Bonds.

On August 12, 2020, the College entered into a line of credit agreement to borrow up to a maximum of $20 million. The College has not drawn on the line of credit to date and has a current balance of $0. The line of credit expires on August 10, 2021.

Pro Forma Debt Service

The following table sets forth the College's estimated pro forma annual debt service, including the College's estimated outstanding debt service, excluding debt service on the Series Seven-S Bonds to be refunded, plus actual debt service on the Bonds.

The College's existing long-term debt ("Outstanding Debt") includes two series of variable rate demand bonds ("VRDBs"): the $6,660,000 Series Three-Z Bonds maturing in Fiscal Year 2024 and the $15,300,000 Series Five-Q Bonds maturing in Fiscal Year 2033. The Series Three-Z Bonds and the Series Five-Q Bonds that are not subject to an interest rate swap are assumed to bear interest to maturity at the 20-year average of SIFMA of approximately 1.155%. The Series Five-Q Bonds that are subject to an interest rate swap are assumed to bear interest to maturity at the existing fixed payor swap rate of 2.07%. Debt service on the VRDBs, each of which is balloon indebtedness with 100% of principal due at maturity, is displayed as interest only until their respective maturity dates, at which time principal is fully paid.

The College is setting aside monies from operations to satisfy the balloon principal payments when they become due. The College could, however, discontinue or modify its practice of setting aside monies as described herein at any time or could use the monies set aside for any purpose of the College at any time.

The following table is not intended to be, nor should it be, considered a projection or guarantee of the College's total debt service. Any additional future indebtedness and/or refundings will alter the College's debt service.

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MACALESTER COLLEGE - PRO FORMA DEBT SERVICE

Fiscal Year	Series Three-Z	Series Five-Q	Series Seven-S	Series Eight-J	Series 2017	Current Debt Service	Refund Series Seven-S	Series 2021	Future Debt Service
2022	76,923	316,710	845,256	2,644,769	3,284,325	7,167,983	(845,256)	839,826	7,162,553
2023	76,923	316,710	842,806	2,131,519	2,283,125	5,651,083	(842,806)	846,300	5,654,577
2024	6,736,923	316,710	843,244	2,130,019	2,284,125	12,311,021	(843,244)	840,500	12,308,277
2025		316,710	842,913	2,130,269	2,276,875	5,566,766	(842,913)	844,300	5,568,154
2026		316,710	844,563	1,536,519	2,284,075	4,981,866	(844,563)	842,300	4,979,604
2027		316,710	840,763	1,538,269	2,286,575	4,982,316	(840,763)	844,700	4,986,254
2028		316,710	841,663	1,537,019	2,285,825	4,981,216	(841,663)	841,300	4,980,854
2029		316,710	842,113	1,537,769	2,286,825	4,983,416	(842,113)	847,300	4,988,604
2030		316,710	842,113	1,533,894	2,294,325	4,987,041	(842,113)	842,300	4,987,229
2031		316,710	841,663	1,538,719	2,292,825	4,989,916	(841,663)	841,700	4,989,954
2032		316,710	845,763	1,535,119	2,289,675	4,987,266	(845,763)	845,300	4,986,804
2033		15,563,925	844,263		2,295,175	18,703,363	(844,263)	842,900	18,702,000
2034			840,900		2,294,025	3,134,925	(840,900)	844,700	3,138,725
2035			842,050		2,296,375	3,138,425	(842,050)	840,500	3,136,875
2036			842,550		1,112,075	1,954,625	(842,550)	845,500	1,957,575
2037			842,400		1,111,675	1,954,075	(842,400)	844,300	1,955,975
2038			841,800		1,109,800	1,951,600	(841,800)	847,100	1,956,900
2039			845,200		1,111,000	1,956,200	(845,200)	840,800	1,951,800
2040			842,400		1,111,000	1,953,400	(842,400)	844,050	1,955,050
2041			843,600		1,114,800	1,958,400	(843,600)	841,550	1,956,350
2042			843,600		1,112,200	1,955,800	(843,600)	843,450	1,955,650
2043			842,400		1,113,400	1,955,800	(842,400)	844,600	1,958,000
2044					1,113,200	1,113,200			1,113,200
2045					1,111,600	1,111,600			1,111,600
2046					1,113,600	1,113,600			1,113,600
2047					1,114,000	1,114,000			1,114,000
2048					1,112,800	1,112,800			1,112,800
	6,890,769	19,047,735	18,544,019	19,793,881	47,495,300	111,771,704	(18,544,019)	18,555,276	111,782,961

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PROPOSED FORM OF LEGAL OPINION

Kennedy & Graven CHARTERED

Offices in
Minneapolis
Saint Paul
St. Cloud

Fifth Street Towers
150 South Fifth Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300 telephone
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Affirmative Action, Equal Opportunity Employer

$12,870,000
Minnesota Higher Education Facilities Authority
Revenue and Refunding Bonds
Series 2021
(Macalester College)

We have acted as Bond Counsel to the Minnesota Higher Education Facilities Authority (the "Authority") in connection with the issuance by the Authority, on the date hereof, of its Revenue and Refunding Bonds, Series 2021 (Macalester College) (the "Bonds"), in the original aggregate principal amount of $12,870,000. Any capitalized terms used herein that are otherwise undefined shall have the meanings assigned to such terms in the Trust Indenture, dated as of April 1, 2021 (the "Indenture"), between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"), or in the Loan Agreement, dated as of April 1, 2021 (the "Loan Agreement"), between the Authority and Macalester College, a Minnesota nonprofit corporation and institution of higher education with its campus in the City of Saint Paul, Minnesota (the "Corporation").

For the purpose of rendering this opinion, we have examined (i) a certified copy of the series resolution adopted by the Board of the Authority on March 17, 2021, in connection with the issuance of the Bonds under the provisions of Minnesota Statutes, Sections 136A.25 through 136A.42, as amended (the "Act"); (ii) an executed counterpart of the Indenture; (iii) an executed counterpart of the Loan Agreement; (iv) a form of the Bonds; (v) the opinion of even date herewith of Fredrikson & Byron, P.A., Minneapolis, Minnesota, as counsel to the Corporation; and (vi) such other documents as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Authority and the Corporation contained in the Indenture, the Loan Agreement, and certain other documents, instruments, and certificates executed and delivered on the date hereof, and upon the certified proceedings of the Authority and other certifications of public officials furnished to us and certifications by officers of the Corporation (including, but not limited to, certifications as to the use of Bond proceeds) without undertaking to verify the same by independent investigation. To the extent that the opinions rendered herein are dependent on the organization and operation of the Corporation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and exempt from federal income taxation under Section 501(a) of the Code and as to the characterization of the activities of the Corporation in connection with the use of the facilities financed and refinanced with the proceeds of the Bonds as activities that do not constitute an unrelated trade or business under Section 513(a) of the Code, we are relying on the representations of the Corporation and the opinion of even date herewith of Fredrikson & Byron, P.A., Minneapolis, Minnesota, as counsel to the Corporation.

Based upon such examinations, and assuming the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such documents, and the accuracy of the statements of fact contained in such documents, and based upon present Minnesota and federal laws (which excludes any pending legislation which may have a retroactive effect prior to the date hereof), regulations, rulings and judicial or other decisions, it is our opinion that:

1. The Authority is an agency of the State of Minnesota duly organized and existing under the laws of the State of Minnesota with authority under the Act to issue the Bonds, to loan the proceeds thereof to the Corporation pursuant to the provisions of the Loan Agreement, and to pledge the loan repayments and certain other interests in the Loan Agreement to the Trustee pursuant to the terms of the Indenture to secure the Bonds. The Authority has full power and authority to execute and deliver the Bonds, the Indenture, and the Loan Agreement.

2. The Authority has complied with all applicable provisions of the Constitution and laws of the State of Minnesota, including the Act, and has full power and authority to execute and deliver the Bonds, the Loan Agreement, the Indenture, and the other documents to which it is a party (collectively, the "Authority Documents"), and to carry out the terms thereof.

3. The Authority Documents have been duly and validly authorized, executed, and delivered by the Authority and, assuming due authorization and execution by the other parties thereto, are valid instruments legally binding on the Authority and legally enforceable in accordance with their terms, except to the extent that enforceability of the indemnification provisions in the Loan Agreement is limited by state and federal securities laws.

4. The Bonds have been duly and validly executed and delivered by the Authority and are valid and binding special, limited obligations of the Authority equally and ratably secured by and entitled to the benefits provided by the Indenture and are enforceable in accordance with their terms. The Bonds are not a general or moral obligation of the Authority and do not constitute indebtedness of the Authority within the meaning of any constitutional or statutory limitation, and do not constitute or give rise to a pecuniary liability of the Authority, or a charge against the general credit or taxing powers of the Authority, but are payable solely from the revenues pledged to the payment thereof in accordance with the provisions of the Indenture.

5. The Bonds are "private activity bonds" within the meaning of Section 141(a) of the Code, but bear interest not includable in gross income for purposes of federal income taxation under Section 103(a) of the Code, pursuant to the exemption for "qualified 501(c)(3) bonds" provided in Section 145 of the Code. Interest on the Bonds is not includable in the net taxable income of individuals, trusts, or estates for State of Minnesota income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and the Minnesota alternative minimum tax applicable to individuals, estates, and trusts. Interest on the Bonds is subject to the State of Minnesota franchise tax imposed on corporations and financial institutions. The opinion set forth in this paragraph is subject to the condition that the Corporation comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be so included in gross and net taxable income retroactive to the date of issuance of the Bonds. The Corporation has covenanted to comply with such requirements. We express no opinion regarding other federal or state tax consequences arising with respect to ownership of the Bonds or caused by the receipt or accrual of interest thereon.

It is understood that the rights of the owners of the Bonds and the enforceability of the Bonds, the Indenture, and the Loan Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion is based on an analysis of existing laws, regulations, rulings and court decisions and the opinions expressed herein may be affected by actions taken or omitted or events occurring after the date hereof. The opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Dated this ____ day of April, 2021, at Minneapolis, Minnesota.

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FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

$12,870,000
Minnesota Higher Education Facilities Authority
Revenue and Refunding Bonds
Series 2021
(Macalester College)

April 1, 2021

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Macalester College, a Minnesota nonprofit corporation (the "Corporation"), in connection with the issuance by the Minnesota Higher Education Facilities Authority, an agency of the State of Minnesota (the "Authority"), of its $12,870,000 in aggregate principal amount of Revenue and Refunding Bonds, Series 2021 (Macalester College) (the "Bonds"), issued pursuant to a Trust Indenture dated as of April 1, 2021 (the "Indenture") by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"). Proceeds of the Bonds are being loaned to the Corporation pursuant to a Loan Agreement dated as of April 1, 2021, between the Authority and the Corporation (the "Loan Agreement"). The Corporation covenants and agrees as follows:

Section l. (a) Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Corporation for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter (defined below) in complying with the Rule (defined below). References in this Disclosure Certificate to holders of the Bonds shall include the beneficial owners of the Bonds. This Disclosure Certificate constitutes the written undertaking under the Rule.

(b) Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined below) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section or the preamble above, the following capitalized terms shall have the following meanings:

"Annual Report" means, with respect to the Corporation, a document or set of documents which contains (or includes by reference as provided in Section 3 hereof) financial and operating data with respect to the Corporation described in Exhibit A hereto.

"Annual Report Date" means, with respect to each Annual Report, the date so designated in Exhibit A hereto.

"Audited Financial Statements" means the Corporation's annual financial statements which shall be audited and prepared in accordance with generally accepted accounting principles, as in effect from time to time.

"Code" means the Internal Revenue Code of 1986, as amended.

"Dissemination Agent" means such person from time to time designated in writing by the Corporation and which has filed with the Corporation a written acceptance of such designation.

"Final Official Statement" means the Official Statement, dated April 21, 2021, delivered in connection with the original issuance and sale of the Bonds, together with any preliminary official statement, amendments thereto or supplements thereof.

"Financial Obligation" means, with respect to the Corporation, a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of one of the foregoing. The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"IRS" means the Internal Revenue Service of the Department of the Treasury.

"Listed Events" means any of the events listed in Section 4 of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board, whose current address is 1300 I Street NW, Suite 1000 Washington, DC 20005.

"Participating Underwriter" means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" means the Securities and Exchange Commission or any successor to its functions governing state and municipal securities.

Section 3. Provision of Annual Reports.

(a) The Corporation shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, provide to the MSRB, filed in accordance with Section 1(b) of this Disclosure Certificate, an Annual Report. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package. The Corporation may provide the Annual Report by specific reference to documents previously provided to the MSRB or filed with the SEC; provided, however, that if the document so referenced is a final official statement within the meaning of the Rule, such final official statement must be available from the MSRB.

(b) Not later than five (5) days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Corporation shall provide the Annual Report to the Dissemination Agent (if the Corporation is not the Dissemination Agent).

(c) If the Corporation is unable or fails to provide an Annual Report by the date required in subsection (a), the Corporation shall send in a timely manner a notice of such fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

(d) Concurrent with the filing of the Annual Report with the MSRB, the Corporation shall deliver to the Authority a copy of the Annual Report.

Section 4. Reporting of Significant Events. The Corporation shall give, or cause to be given, to the MSRB, notice of the occurrence of any of the following events with respect to the Bonds, in a timely manner not in excess of ten business days after the occurrence of the event:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 -TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security;

(vii) modifications to rights of the security holders, if material;

(viii) bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution or sale of property securing repayment of the securities, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the Corporation;

(xiii) consummation of a merger, consolidation, or acquisition involving the Corporation or sale of all or substantially all of the assets of the Corporation, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) incurrence of a Financial Obligation of the Corporation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Corporation, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Corporation, any of which reflect financial difficulties.

Section 5. Termination of Reporting Obligation. The Corporation's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. The obligations hereunder of the Corporation shall also terminate upon the release of the obligation of such party to pay any amounts due or to become due under the Loan Agreement; provided that if such release occurs because of any transfer of assets or the merger of the Corporation and the transferee or resultant organization assumes such obligations of the Corporation, the Corporation shall first require such transferee or resultant organization to assume the obligations of the Corporation hereunder.

Section 6. Dissemination Agent. The Corporation may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Corporation pursuant to this Disclosure Certificate. If at any time there is not any other designated Dissemination Agent, the Corporation shall be the Dissemination Agent.

Section 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Corporation may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause the undertaking herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 8. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Corporation from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Corporation chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Corporation shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 9. Default. In the event of a failure of the Corporation to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such action as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Corporation to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Loan Agreement or the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Corporation to comply with this Disclosure Certificate shall be an action to compel performance.

Section 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Corporation, the Authority, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 11. Reserved Rights. The Corporation reserves the right to discontinue providing any information required under the Rule if a final determination should be made by a court of competent jurisdiction that the Rule is invalid or otherwise unlawful or, subject to the provisions of Section 7 hereof, to modify the undertaking under this Disclosure Certificate if the Corporation determines that such modification is required by the Rule or by a court of competent jurisdiction.

[Signature Page follows]

Dated as of the date first written above.

MACALESTER COLLEGE

By____
Its Vice President of Administration and Finance

EXHIBIT A

ANNUAL REPORT INFORMATION

The Annual Report Date will be the date that is 210 days after each Fiscal Year end, commencing with the fiscal year ending May 31, 2021. The Annual Report will contain:

1. Audited financial statements for the most recent complete Fiscal Year.

2. The following financial and operating data contained in Appendix I to the Final Official Statement:

If not included in the audited financial statements, information as of the end of the most recent complete academic or Fiscal Year, as appropriate, of the matters covered by the Appendix I sections entitled:

- Student Enrollment
- Geographic Distribution
- First Years' Applications, Acceptance and Enrollments
- Student Retention
- Tuition, Fees, Room and Board
- Faculty and Staff
- Collective Bargaining Units
- Pension and Defined Contribution Plans
- Financial Aid
- Market Value of Long-Term Investments
- Endowment Draw Policy and Investment Objectives
- Private Gifts and Grants

DEFINITIONS OF CERTAIN TERMS

Following are definitions of certain words and terms as used in the Indenture and Loan Agreement related to the Bonds. Definitions of some of the words and terms below may also appear elsewhere in this Official Statement.

Account or *Accounts*: one or more of the Accounts created under the Indenture.

Act: Minnesota Statutes, Sections 136A.25 through 136A.42, as amended.

Arbitrage Regulations: all regulations and proposed regulations from time to time issued and in effect under Section 148 of the Code (and former Section 103(c) of the Internal Revenue Code of 1954), including without limitation Treasury Regulations, Sections 1.148-1 to 1.150-1.

Authorized Authority Representative: the person at the time designated to act on behalf of the Authority by written Certificate furnished to the College and the Trustee, containing the specimen signature of such person and signed on behalf of the Authority by its Chair, Secretary, or Executive Director or any officer authorized to act on behalf of the foregoing officers. Such Certificate may designate an alternate or alternates and, in that case, specimen signatures for the alternates will be provided as well.

Authorized Denominations: $5,000 and any integral multiples thereof.

Authorized Institution Representative: the President or the Vice President of Administration and Finance or any other person at the time designated to act on behalf of the College by written Certificate furnished to the Authority and the Trustee, containing the specimen signature of such person and signed on behalf of the College by the Chair, the Vice Chair or the Treasurer of its Board of Trustees or by the President or the Vice President of Administration and Finance of the College. Such Certificate may designate an alternate or alternates.

Authorized Investments: investments authorized for moneys in the Accounts created under and described in the Indenture.

Beneficial Owner: with respect to any Authorized Denomination of a Bond in Book-Entry Form, each person who beneficially owns such Bond in such Authorized Denomination and on whose behalf, directly or indirectly, such authorized denomination of Bond is held by the Depository pursuant to the Book-Entry System.

Board of Trustees: the Board of Trustees of the College, including any Executive Committee or other committee authorized to act for such board.

Bond and Interest Sinking Fund Account: the Series 2021 (Macalester College) Bond and Interest Sinking Fund Account established pursuant to the Indenture.

Bond Closing: the original issuance, sale, and delivery of the Bonds.

Bond Purchase Agreement: the Bond Purchase Agreement between the Authority, the Underwriter, and the College, relating to the Bonds.

Bond Resolution: the Series Resolution adopted by the Board of the Authority on March 17, 2021, authorizing the Bonds, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

Bonds: the Minnesota Higher Education Facilities Authority Revenue and Refunding Bonds, Series 2021 (Macalester College), to be issued under the Indenture.

Bond Year: with respect to the Bonds, (a) the period from the Issue Date to the close of business on April 1, 2022, and (b) each succeeding twelve (12) month period ending at the close of business on April 1 of each year in which the Outstanding Bonds, if paid at their stated maturity dates, will be Outstanding.

Book-Entry Form: all Bonds, if such Bonds, are all held (i) in the name of the Depository (or its nominee) with each Stated Maturity evidenced by a single Bond certificate or (ii) with the approval of the College, Authority, and Trustee, in any similar manner for which Beneficial Owners do not receive Bond certificates evidencing their beneficial ownership in any of the Bonds.

Book-Entry System: a system of recordkeeping, securities clearance and funds transfer and settlement maintained for securities by the Depository and its Participants (or Indirect Participants).

Building Equipment: those items of goods, equipment, furnishings, furniture, inventory, machinery or other tangible personal property now or hereafter owned by the College and located on the Project Site acquired from funds other than the proceeds of the Bonds or the Prior Bonds.

Business Day: any day other than Saturday, Sunday, a legal holiday in the State or any other day that the Depository or banks in the State are not open for business.

Certificate: a certification in writing required or permitted by the provisions of the Loan Agreement or the Indenture to be signed and delivered to the Trustee or other proper person or persons. If and to the extent required by the provisions the Indenture, each Certificate must include the statements provided for in the Indenture.

Code: the Internal Revenue Code of 1986 and amendments thereto.

College: Macalester College, a Minnesota nonprofit corporation, as owner and operator of the Institution, its successors and assigns.

Construction Account: the Construction Account established under the Indenture.

Continuing Disclosure Certificate: the Continuing Disclosure Certificate of the College, to be dated as of April 1, 2021.

Costs of Issuance: expenses of issuing the Bonds (including underwriter's discount) within the limits of Section 147(g) of the Code.

Costs of Issuance Account: the Costs of Issuance Account established under the Indenture.

Date of Taxability: the date as of which the interest on the Bonds has been so determined to be includable in the gross income of the Owners thereof; provided, that no Bond will bear additional interest for any period for which the statute of limitations is a bar to the assertion or collection of a deficiency of federal income taxes from the Owner of such Bond.

Default: a default on the part of the College in performance of any covenant or condition of the Loan Agreement which, with notice or passage of time or both, would or has become an Event of Default.

Depository: DTC or any other person who is a Holder of all the Bonds directly or indirectly for the benefit of Beneficial Owners and approved by the Authority, College and Trustee to act as the Depository; provided any Depository must be registered or qualified as a "clearing agency" within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended.

Determination of Taxability: a Notice of Deficiency issued by the Internal Revenue Service or a final decision of a court of competent jurisdiction to the effect that the interest payable on the Bonds is includable in gross income for purposes of federal income taxation by reason of the application of the provisions of Section 103 of the Code, related sections and regulations thereunder, in effect on the date of issuance of the Bonds, as more fully provided in the Loan Agreement. A determination that interest on the Bonds is includable in the computation of any alternative minimum tax is not a Determination of Taxability.

DTC: The Depository Trust Company in New York, New York, its successors or assigns.

Equity: Project Costs to be paid from funds of the College and which will not be reimbursed from proceeds of the Bonds.

Event of Default: an Event of Default described in the Indenture or Loan Agreement and summarized in Appendix V of this Official Statement in the sections entitled "SUMMARY OF DOCUMENTS – THE INDENTURE – Events of Default" and "SUMMARY OF DOCUMENTS – THE LOAN AGREEMENT – Events of Default."

Financial Journal: The Bond Buyer, Finance & Commerce, The Wall Street Journal, or any other newspaper or journal devoted to financial news published in the English language in Minneapolis or Saint Paul, Minnesota, or in the City of New York, New York.

Fiscal Year: the College's fiscal year, which initially means the twelve (12) month period commencing on June 1 in each year.

Holder, *Bondholder*, or *Owner*: the person in whose name a Bond is registered, except if any Bond is in Book-Entry Form, with respect to any consent or approval of a Holder of Bonds, the terms mean the Beneficial Owner.

Indenture: the Trust Indenture, to be dated as of April 1, 2021, between the Authority and the Trustee, under which the Bonds are authorized to be issued, and including any indenture supplemental thereto.

Independent: when used with reference to an attorney, engineer, architect, certified public accountant, consultant, insurance consultant or other professional person, means a person who (i) is in fact independent, (ii) does not have any material financial interest in the College or the Institution or the transaction to which such Certificate or opinion relates (other than the payment to be received for professional services rendered), and (iii) is not connected with the Authority or the College or the Institution as an officer, employee or member of the Authority, the College or the Institution or Board of Trustees.

Independent Counsel: an Independent attorney duly admitted to practice law before the highest court of any state.

Indirect Participant: any person who is not a Participant, who clears securities through or maintains a custodial relationship with a Participant, either directly or indirectly, and who has access to the Book-Entry System.

Institution: Macalester College, a Minnesota institution of higher education with its main campus located in the City of Saint Paul, Minnesota owned and operated by the College. The Institution is also referred to as the "College" elsewhere in this Official Statement.

Institution Facilities: collectively, the buildings and other improvements owned and operated by the College and located on, and which constitute in the aggregate the physical plant of, the Institution.

Interest Payment Date: March 1 and September 1 of each year, commencing September 1, 2021, and any other date on which the principal of or interest on the Bonds is due and payable.

Issue Date: the date on which the Bonds are delivered to the original purchaser thereof upon original issuance.

Loan Agreement: the Loan Agreement, to be dated as of April 1, 2021, between the Authority and the College, as from time to time amended or supplemented.

Loan Repayments: payments required to be made by the College to the Trustee pursuant to the Loan Agreement.

Net Proceeds: when used with respect to proceeds of insurance or a condemnation award, moneys received or receivable by the College as owner or lessee and the Trustee as secured party pursuant to the Indenture, less the cost of recovery (including attorneys' fees) of such moneys from the insuring company or the condemning authority, plus investment earnings thereon.

Official Statement: the Official Statement, dated on or about April 21, 2021, with respect to the sale of the Bonds.

Opinion of Counsel: a written opinion of counsel (who need not be Independent Counsel unless so specified) appointed by the College or Authority, and to the extent required by the provisions of the Indenture, each Opinion of Counsel must include the statements provided for in the Indenture.

Outstanding: when used as of any particular time with reference to Bonds, without regard to capitalization of such term (subject to the provisions of the Indenture pertaining to Bonds held by the Authority and the College), all Bonds theretofore authenticated and delivered by the Trustee under the Indenture except: (i) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation; (ii) Bonds for the payment or redemption of which funds or direct obligations of or obligations fully guaranteed by the United States of America in the necessary amount have theretofore been deposited with the Trustee (whether upon or prior to the maturity or the redemption date of such Bonds), provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption must be given pursuant to the Indenture, or provision satisfactory to the Trustee must be made for the giving of such notice; and (iii) Bonds in lieu of or in substitution for which other Bonds have been authenticated and delivered by the Trustee pursuant to the terms of the Indenture pertaining to replacement of Bonds.

Participant: any securities broker or dealer, bank, trust company, clearing corporation or other organization entitled to directly record, clear and settle the transfers of beneficial ownership interest of the Bonds directly through the Depository and the Book-Entry System.

Permitted Encumbrances: as of any particular time, (i) liens for ad valorem taxes and special assessments not then delinquent, (ii) utility, access and other easements and rights-of-way, mineral rights, restrictions and exceptions that an Independent engineer certifies will not interfere with or impair the use of or operations being conducted in the Project Facilities, (iii) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Project Facilities (including, with respect to Project Equipment, purchase money security interests and equipment leases), and as do not in the aggregate, in the Opinion of Independent Counsel, materially impair the property affected thereby for the purposes for which it was acquired or is held by the College, and (iv) the additional encumbrances set forth in the Loan Agreement.

Prior Bond Documents: the Prior Loan Agreement and the Prior Indenture.

Prior Bonds: the Minnesota Higher Education Facilities Authority Revenue Bonds, Series Seven-S (Macalester College), dated December 12, 2012, issued in the original principal amount of $14,730,000, the proceeds of which were loaned by the Authority to the College to finance the Prior Project.

Prior Bonds Redemption Account: the Series Seven-S (Macalester College) Redemption Account created under the Prior Indenture.

Prior Bonds Redemption Date: the date provided in the Indenture on which the Prior Bonds will be redeemed and prepaid in full.

Prior Bonds Refunding Account: the Series 2021 (Macalester College) Series Seven-S Refunding Account established under the Indenture.

Prior Indenture: the Trust Indenture, dated as of December 1, 2012, between the Authority and the Prior Trustee.

Prior Loan Agreement: the Loan Agreement, dated as of December 1, 2012, between the Authority and the College.

Prior Project: the second phase of renovation and expansion of the Janet Wallace Fine Arts Center complex, including renovation, construction, equipping, and furnishing of the approximately 35,000 square foot studio arts portion of the complex, and to finance the replacement of a portion of the boiler capacity in the Institution's heating plant, together with all related improvements, upgrades, and site work, originally financed with the proceeds of the Prior Bonds.

Prior Trustee: Wells Fargo Bank, National Association, in its capacity as trustee under the Prior Indenture.

Project: the replacement of the roofs on the Olin Building, the Institution's Campus Center building, the DeWitt Wallace Library, and the Institution's Humanities building.

Project Buildings: the facilities acquired, improved or constructed with proceeds of the Bonds, including investment earnings, and any other building constructed or improved, or refinanced, with the proceeds of the Prior Bonds, including investment earnings.

Project Costs: costs of the Project as provided in the Indenture.

Project Equipment: all fixtures, equipment, and other personal property of a capital nature acquired, or refinanced, with proceeds of the Prior Bonds or the Bonds, including investment earnings.

Project Facilities: the Project Site, the Project Buildings, and the Project Equipment as the same may at any time exist.

Project Site: the land or interests in land described in the Loan Agreement which are owned by the College, and on which any Project Buildings are or will be located or otherwise improved as part of the Prior Project or the Project.

Redeem or *redemption*: "prepay" or "prepayment" as the case may be, without regard to capitalization of such terms.

Redemption Account: the Series 2021 (Macalester College) Redemption Account created under the Indenture for deposit of any moneys received which are not otherwise committed. Moneys in the

Redemption Account will be used (i) to create and maintain the required balance in the Bond and Interest Sinking Fund Account; and (ii) to redeem or prepay outstanding Bonds to the extent permitted or required and to purchase outstanding Bonds for redemption and cancellation. Moneys in the Redemption Account may be used in the discretion of the Trustee to pay rebate due to the United States under Section 148 of the Code if the College or the Authority fails to provide for payment of any rebate.

Reference Rate: the interest rate per annum announced from time to time by Wells Fargo Bank, National Association, as its prime or reference rate, regardless of whether that interest rate is actually charged to any customer of said bank.

State: the State of Minnesota.

Stated Maturity: when used with respect to any Bond or any installment of interest thereon, the date specified in such Bond as the fixed date on which principal of such Bond or such installment of interest is due and payable.

Trust Estate: the interest of the Authority in the Loan Agreement assigned under Granting Clause I of the Indenture; the revenues, moneys, investments, contract rights, general intangibles and instruments and proceeds and products and accessions thereof as set forth in Granting Clause II of the Indenture; and additional property held by the Trustee pursuant to Granting Clause III of the Indenture.

Trustee: The trustee at the time serving as such under the Indenture, and initially the Trustee will be Wells Fargo Bank, National Association, Minneapolis, Minnesota.

Underwriter: Piper Sandler & Co., as original purchaser of the Bonds.

SUMMARY OF DOCUMENTS

THE LOAN AGREEMENT

The following is a summary of certain provisions of the Loan Agreement. This summary does not purport to be complete and reference is made to the full text of the Loan Agreement for a complete recital of its terms. Certain words and terms used in this summary are defined in Appendix IV, "DEFINITIONS OF CERTAIN TERMS."

Construction of Project

The College represents that the acquisition, construction, furnishing, and equipping of the Project will be substantially completed by no later than August 31, 2023, subject only to "force majeure," as provided in the Loan Agreement. The College may apply to the Authority at any time to delete from the Project any building, system or equipment proposed to be acquired, constructed or improved as part of the Project, or to add any building, system or equipment to the Project, or both, and upon approval of the Authority, the description of the Project will accordingly be amended by a supplement to the Loan Agreement executed by the Authority and the College, a copy of which is required to be furnished to the Trustee, provided that no such amendment of the description of the Project may be approved if the Project, as so amended, will not constitute an authorized "project" under the Act or will adversely affect the tax-exempt status of interest on the Bonds and an Opinion of Counsel who is bond counsel to the Authority must be furnished to the College, the Authority, and the Trustee to such effects. The College agrees that it has paid or will pay all costs relating to the acquisition, construction, furnishing and equipping of the Project to the extent such payments and costs exceed the proceeds of the Bonds, including investment earnings in the Construction Account.

Redemption of Prior Bonds

The College represents that it will redeem and prepay the Prior Bonds on the Prior Bonds Redemption Date.

Loan Repayments and Additional Payments

Under the Loan Agreement, the College agrees to make Loan Repayments in amounts and at times sufficient to provide for payment in full of all principal of and interest and premium, if any, on the Bonds when due. To provide for such payments the College covenants to pay for the account of the Authority the following amounts:

(a) At least one (1) Business Day prior to each Interest Payment Date, commencing September 1, 2021, the College is required to deposit into the Bond and Interest Sinking Fund Account, a sum which will be equal to the amount payable as interest on the Bonds on such Interest Payment Date, and, at least one (1) Business Day prior to each March 1, commencing on March 1, 2022, a sum equal to the amount payable as principal (whether at maturity or mandatory sinking fund redemption) of the Bonds on such principal payment date; provided however, that there will be credited against such obligations (i) the net amount of funds and investments then on deposit to the credit of the Bond and Interest Sinking Fund Account (including amounts transferred from the Construction Account pursuant to the Indenture); and (ii) any credits permitted by the Indenture relating to purchase and cancellation of term bonds and the transfer to the Bond and Interest Sinking Fund Account of certain investment earnings and certain excess funds; and

(b) On or prior to a date established for the optional redemption or mandatory redemption and prepayment of any Bonds pursuant to the Loan Agreement, the College must deposit into the Redemption Account such amount, if any, as is necessary and sufficient to provide for the redemption of any Bonds called for redemption from the Redemption Account; and

(c) The College must deposit forthwith into the Bond and Interest Sinking Fund Account or the Redemption Account, as appropriate, the amount of any deficiency in the event the funds on deposit in the Bond and Interest Sinking Fund Account or Redemption Account on any Bond principal payment date or Interest Payment Date are for any reason insufficient to pay principal of, premium, if any and interest on the Bonds then due or then to become due (whether at maturity, or by call for redemption, or by acceleration of maturity); and

(d) The College will deposit into any fund or account designated by the Trustee such amount as may be determined by the Trustee to be necessary to comply with the provisions of the Loan Agreement and the Indenture, relating to arbitrage rebate.

Each Loan Repayment will be made directly to the Trustee at its designated corporate trust office for the account of the Authority for deposit as provided in the Indenture.

There is reserved to the College the right to prepay all or part of the Loan and to redeem Bonds prior to their maturity in certain events as described in the forepart of this Offering Statement under the heading "THE BONDS."

As additional payments, the College agrees to pay the annual administrative fee of the Authority, fees and expenses of the Trustee, rebate of certain excess investment earnings to the United States, and certain other expenses.

Use of Project Facilities

The College will own, use and operate the Project Facilities at all times as educational facilities, in compliance with law and ordinance requirements, and not as facilities for sectarian instruction or religious worship, nor primarily in connection with any part of a program of a school or department of divinity for any religious denomination. The College agrees not to use or permit use of the portion of the Project Facilities financed or refinanced with the Bonds in such manner or to such an extent as would result in loss of the tax exemption of interest on the Bonds under the Code or loss of its status as an exempt organization under Section 501(c)(3) of the Code.

Maintenance of Project Facilities

The College agrees that, so long as there are Bonds Outstanding, and subject to certain exceptions, the College will keep the Project Facilities in good repair and good operating condition at its own cost. The College will make such repairs, modifications and replacements as are necessary so that the Project and the Prior Project will remain a "project" under the Act and interest on the Bonds will be exempt from federal income taxation, and may make such repairs, modifications and replacements as in the College's judgment are desirable, subject to the same conditions. The College may sell, transfer, convey, lease or sublease or enter into agreements in the ordinary course of business for the use of the Project Facilities so long as (i) the tax-exempt status of the Bonds will not be affected thereby; (ii) no such sale, transfer, conveyance, lease, sublease or agreement may be inconsistent with the Loan Agreement, the Indenture, or the Act; (iii) the College will remain fully obligated under the Loan Agreement as if such sale, transfer, conveyance, lease, sublease or agreement had not been made; and (iv) subject to certain conditions provided in the Loan Agreement, in the case of any such sale, transfer or conveyance, or in the case of any lease to or occupancy by persons who are not students, employees or faculty, an opinion of Bond Counsel is provided to the Trustee to the effect that tax exemption of the interest on the Bonds is not adversely affected. The College may demolish any of the Project Facilities which in the College's judgment are worn out, obsolete or require replacement, are no longer used, or the College, by resolution of the Board of Trustees, has determined in its judgment are no longer useful.

Operating Expenses and Liens

The College will pay all utility charges and other charges arising from the operations of the Project Facilities which, if unpaid, would become a lien on the Project Facilities, and will not permit to be established or to remain unsatisfied any mechanics' lien for labor or materials furnished in connection with the acquisition and construction of the Project or with any remodeling, additions, modifications, improvements, repairs, renewals or replacements of the Project Facilities; provided that the College may in good faith contest such utility and other charges and any mechanics' or other liens filed or established against the Project Facilities, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Authority or Trustee notifies the College that, in the Opinion of Independent Counsel, by nonpayment of any such items the Project Facilities or any part thereof will be subject to loss or forfeiture, in which event the College must promptly pay and cause to be satisfied and discharged all such unpaid items.

Taxes and Other Governmental Charges

The College will pay, as the same respectively become due, all taxes, special assessments, license fees, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against, or with respect to the operations of the College, or the Project Facilities, or any improvements, equipment or related property installed or brought by the College therein or thereon, or the Bonds, the Loan Agreement, the Indenture, or the interest of the Authority, the Trustee, or the Bondholders therein.

The College may, at its expense, in good faith contest any such taxes, assessments, license fees, and other governmental charges and, in the event of any such contest, may permit the taxes, assessments, license fees, or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority or the Trustee notifies the College that, in the opinion of Independent Counsel, by nonpayment of any such items the Project Facilities or any part thereof, or the revenue therefrom will be subject to loss or forfeiture, in which event such items must be paid promptly.

Insurance

The College is required to maintain, or cause to be maintained, at its cost and expense, insurance as follows:

(a) Insurance against loss and/or damage to the Project Facilities and contents, under a policy or policies covering such risks as are ordinarily insured against by similar institutions, including fire and extended coverage in an amount not less than eighty percent (80%) of the full insurable replacement value of the Project Facilities, with a deductible amount of not more than $250,000.

(b) Comprehensive general public liability insurance, including blanket contractual liability and personal injury liability and automobile insurance, including owned, non-owned and hired automobiles, against liability for injuries to persons in the minimum amount for each occurrence of $5,000,000 and aggregate for each year of $10,000,000, with a deductible amount of not more than $250,000 per occurrence, and against liability for property damage in the minimum amount for each occurrence of $250,000.

(c) Workers' compensation insurance respecting all employees of the College in such amount as is customarily carried by organizations in like activities of comparable size and liability exposure to the

College; provided that the College may be self-insured with respect to all or any part of its liability for workers' compensation.

(d) Cybersecurity insurance in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure.

Upon the written request of the College, the Authority must permit modifications to such insurance requirements and deductible amounts, including permission for the College to be self-insured in whole or in part for any comprehensive general public liability, if consistent with recommendations of an Independent insurance consultant.

Each required policy must contain a provision that the insurer will not cancel or modify the policy without giving written notice to the College and the Trustee at least thirty (30) days before the cancellation or modification of the policy set forth above becomes effective. The College is required to provide the Trustee with a Certificate of Insurance Compliance on or before October 1 of each year.

Damage or Destruction

If the Project Facilities are damaged or partially or totally destroyed there will be no abatement or reduction in the Loan Repayments, and to the extent that the claim for loss resulting from such damage or destruction is not greater than $1,000,000, the College will promptly repair, rebuild or restore the property damaged or destroyed with such changes, alterations and modifications (including the substitution and addition of other property) as will not impair the character or significance of the Project Facilities as educational facilities. To the extent that the claim for loss resulting from such damage or destruction exceeds $1,000,000, the College must either repair, rebuild or restore the damaged facilities or redeem and prepay the Bonds in whole or in part as more fully provided in the Loan Agreement.

The Bonds may be redeemed in whole if (i) all or part of the Project Facilities are damaged or destroyed to such extent that they cannot be reasonably restored within six (6) months; or (ii) normal use and operation of such Project Facilities are interrupted for a six (6) month period; or (iii) the cost of restoration exceeds the available Net Proceeds by an amount described in the Loan Agreement. The Bonds may be redeemed in part if (A) all or a portion of the Project Facilities have been damaged or destroyed; (B) the College determines that the Project Facilities or portion thereof, as the case may be, is not needed in its operations; and (C) the College has elected not to restore such Project Facilities or portion thereof, as the case may be. (Also see "THE BONDS – Prior Redemption – Extraordinary Optional Redemption.")

If prior to full payment of the Bonds any portion of the Institution Facilities is destroyed or damaged by fire, flood, windstorm or other casualty there will be no abatement or reduction in the Loan Repayments, but the College may redeem and prepay the Bonds in whole (but not in part) if in the sole judgment of the College, it is not practical to rebuild, repair and restore the Institution Facilities so damaged or destroyed and to continue to operate the Institution in the general manner theretofore operated, the College has determined to not rebuild, repair or restore the Institution Facilities so damaged or destroyed and to not continue to operate the Institution in the general manner theretofore operated, and the College elects that all (but not less than all) Bonds then Outstanding be redeemed.

Condemnation

If at any time before the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the Indenture), title to any part of the Project Facilities is taken in any proceeding involving the exercise of the right of eminent domain, the College must either redeem the Bonds in whole or in part or rebuild or restore such facilities, as more fully provided in the Loan Agreement.

If the Bonds are to be redeemed in whole or in part, such redemption will be as described in the second paragraph under the caption "Damage or Destruction" above.

If prior to full payment of the Bonds all or substantially all of the Institution Facilities are taken in any proceeding involving the exercise of the right of eminent domain, the College may redeem and prepay the Bonds in whole (but not in part), as more fully provided in the Loan Agreement.

Removal of Project Equipment and Building Equipment

The College may remove or release Project Equipment and Building Equipment from the Project Facilities if no Default exists and under the following conditions:

(a) the College may substitute equipment and related property for any Project Equipment and Building Equipment, provided that such substitution may not materially impair the character or revenue producing significance or value of the Project Facilities;

(b) the College may release any equipment from the definition of Project Equipment (with or without the physical removal thereof) without substitution therefor, provided that the College pays a sum equal to the then value of such Project Equipment as determined by an Independent engineer selected by the College, to the Trustee for deposit in the Redemption Account for the redemption and prepayment of the Bonds; provided that if the depreciated book value of the equipment so released was less than $100,000, such release and such deposit to the Redemption Account may be effected without such determination of value and Certificate by an Independent engineer or an Authorized Institution Representative upon such showing by the College as may be satisfactory to the Trustee; and

(c) the College may remove any Building Equipment without substitution therefor provided that such removal will not materially impair the character or revenue producing significance or value of the Project Facilities.

In connection with (a) and (b) above, if the depreciated book value of the Project Equipment, or in connection with (c) above, the depreciated value of Building Equipment, to be substituted, removed or released equals or exceeds $100,000 the College will deliver to the Trustee a Certificate signed by the Authorized Institution Representative stating that the substitution, removal or release of such equipment will not materially impair the character or revenue producing significance or value of the Project Facilities.

Indemnification

The College will hold the Authority, its members, directors, officers and employees, harmless against, any claim, cause of action, suit or liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project Facilities and the use thereof, including that caused by any negligence of the Authority or anyone acting on behalf of the Authority; provided that the indemnity will be effective only to the extent of any loss that may be sustained by the Authority in excess of the Net Proceeds received by the Authority or the Trustee from any insurance carried with respect to the loss sustained. The College will indemnify and hold harmless the Authority against any and all losses, claims, damages or liability to which the Authority may become subject under law, and to reimburse the Authority for any out-of-pocket legal and other expenses (including reasonable counsel fees) incurred by the Authority in connection with investigating any such losses, claims, damages, or liabilities or in connection with defending any actions, insofar as the same relate to information furnished to the Authority by the College in connection with the sale of the Bonds.

The College will indemnify and hold the Trustee, and its directors, officers, agents, and employees, harmless from and against any and all claims, causes of action, judgments, liabilities, damages, losses, costs, and expenses, including, but not limited to, reasonable attorneys' fees, arising out of the execution, delivery, performance, or administration of the Indenture or the Loan Agreement, or the execution or amendment of the Indenture or the Loan Agreement, provided that the same are not a result of the negligence or willful misconduct of the Trustee, including the costs and expenses of enforcing the rights under the Loan Agreement or defending itself against any claim (whether asserted by the Authority, the College, any Bondholder, or any other person), provided that the same are not a result of the negligence or willful misconduct of the Trustee as finally determined by a court of competent jurisdiction.

College to Maintain Its Existence and Accreditation

So long as the Bonds are Outstanding, the College will maintain its existence as a nonprofit corporation and maintain the Institution's existence as a nonprofit institution of higher education under the laws of the State, accredited as such by recognized accrediting agencies; it will not dissolve or otherwise dispose of all or substantially all of its assets; and it will not consolidate with or merge into another corporation, or permit one or more other corporations to consolidate with or merge into it, except under the following conditions: (a) if the surviving, resulting or transferee institution, as the case may be, is other than the College, such surviving, resulting or transferee corporation or institution must assume in writing all of the obligations of the College in the Loan Agreement and be either a state university or college or a nonprofit corporation operating or authorized to operate an institution of higher education under the laws of the State, eligible to be a participating nonprofit institution under the Act, and complies and will comply with the provisions of the Loan Agreement against unlawful discrimination and requiring that the institution be nonsectarian; and (b) the College furnishes to the Trustee an opinion of bond counsel that such consolidation, merger or transfer has no effect upon the tax-exempt nature of the interest on the Bonds under the Code and regulations thereunder.

Federal Income Tax Status

The College represents that it presently is and agrees that it will take all appropriate measures to assure that it remains an organization described in Section 501(c)(3) of the Code, exempt from federal income taxes under Section 501(a) of such Code.

Institution to Be Nonsectarian

The Institution will continue to be nonsectarian; will not require or forbid attendance by students or any other persons at religious worship or acceptance of any religious creed; and will not promulgate the distinctive doctrines, creeds or tenets of any particular religious sect. All courses of study at the Institution, including any religion or theology courses, will be taught according to the academic requirements of the subject matter and professional standards.

Determination of Taxability

In the event a Determination of Taxability is made at any time that interest on the Bonds is includable in gross income of the recipient for purposes of federal income taxation under the provisions of the Code and regulations thereunder as in effect at the date of issuance of the Bonds, the Bonds will bear additional interest at the rate of two percent (2%) per annum from the Date of Taxability until the respective dates on which the principal of the Bonds is paid. In addition, in the event of such Determination of Taxability, the Bonds will be subject to optional redemption, as a whole or in part, on the next date for which due notice can be given and any date thereafter at a redemption price equal to par plus accrued interest plus additional interest from the Date of Taxability. If a Determination of Taxability should occur, any monetary damage or loss resulting from or incident thereto will be limited to the increased interest rate, as more fully set forth in the Loan Agreement.

Other Covenants

The College will comply with all applicable laws and regulations against unlawful discrimination, and not to discriminate as prohibited by Minnesota Statutes, Section 363A.13; provide and file such financing statements and other instruments of further assurance as the Authority or Trustee may request; perform all obligations imposed by the Code and regulations thereunder with respect to the non-arbitrage status of the Bonds and to comply with the applicable rebate requirements under Section 148 of the Code and regulations thereunder; and observe all applicable State laws and regulations, including those of the Authority, the Department of Education and the Minnesota Office of Higher Education, subject to the right of contest. The College will indemnify the Authority from losses arising from certain representations made by the College regarding the absence of hazardous waste on the Project Facilities.

The Authority will comply with the applicable rebate requirements imposed under Section 148 of the Code with respect (but only with respect) to amounts paid by the College to the Authority as the Authority's annual fee under the Loan Agreement and any income earned or imputed therefrom.

Events of Default

Following are Events of Default under the Loan Agreement:

(a) If the College fails to make any Loan Repayment when due and either (i) on a Bond principal payment date or Interest Payment Date or redemption date the available moneys on deposit in the Bond and Interest Sinking Fund Account and the Redemption Account are insufficient to pay when due principal of and interest on the Bonds; or (ii) such failure continues for five (5) Business Days after notice from the Trustee or the Authority to the College that such payment has not been made; or

(b) If the College fails to comply with the provisions of the Loan Agreement relating to arbitrage calculation and rebate requirements; or

(c) If the College fails to observe and perform for reasons other than force majeure, any other covenant, condition or agreement on its part under the Loan Agreement for a period of thirty (30) days after written notice, specifying such default and requesting that it be remedied, is given to the College by the Authority or the Trustee; or

(d) If the College files a petition in voluntary bankruptcy, or for the composition of its affairs or for its corporate reorganization under any State or federal bankruptcy or insolvency law, or makes an assignment for the benefit of creditors, or consents in writing to the appointment of a trustee or receiver for itself or for the whole or any substantial part of the property of the College; or

(e) If a court of competent jurisdiction enters an order, judgment or decree against the College in any insolvency, bankruptcy, or reorganization proceeding, or appointing a trustee or receiver of the College or of the whole or any substantial part of the property of the College, and such order, judgment or decree is not vacated or set aside or stayed within ninety (90) days from the date of the entry thereof; or

(f) If, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the College or of the whole or any substantial part of the property of the College, and such custody or control is not terminated within ninety (90) days from the date of assumption of such custody or control.

The term "force majeure" as used above includes the following: acts of God; strikes, lockouts or other employee disturbances; acts of public enemies; orders, regulations or laws of any kind of the government of the United States of America or of the State or any of their departments, agencies, political subdivisions or officials, or any civil or military authority (including orders, regulations, or laws relating to

COVID-19 (hereinafter defined)); insurrections; riots; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions, breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; pandemics (including SARS-CoV-2 or COVID-19, or any mutation, strain, or variant thereof, collectively, "COVID-19"), epidemics, or diseases; or any other cause or event not reasonably within the control of the College. The provisions of paragraph (c) above, are subject to the further limitation that if the default can be remedied but not within a period of thirty (30) days after notice and if the College has taken all action reasonably possible to remedy such default within such thirty (30) day period, the default will not become an Event of Default for so long as the College diligently proceeds to remedy such default and in accordance with any directions or limitations of time made by the Trustee. The College must use its best efforts to remedy with all reasonable dispatch any cause or causes preventing the College from carrying out its agreements.

Remedies on Default

Whenever any Event of Default has happened, and is subsisting, the Loan Agreement provides that any one or more of the following steps may be taken:

(a) The Trustee may declare all or any amount of Loan Repayments thereafter to become due and payable for the remainder of the term of the Loan Agreement to be immediately due and payable, whereupon the same will become immediately due and payable.

(b) The Trustee (or the Authority under certain conditions of the Loan Agreement) may take whatever action at law or in equity which may appear necessary or desirable to collect the payments then due and thereafter to become due.

(c) The Trustee may take whatever action in law or equity which appears necessary or desirable to enforce the security provided by or enforce any provision or covenant of the Loan Agreement or the Indenture.

Any amounts collected by the Trustee pursuant to the actions set forth above will be applied first to advances, fees and expenses, and then to payment of interest, principal and premium, if any, on the Bonds as provided in the Indenture, and any excess to the College.

Amendments

Except as otherwise provided in the Loan Agreement or in the Indenture, subsequent to issuance of the Bonds and so long as any Bonds are Outstanding, the Loan Agreement may not be amended without the prior written consent of the Trustee.

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THE INDENTURE

The following constitutes a summary of certain provisions of the Trust Indenture (the "Indenture"). This summary does not purport to be complete and reference is made to the full text of the Indenture for a complete recital of its terms. Certain words and terms used in this summary are defined in Appendix IV, "DEFINITION OF CERTAIN TERMS."

Granting Clauses

Pursuant to the Indenture, the Authority grants to the Trustee, as security for the Holders of the Bonds, the following:

(a) all right, title and interest of the Authority under the Loan Agreement and all Loan Repayments and all other sums due under the Loan Agreement, except the rights of the Authority relating to fees and expenses, indemnity and advances;

(b) a first lien on and pledge of (i) the moneys and investments in the Accounts covenanted to be paid and maintained under the Indenture; provided, however, the funds deposited in the Prior Bonds Refunding Account are to be held for the exclusive benefit of the holders of the Prior Bonds; (ii) the moneys and investments in the Construction Account not paid out for Project Costs; and (iii) all accounts, contract rights, general intangibles, moneys and instruments arising therefrom or relating thereto and all proceeds and products of and accessions to any thereof; and

(c) any and all other property of every name and nature from time to time conveyed, mortgaged, assigned or transferred, or in which a security interest is granted, by the Authority or the College or by anyone on behalf of them or with their written consent, to the Trustee.

Accounts

Bond proceeds, revenues, and other funds derived under the Loan Agreement or Indenture will be deposited into Accounts held by the Trustee as described in "ACCOUNTS," contained in the body of this Official Statement. The Accounts established under the Indenture are the Construction Account, the Bond and Interest Sinking Account, the Redemption Account, the Prior Bonds Refunding Account, and the Costs of Issuance Account.

Authorized Investments

Moneys on deposit to the credit of the Construction Account, the Bond and Interest Sinking Fund Account, the Redemption Account, and the Costs of Issuance Account will be invested by the Trustee as directed by the Authorized Institution Representative only in investments as authorized by law from time to time, subject to the additional restrictions generally described as follows: (i) direct obligations of the United States government and certain obligations issued or guaranteed by certain of its agencies; (ii) general obligations of states or local governments with taxing powers rated "A" or better by a national bond rating service, or revenue obligations of any state or local government rated "AA" or better by a national bond rating service; (iii) certain commercial paper maturing in two hundred seventy (270) days or less; (iv) time deposits fully insured by the Federal Deposit Insurance Corporation or bankers acceptances of United States banks; (v) certain types of repurchase agreements; (vi) units of certain short-term investment funds and shares of certain money market funds and certain other investment companies; and (vii) certain guaranteed investment contracts issued by a bank or insurance company rated at least in one of the two (2) highest rating categories of a nationally recognized rating agency.

Trustee's Right to Payment

The Trustee has a first lien, with right of payment prior to payment on account of interest on or principal of the Bonds for reasonable compensation, expenses, advances and counsel fees incurred in and about the execution of the trusts created by the Indenture and exercise and performance of the powers and duties of the Trustee under the Indenture, and the cost and expenses incurred in defending against any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the negligence or willful misconduct of the Trustee).

Covenants of the Authority

Under the Indenture the Authority covenants, among other things, to perform its various undertakings and agreements; to take such action or cause and permit the Trustee to take such action as may be necessary or advisable to enforce the covenants, terms and conditions of the Loan Agreement, if such action is, in the discretion of the Trustee, deemed to be in the best interests of the Authority or the Bondholders; to comply with the applicable rebate requirements under Section 148 of the Code and regulations thereunder; to keep proper books, accounts and records; and not to issue or permit to be issued any Bonds under the Indenture in any manner other than in accordance with the provisions of the Indenture and not to suffer or permit any default to occur under the Indenture. Under the Act, and it is expressly agreed that, the Authority has no obligation to make any advance or payment or incur any expense or liability from its general funds for performing any of the conditions, covenants or requirements of the Indenture or from any funds other than Loan Repayments or money in the Accounts.

Events of Default

The following are Events of Default under the Indenture:

(a) If payment of the principal of any of the Bonds, when the same becomes due and payable (whether at maturity or by proceedings for redemption or by declaration of acceleration or otherwise), is not made; or

(b) If payment of any interest on the Bonds when the same becomes due and payable (in which case interest will be payable to the extent permitted by law on any overdue installments of interest, in each case at the interest rate borne by the Bonds in respect of which such interest is overdue) is not made; or

(c) If the Authority defaults in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the Bonds or in the Indenture, or in any supplemental indenture on the part of the Authority to be performed, and such default continues for a period of sixty (60) days after written notice, specifying such default and requiring the same to be remedied, has been given to the Authority and to the College (giving the College the privilege of curing such default in the name of the Authority, if permitted by law) by the Trustee, which may give such notice in its discretion and is required to give such notice upon written request of the Holders of not less than a majority in principal amount of the Bonds then Outstanding; or

(d) If any "event of default" on the part of the College, as that term is defined in the Loan Agreement, occurs and is continuing.

Remedies

If an Event of Default exists, the Trustee may, and upon written request of the Holders of a majority in aggregate principal amount of Bonds Outstanding must, by notice in writing delivered to the Authority, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest will thereupon become and be immediately due and payable subject, however, to the right of the Holders of a majority in aggregate principal amount of Bonds then Outstanding, by written notice to the Authority and to the Trustee, to annul such declaration and destroy its effect at any time if all covenants with respect to which default has been made is fully performed or made good, and all arrears of interest upon all Bonds Outstanding and the reasonable expenses and charges of the Trustee, its agents and attorneys, and all other indebtedness secured by the Indenture (except the principal of any Bonds which have not then attained their stated maturity and interest accrued on such Bonds since the last Interest

Payment Date) has been paid, or the amount thereof is paid to the Trustee for the benefit of those entitled thereto.

In the case of the breach of any of the covenants or conditions of the Loan Agreement or the Indenture, the Trustee, anything therein contained to the contrary notwithstanding and without any request from any Bondholder (subject, however to its rights to indemnity and notice provided in the Indenture), is obligated to take such action or actions as are necessary for the enforcement of its rights and the rights of the Bondholders and the rights of the Authority under the Loan Agreement.

Upon the happening and continuance of an Event of Default, the Trustee may, and is required to upon the written request of the Holders of not less than a majority in aggregate principal amount of Outstanding Bonds, proceed forthwith by suit or suits at law or in equity or by any other appropriate remedy to enforce payment of the Bonds, to enforce application to payment of the Bonds the funds, revenues and income appropriated thereto by the Indenture and by the Bonds, to enforce the Loan Agreement and to enforce any such other appropriate legal or equitable remedy as the Trustee, being advised by counsel, deems most effectual to protect and enforce any of its rights or any of the rights of the Bondholders. Notwithstanding the foregoing, the Trustee need not proceed upon any such written request of the Bondholders, as aforesaid, unless such Bondholders have offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby.

Concerning the Trustee

The Trustee has no responsibility to use its own funds under the Indenture, but it may make advances at a rate equal to the Reference Rate, which advances are given priority of payment. The Trustee also has a lien with right of payment prior to payment on account of Bond interest or principal for reasonable compensation, expenses, advances and counsel fees. The responsibilities of the Trustee prior to an Event of Default are limited to express provisions of the Indenture, and at all times the Trustee will not be liable unless it acts negligently or in bad faith. The Trustee is not required to institute suit or take other steps to enforce its rights and powers under the Indenture unless indemnified to its satisfaction against all costs and expenses. The Trustee and its officers and directors are authorized to acquire and hold Bonds and otherwise deal with the Authority or the College to the same extent as if it were not Trustee. Provision is made for the succession or replacement of the Trustee by another corporate Trustee with a minimum combined capital, surplus and undivided profits of $10,000,000 in event of merger, resignation or removal by Holders of a majority in principal amount of Outstanding Bonds, or in the event of disability, by the Authority or a court. Provision is also made for removal of the Trustee by Bondholders or the Authority, at the request of the College, provided that the Authority may, but is not required to remove the Trustee with or without the request of the College if an Event of Default has occurred and is continuing or a default which with the passage of time or the giving of notice will become an Event of Default has occurred and is continuing. The Authority may not remove a successor Trustee properly appointed by the Bondholders.

Concerning the Bondholders

No Bondholder has any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for any remedy under the Loan Agreement unless a default has occurred of which the Trustee has been notified or of which it is deemed to have notice; nor unless also such default has become an Event of Default and the Holders of a majority in aggregate principal amount of Bonds Outstanding have made written request to the Trustee and have offered it reasonable opportunity either to proceed to exercise the powers granted or to institute such action, suit or proceeding in its own name; nor unless also they have offered to the Trustee indemnity as provided in the Indenture; and no one or more Bondholders have the right to affect, disturb, or prejudice the lien of the Indenture by his or her action or to enforce any right thereunder except in the manner therein provided, and that all proceedings at law or in equity be instituted and maintained in the manner therein provided and for the equal benefit of the Holders of all Bonds Outstanding.

The Trustee, upon the written request of the Holders of a majority in principal amount of the Bonds at the time Outstanding, may waive any default under the Indenture and its consequences, except a default in the payment of the principal of the Bonds at the date of maturity specified therein; provided, however, that a default in the payment of interest on the Bonds may not be waived unless, prior to such waiver, all arrears of interest, and all expenses of the Trustee have been paid or have been provided for by deposit with the Trustee of a sum sufficient to pay the same. In case of any such waiver, the Authority, the Trustee and the Holders of the Bonds will be restored to their former positions and rights respectively. No waiver of any default or Event of Default, whether by the Trustee or by the Bondholders, will extend to or affect any subsequent default or Event of Default or impair any rights or remedies consequent thereon.

Provision is made for meetings of Bondholders, proof of ownership of Bonds and execution of consents and other instruments by Bondholders.

Defeasance

If the Authority and the College:

(a) pay or cause to be paid the principal of and premium, if any, and interest on the Outstanding Bonds at the time and in the manner stipulated therein and in the Indenture, or

(b) provide for the payment of principal and premium, if any, of the Outstanding Bonds and interest thereon by depositing with the Trustee at or at any time before maturity an amount of (1) government obligations described in the Indenture in such aggregate face amount, bearing interest at such rates and maturing at such dates as are sufficient in the opinion of a verification agent, upon which the Trustee may conclusively rely, and/or (2) cash, to pay the entire amount due or to become due thereon for principal and premium, if any, and interest to maturity of all said Bonds Outstanding, or

(c) deliver to the Trustee (1) proof satisfactory to the Trustee that notice of redemption of all of the Outstanding Bonds not surrendered or to be surrendered to it for cancellation has been given or waived as provided in the Indenture, or that arrangements satisfactory to the Trustee have been made insuring that such notice will be given or waived, or (2) a written instrument executed by the College for the Authority and expressed to be irrevocable, authorizing the Trustee to give such notice for and on behalf of the Authority, or (3) file with the Trustee a waiver of such notice of redemption signed by the Holders of all of such Outstanding Bonds, and in any such case, deposit with the Trustee before the date on which such Bonds are to be redeemed, as provided in the Indenture, the entire amount of the redemption price, including interest accrued and to accrue, and premium, if any, of (i) government obligations described in the Indenture in such aggregate face amount, bearing interest at such rates and maturing at such dates as are be sufficient in the opinion of a verification agent, upon which the Trustee may conclusively rely, and/or (ii) in cash, to provide for the payment of the redemption price on the date such Bonds are to be redeemed and on any Interest Payment Dates, or

(d) surrender to the Trustee for cancellation all Bonds for which payment is not so provided,

and also pay or provide for the payment of the unpaid fees and expenses of the Trustee and the rebate of all amounts due or to become due to the United States under Section 148(f) of the Code and the Arbitrage Regulations, then, at the request of the Authority or the College all the Trust Estate will revert to the Authority and the College as their interests appear, and the entire estate, right, title and interest of the Trustee, and of the Owners of the Bonds in respect thereof, will thereupon cease, determine and become void; unless otherwise expressly stated herein, rights granted by provisions relating to optional redemption of Bonds will thereupon terminate; and the Trustee in such case, upon the cancellation of all Bonds for the payment of which cash or government obligations have not been deposited in accordance with the provisions of the Indenture, will, upon receipt of a written request of the Authority and of a Certificate of the Authority and an Opinion of Counsel as to compliance with conditions precedent (and, in the case of defeasance under paragraph (b) above, as to effect on tax-exempt status), and at its cost and expense, execute to the Authority, or its order, proper instruments acknowledging satisfaction of the Indenture and surrender to the Authority or its order, all cash and deposited securities, if any (except that held for the payment of the Bonds), which are then held thereunder.

When the Authority or the College has deposited at any time with the Trustee in trust for the purpose, in the manner provided, or left with it if previously so deposited, cash or such government obligations sufficient to pay the principal of any Bonds (and premium, if any) when the same become due, either at maturity or otherwise, or at the date fixed for the redemption thereof and to pay all interest with respect thereto at the due date of such interest or to the date fixed for redemption, for the use and benefit of the Holders thereof, then upon such deposit all such Bonds will cease to be entitled to any lien, benefit or security of the Indenture except the right to receive the funds so deposited, and such Bonds will be deemed not to be Outstanding thereunder; and from and after such redemption date or maturity, interest on such Bonds so called for redemption will cease to accrue.

Supplemental Indentures

The Authority and the Trustee may enter into such supplemental indentures as are by them deemed necessary or desirable for any one or more of the following purposes, among others:

(a) To correct the description of any property conveyed or pledged by the Indenture or intended so to be, or to assign, convey, pledge or transfer and set over unto the Trustee, additional property for the benefit and security of the Holders of all Bonds under the Indenture;

(b) To add to the covenants and agreements of the Authority or to surrender any right or power reserved to or conferred upon the Authority or to or upon any successor;

(c) To evidence the succession of any other department, agency, body or corporation to the Authority;

(d) To cure any ambiguity or to correct or supplement any provision contained in the Indenture or in any supplemental indentures, or to make such other provisions in regard to matters or questions arising under the Indenture or any supplemental indenture as the Authority may deem necessary or desirable and which could have been contained in the Indenture or any supplemental indenture and which may not impair the security of the same; and

(e) To modify the Indenture as authorized by the Bondholders.

In addition and subject to the provisions set forth below, the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds under the Indenture then Outstanding have the right to consent to and approve such supplemental indentures as are deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding in any particular, any of the terms or provisions of the Indenture or in any supplemental indenture; provided, however, that such provision may not be construed as permitting without the consent of the Holders of all Bonds Outstanding (1) an extension of the maturity of any Bond; or (2) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon; or (3) the creation of a lien upon or a pledge of revenues ranking prior to or on a parity with the lien or pledge created by the Indenture; or (4) a preference or priority of any Bond over any other; or (5) a reduction in the aggregate principal amount of the Bonds the Holders of which are required to consent to such supplemental indenture or to amendments to the Loan Agreement.

Amendments to the Loan Agreement

The Authority and the Trustee, without the consent of or notice to the Bondholders, consent to and (if requested) execute any amendment, change or modification of the Loan Agreement as may be required (a) by the provisions of the Loan Agreement or the Indenture; (b) for the purpose of curing any ambiguity or formal defect or omission; (c) so as to add additional rights acquired in accordance with the provisions of the Loan Agreement; or (d) in connection with any other change therein which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Holders of the Bonds.

Except for amendments, changes or modifications provided for in the preceding paragraph, neither the Authority nor the Trustee may consent to or execute any amendment, change or modification of the

Loan Agreement without the written approval or consent of the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds at the time Outstanding, given and procured as provided in the Indenture. However, the Indenture does not permit a reduction in, or a postponement of, the Loan Repayments under the Loan Agreement without the consent of the Holders of all the Bonds then Outstanding.

Registration

The Bonds will be fully registered as to principal and interest at the designated corporate trust office of the Trustee, which will also perform the functions of registrar and paying agent. Bonds may be transferred and exchanged by surrender to the Trustee with a written authorization by the registered Holder or his or her authorized attorney satisfactory to the Trustee subject to such reasonable regulations as the Trustee may prescribe and will be without expense to the Holder, except as to any taxes or other governmental charges required to be paid. If the Bonds are no longer in Book-Entry Form, Bonds may be exchanged for a new Bond or Bonds of the same series, aggregate principal amount, maturity and basic interest rate of any Authorized Denominations. Payment of principal will be at the principal corporate trust office of the Trustee and interest will be by check or draft of the Trustee mailed (or, pursuant to an agreement with the Trustee, by wire transfer to an account within the United States) to the registered Owner at the address as shown on the registration books of the Trustee, subject to applicable procedures while in Book-Entry Form.

In connection with any proposed transfer outside the Book-Entry system, the College or DTC will provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code. The Trustee may rely on the information provided to it and will have no responsibility to verify or ensure the accuracy of such information.

APPENDIX VI

THE DEPOSITORY TRUST COMPANY

The Depository Trust Company ("DTC"), the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If fewer than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority or the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal, interest, and redemption premium, if any, on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or its agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Registrar, Authority, or the Trustee. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificates are required to be printed and delivered.

The Authority, at the College's direction, may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC. None of the Authority, the College and the Underwriter make any representations as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

MACALESTER COLLEGE

ANNUAL FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION WITH AUDITORS' OPINION FOR THE FISCAL YEAR ENDED MAY 31, 2020

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CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Macalester College
St. Paul, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of Macalester College, which comprise the statements of financial position as of May 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Board of Trustees
Macalester College

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Macalester College as of May 31, 2020 and 2019, and changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
September 30, 2020

MACALESTER COLLEGE
Statements of Financial Position
May 31, 2020 and 2019
(in thousands of dollars)

	2020	2019
ASSETS		
Cash and cash equivalents	$ 10,417	$ 10,495
Accrued investment income, prepaid expenses and other assets	5,312	5,538
Notes and accounts receivable	9,310	8,986
Contributions receivable, net	5,242	3,124
Short term investments	41,309	44,174
Long term investments	676,253	735,366
Real estate	15,755	15,473
Land, buildings and equipment, net of accumulated depreciation	214,607	220,863
Beneficial interest in perpetual trust	29,500	30,096
Total assets	$ 1,007,705	$ 1,074,115
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 12,478	$ 15,511
Deferred revenue and deposits	2,493	1,336
Interest rate swap agreement	2,402	958
Liabilities under planned giving agreements	8,279	8,417
Government grants refundable	3,090	3,893
Bonds payable	91,019	95,119
Total liabilities	119,761	125,234
Net assets:		
Without donor restrictions		
Operations	25,317	25,533
Investments	59,512	63,350
Plant	121,349	125,686
Total without donor restrictions	206,178	214,569
With donor restrictions		
Operations	11,892	13,673
Investments	669,547	720,325
Plant	327	314
Total with donor restrictions	681,766	734,312
Total net assets	887,944	948,881
Total liabilities and net assets	$ 1,007,705	$ 1,074,115

See accompanying notes to financial statements.

MACALESTER COLLEGE
Statements of Activities
Years Ended May 31, 2020 and 2019
(in thousands of dollars)

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities:						
Revenues and other additions:						
Tuition and fees, net of student aid and scholarships of $58,759 in 2020 and $59,042 in 2019	$ 54,507	-	54,507	$ 55,142	-	55,142
Federal and state grants and contracts	1,194	-	1,194	1,647	-	1,647
Private gifts and grants	4,067	1,965	6,032	4,735	7,904	12,639
Sales and service of auxiliary enterprises	14,290	-	14,290	17,409	-	17,409
Other sources	1,153	22	1,175	1,277	59	1,336
Net investment return	1,298	23	1,321	1,088	17	1,105
Investment return appropriated by the governing board for operations	4,100	34,206	38,306	4,033	33,783	37,816
Net assets released from restrictions	38,161	(38,161)	-	37,794	(37,794)	-
Total operating revenues and other additions	118,770	(1,945)	116,825	123,125	3,969	127,094
Expenses:						
Instruction	48,425	-	48,425	46,980	-	46,980
Research	1,699	-	1,699	1,822	-	1,822
Academic support	12,533	-	12,533	12,992	-	12,992
Student services	24,485	-	24,485	24,981	-	24,981
Auxiliary enterprises	11,171	-	11,171	11,817	-	11,817
Institutional support	23,995	-	23,995	23,872	-	23,872
Total expenses	122,308	-	122,308	122,464	-	122,464
Change in net assets from operating activities	(3,538)	(1,945)	(5,483)	661	3,969	4,630
Non-operating Activities:						
Investment-related:						
Net investment return	123	(24,472)	(24,349)	2,593	14,254	16,847
Investment return appropriated by the governing board for operations	(4,100)	(34,206)	(38,306)	(4,033)	(33,783)	(37,816)
Change in beneficial interest in perpetual trust	-	(596)	(596)	-	(2,012)	(2,012)
Change in value of planned giving agreements	(111)	(136)	(247)	(10)	(194)	(204)
Gift-related:						
Private gifts and grants restricted for long-term investment	481	8,831	9,312	23	1,532	1,555
Private gifts and grants restricted for capital projects	167	9	176	-	975	975
Other:						
Change in value of interest rate swap	(1,444)	-	(1,444)	(753)	-	(753)
Net assets released from restrictions	31	(31)	-	6,973	(6,973)	-
Change in net assets from non-operating activities	(4,853)	(50,601)	(55,454)	4,793	(26,201)	(21,408)
Change in net assets	(8,391)	(52,546)	(60,937)	5,454	(22,232)	(16,778)
Net assets beginning of year	214,569	734,312	948,881	209,115	756,544	965,659
Net assets end of year	$ 206,178	681,766	887,944	$ 214,569	734,312	948,881

See accompanying notes to financial statements.

MACALESTER COLLEGE
Statements of Functional Expenses
Years Ended May 31, 2020 and 2019
(in thousands of dollars)

	2020		
	Program Activities	Management and General	Total Expenses
Salaries, benefits and taxes	$ 60,200	14,092	74,292
Professional and other services	7,930	3,103	11,033
Office expenses and information technology	4,119	4,061	8,180
Occupancy	2,451	252	2,703
Travel and conferences	1,892	625	2,517
Interest	3,133	17	3,150
Depreciation	9,401	993	10,394
Study away programs	5,500	78	5,578
Books, periodicals, art	1,468	31	1,499
Other	2,219	743	2,962
Total expenses on the Statement of Activities	$ 98,313	23,995	122,308

	2019		
	Program Activities	Management and General	Total Expenses
Salaries, benefits and taxes	$ 59,645	13,733	73,378
Professional and other services	7,444	3,373	10,817
Office expenses and information technology	4,755	3,955	8,710
Occupancy	2,893	310	3,203
Travel and conferences	2,366	726	3,092
Interest	3,301	13	3,314
Depreciation	8,958	802	9,760
Study away programs	4,614	59	4,673
Books, periodicals, art	1,467	44	1,511
Other	3,149	857	4,006
Total expenses on the Statement of Activities	$ 98,592	23,872	122,464

See accompanying notes to financial statements.

MACALESTER COLLEGE
Statements of Cash Flows
Years Ended May 31, 2020 and 2019
(in thousands of dollars)

	2020	2019
Cash flows from operating activities:		
Change in total net assets	$ (60,937)	$ (16,778)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	10,144	9,509
Realized and unrealized loss (gain) on investments	37,437	(5,524)
Unrealized loss on interest rate swap	1,444	753
Private gifts and other income restricted for long term investments	(8,840)	(2,507)
Noncash contributions of marketable securities	(184)	(456)
Adjustment of actuarial liabilities for planned giving agreements	751	458
Change in value of beneficial interest in perpetual trust	596	2,012
Endowment payout	31,475	34,400
Change in assets and liabilities:		
Accrued investment income, prepaid expenses and other assets	226	(4,143)
Notes and accounts receivable	(324)	(34)
Contributions receivable	309	440
Accounts payable and accrued expenses	(2,350)	330
Deferred revenue and deposits	1,157	35
Net cash provided by operating activities	10,904	18,495
Cash flows from investing activities:		
Proceeds from sale of investments	294,897	196,802
Proceeds from sale of investments used for endowment payout	(31,475)	(34,400)
Purchase of investments	(269,984)	(179,923)
Purchase of land, building and equipment	(4,822)	(25,686)
Net cash used in investing activities	(11,384)	(43,207)
Cash flows from financing activities:		
Principal payments on bonds payable	(3,849)	(3,663)
Payments made to beneficiaries of planned giving agreements	(889)	(898)
Change in government grant refundable	(803)	-
Noncash contributions of marketable securities	(470)	(258)
Private gifts, grants and other income restricted for long term investment	6,413	2,933
Net cash provided by (used in) financing activities	402	(1,886)
Decrease in cash and cash equivalents	(78)	(26,598)
Cash, restricted cash, and cash equivalents at beginning of the year	10,495	37,093
Cash, restricted cash, and cash equivalents at end of the year	$ 10,417	$ 10,495
Supplemental disclosure - cash paid for interest, including interest capitalized of $0 and $966, respectively	$ 3,221	$ 3,297
Noncash investing and financing activities:		
Purchases of land, building and equipment funded by accounts payable	$ 22	$ 705

See accompanying notes to financial statements.

1) Background and Organization

Macalester College ("the College" or "Macalester") is a four year, coeducational, residential, private liberal arts college. Founded in 1874, the College is located in the urban setting of Saint Paul, Minnesota and is accredited by the North Central Association of Colleges and Secondary Schools.

2) Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting. To ensure the observance of limitations and restrictions placed on the use of available resources, the College maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes into funds that are maintained in accordance with activities or objectives of the College. For external reporting purposes, however, the College's financial statements have been prepared to focus on the organization as a whole and to present balances and transactions classified in accordance with the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

> *Net assets with donor restrictions* -- Net assets subject to donor-imposed stipulations that: a) restrict their use to a specific purpose and/or the passage of time; or b) require that they be maintained in perpetuity by the College; generally, the donor of these assets permits the College to use all or part of the income earned and capital gains, if any, on related investments for general or specific purposes.
>
> *Net assets without donor restrictions* -- Net assets not subject to donor-imposed stipulations. Certain of these amounts have been designated by the Board for investment purposes as indicated in the presentation.

Revenues are reported as increases in *net assets without donor restrictions* unless use of the related assets is limited by donor-imposed restrictions. Donor-restricted contributions whose restrictions are met in the same year the gift is made are reported as contributions *with donor restrictions* and releases in the current year. Expirations of donor-imposed restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as net assets released from restrictions. Expenses are reported as decreases in *net assets without donor restrictions*. Gains and losses on assets and liabilities are reported as increases or decreases in *net assets without donor restrictions* unless their use is restricted by explicit donor stipulations.

Contributions, including unconditional promises to give, are recognized as revenue in the period received and reported in their appropriate net asset group, subject to the existence or absence of donor-imposed stipulations. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at a discount rate consistent with the general principles for present value measurement. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

A portion of the College's revenue is derived from cost reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the College has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The College received cost reimbursable grants of $3,084 that have not been recognized at May 31, 2020 because qualifying expenditures have not yet been incurred.

Operating results in the statements of activities reflect all transactions increasing and decreasing net assets except those that the College defines as non-operating. Non-operating activity includes contributions added to endowments, contributions supporting major capital purchases, contributions and other activity related to annuity and other trust agreements, changes in the value of interest rate swaps, and long term investment income, net of amounts distributed to support the operations in accordance with the Board-approved endowment spending policy.

Cash and Cash Equivalents

Cash and cash equivalents include interest bearing money market accounts. The balances are insured by the Federal Deposit Insurance Corporation up to certain limits. At times, cash in the bank may exceed FDIC insurable limits.

Notes and Accounts Receivable

Notes and accounts receivable include grants receivable, student loan receivables, student accounts receivable and various other receivables. An allowance for doubtful accounts is recorded annually based on historical experience and management's evaluation of receivables at the end of each year. Bad debts are written off when deemed uncollectible. Receivables are generally unsecured.

Short Term Investments

Short term investments consist of investments held in short-term funds that may be used for the daily operations of the College.

Long Term Investments

Long term investments include the endowment pool, non-pooled endowment, and investments related to split interest agreements.

Real Estate

Purchased real estate investments are initially recorded at cost in the year they are acquired. In subsequent years, the properties are valued based on an appraisal and/or a market analysis. Real estate investments that have been received as contributions are valued at their estimated fair value at the date the properties were donated, as determined by professional appraisals.

Land, Buildings and Equipment

Equipment and building improvements with a cost of $10,000 or greater and buildings with a cost of $100,000 or greater are capitalized by the College. Constructed and purchased property and equipment are carried at cost. Land, buildings and equipment donated to the College are stated at fair value at date of donation. Long-lived assets, with the exception of land and artwork, are depreciated using the straight-line method over their estimated useful lives. Useful lives for equipment range from 3 to 6 years. Useful lives for the majority of the buildings and improvements range from 20 to 40 years.

Interest is capitalized in connection with the construction of facilities. The capitalized interest is recorded as part of the asset to which it relates and is amortized over the asset's useful life.

Bond Issue Costs

Bond issue costs are amortized using the straight-line method over the life of the associated bond issue. Bond issue costs are reported as a reduction of bonds and mortgages payable on the statements of financial position.

Revenue Recognition and Disaggregation of Revenue

The College provides academic instruction toward baccalaureate degrees. Tuition and fee revenue is recognized in the fiscal year in which the academic programs are delivered. Institutional scholarships awarded to students reduce the amount of revenue recognized. In addition, students who adjust their course load or withdraw completely within the first 33 class days of the semester may receive a partial refund in accordance with the College's refund policy. Refunds issued reduce the amount of revenue recognized. Payments for services are due August 15th for the Fall semester and January 15th for the Spring semester.

(in thousands of dollars)

The following table shows the College's tuition revenue disaggregated according to the timing of the transfer of goods or service and by source, as of the year ended May 31, 2020 and 2019:

	2020	2019
Revenue recognized over time:		
Tuition and fees	$ 54,507	$ 55,142

The College also provides auxiliary services, such as residence and dining services. Revenue from these services is recognized in the fiscal year in which the goods and services are provided. Students that withdraw from the College within the first 33 class days of the semester may receive a partial refund in accordance with the College's refund policy. Refunds issued reduce the amount of revenue recognized. During the year ended May 31, 2020, as part of the College's response to COVID-19, most students received a partial refund of their residence and dining charges.

The following table shows the College's auxiliary revenues disaggregated according to the timing of transfer of goods or service and by source, as of the year ended May 31, 2020 and 2019:

	2020	2019
Revenue recognized over time:		
Residence	$ 7,604	$ 9,315
Dining	5,789	7,028
Other	897	1,066
Total auxiliary revenues	$ 14,290	$ 17,409

The College serves approximately 2,000 students. Approximately 15% of the students are non-U.S. residents. Approximately 16% of the students are residents of Minnesota. The remaining students are U.S. residents from states other than Minnesota.

Deferred Revenue

Deferred revenue represents payments received prior to the start of the academic term. The following table depicts activities for deferred revenue related to tuition, fees and auxiliary services.

Balance at May 31, 2019	Refunds issued	Revenue recognized included in May 31, 2019 balance	Cash received in advance of performance	Balance at May 31, 2020
$ 971	$ -	$ 971	$ 2,324	$ 2,324

The balance of deferred revenue at May 31, 2020 less any refunds will be recognized as revenue over the academic term as services are rendered. The College applies the practical expedient in paragraph 606-10-50-14 and does not disclose information about remaining performance obligations that have original expected durations of one year or less. The College anticipates that students enrolled for the Fall semester will continue their studies in the Spring semester, and that students who receive their baccalaureate degree in December or May will be replaced by an equivalent number of new enrollees.

Expenses

The financial statements report expenses that are attributable to both program and supporting functions. These expenses require allocation on a reasonable basis that is consistently applied. Therefore, operation and maintenance expenses are allocated based on depreciation expense, and interest expense is allocated based on the program and/or supporting function that benefit from the related debt issuances.

Measure of Operations

The College's change in net assets from operating activities includes all operating revenues and expenses that are an integral part of its programs and supporting activities, including net assets released from donor restrictions to support operating expenditures, as well as investment return appropriated by the Board of Trustees for operations.

The measure of operations includes support for operating activities from both donor-restricted net assets and net assets without donor restrictions designated for long-term investment according to the College's spending policy, which is detailed in the Endowment Funds footnote.

The measure of operations excludes endowment support for non-operating activities, investment return in excess (less than) amounts made available for current support, changes in market value of beneficial interest in perpetual trusts, changes in the fair value of planned giving agreements, private gifts and grants restricted for long-term investment and capital projects, and changes in fair value of the interest rate swap.

Tax Status

The College has received a determination letter from the Internal Revenue Service indicating it is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code and is subject to federal income tax only on net unrelated business income. No provision has been made for income taxes in the accompanying financial statements as the College has had no significant unrelated business income.

The College's accounting policy provides that a tax expense/benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on technical merits. The College has no uncertain tax positions resulting in an accrual of tax expense or benefit.

Derivative Financial Instruments

The College measures derivative instruments (including derivative instruments embedded in other contracts) at fair value, and reports them as assets or liabilities in the statements of financial position. Changes in the fair value of derivatives during the year are reported in the statements of activities. Macalester's interest rate swap agreement is considered a derivative financial instrument and has been reported in the statements of financial position at fair value. The change in the fair value of the agreement during the year is reported in the statements of activities. The net cash received or paid under the terms of the interest rate swap agreement over its term is reported as a component of interest expense.

Planned Giving Agreements

The College's planned giving agreements consist primarily of charitable gift annuities, charitable remainder unitrust contracts and pooled life income funds. For those trusts for which the College is the trustee, the assets are reported as long term investments at their fair value. Contribution revenue is recognized at the dates the trusts are established after recording a liability for the present value of the estimated future payments to be made to the beneficiaries using discount rates and assumptions established upon initial recognition of the liability and the use of the appropriate mortality tables. Discount rates range from 1.3% to 7.0%. The obligation is adjusted during the term of the agreement for changes in the value of the assets, amortization of the discount and other changes in the estimates of future benefits. Liabilities under planned giving agreements attributable to annuities as of May 31, 2020 and 2019 totaled $1,877 and $1,593, respectively.

For those irrevocable trusts for which the College does not serve as trustee, contribution revenue and a receivable are recognized at the date the trust is established for the present value of the estimated future payments to be received.

The College is also the beneficiary of a perpetual trust held and administered by others. The estimated fair value of the trust was recognized as an asset and as revenue on the date the College was notified of the establishment of the trust. Distributions from the trust are recorded as investment income.

Use of Estimates

The preparation of financial statements in conformity with US generally accepted accounting principles (GAAP) 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 these estimates.

Related Party

Pledges from certain Board of Trustees members and Officers are included in the financial statements. The pledges outstanding totaled $3,533 and $872 at May 31, 2020 and 2019, respectively. The College has a conflict of interest policy in place that is reviewed by each Board member and Officer annually.

(in thousands of dollars)

Risks and Uncertainties

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to Macalester College, COVID-19 may impact various parts of its operations and financial results for the year ending May 31, 2021, including, but not limited to, declines in enrollment, loss of auxiliary revenues, additional bad debts, costs for increased use of technology, or potential shortages of personnel. Management believes Macalester College is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing subsequent to fiscal year end.

3) Student Loans Receivable

The College issues uncollateralized loans to students based on financial need. Student loans are funded through federal government loan programs or institutional resources. Allowances for doubtful accounts are established based on prior collection experience and current economic factors, which, in management's judgment, could influence the ability of loan recipients to repay the amounts per the loan terms. At May 31, 2020 and 2019, student loans represented less than 1% of total assets.

Student loans receivable consist of the following:

	2020	2019
Federal government programs	$ 2,788	$ 3,285
Institutional programs	6,512	6,010
Student loans receivable, gross	9,300	9,295
Less: allowance for doubtful accounts:		
Beginning of year	(1,002)	(842)
Increases	(80)	(160)
End of year	(1,082)	(1,002)
Student loans receivable, net	$ 8,218	$ 8,293

Student loans receivable are included in notes and accounts receivable on the statement of financial position. Also included in notes and accounts receivable are other receivables of the College, including receivables for students' accounts, rent, federal student aid, and grants. These other receivables total $1,092 and $693 as of May 31, 2020 and 2019, respectively.

Funds advanced by the federal government of $3,090 and $3,893 at May 31, 2020 and 2019, respectively, are ultimately refundable to the government and are classified as liabilities on the statements of financial position.

(in thousands of dollars)

At May 31, 2020 and 2019, the following amounts were past due under student loan programs:

	2020	2019
0 - 9 months past due	$ 324	$ 377
10 months - 2 years past due	377	437
3 - 4 years past due	230	261
5 years or longer past due	726	630
Total past due	$ 1,657	$ 1,705

4) Investments and Fair Value Measurements

The College applies the provisions of ASC No. 820, which established a three-level fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC No. 820 are described below:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 Pricing inputs other than identical quoted prices in active markets that are observable for the financial instrument, such as similar instruments, interest rates, and yield curves that are observable at commonly quoted intervals.

Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. Level 3 inputs include situations where there is little, if any, market activity for the financial instrument.

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

The following tables summarize the College's fair value hierarchy for those assets and liabilities that were measured at fair value on a recurring basis as of May 31, 2020 and 2019:

Short term investments:

	2020	2019
Fixed income – Treasuries – fair value	$ 41,309	$ 44,174

(in thousands of dollars)

Long term investments:

Long term investments include funds traditionally considered the endowment of the College, as well as assets of funds for planned giving agreements totaling $15,604 and $15,886 as of May 31, 2020 and 2019, respectively. The allocations shown at fair value are as follows:

	2020				
	Level 1	Level 2	Level 3	No Level	Total
Financial Assets:					
Short term investments:					
Fixed income - Treasuries	$ 41,309	$ -	$ -	$ -	$ 41,309
Long term investments:					
Cash and short term investments	$ 3,482	$ -	$ -	$ -	$ 3,482
Publicly traded securities:					
Domestic equities	49,305	-	-	-	49,305
Domestic equities held in collective trusts measured at net asset value	-	-	-	12,448	12,448
Foreign equities held in collective trusts measured at net asset value	-	-	-	85,682	85,682
Fixed income – TIPS and Treasuries	46,916		-	-	46,916
Futures	5,430	-	-	-	5,430
Mutual funds	84,884	-	-		84,884
Liquid alternative investments	-	47,606	-	-	47,606
Alternative strategies in illiquid structures measured at net asset value:					
Domestic equities	-	-	-	97,948	97,948
Private equities	-	-	-	93,332	93,332
Hedge funds	-	-	-	89,434	89,434
Real estate	-	-	-	25,985	25,985
Natural resources	-	-	-	33,801	33,801
Total long term investments	$ 190,017	$ 47,606	$ -	$ 438,630	$ 676,253
High Winds real estate	$ -	$ -	$ 15,755	$ -	$ 15,755
Beneficial interest in perpetual trust	$ -	$ -	$ 29,500	$ -	$ 29,500
Financial Liabilities:					
Interest rate swap agreement	$ -	$ 2,402	$ -	$ -	$ 2,402

(in thousands of dollars)

	2019				
	Level 1	Level 2	Level 3	No Level	Total
Financial Assets:					
Short term investments:					
Fixed income - Treasuries	$ 44,174	$ -	$ -	$ -	$ 44,174
Long term investments:					
Cash and short term investments	$ 2,351	$ -	$ -	$ -	$ 2,351
Publicly traded securities:					
Domestic equities	53,104	-	-	-	53,104
Domestic equities held in collective trusts measured at net asset value	-	-	-	15,248	15,248
Foreign equities held in collective trusts measured at net asset value	-	-	-	112,437	112,437
Fixed income – TIPS and Treasuries	95,892	25	-	-	95,917
Futures	4,426	-	-	-	4,426
Mutual funds	108,380	-	-		108,380
Liquid alternative investments	-	12,306	-	-	12,306
Alternative strategies in illiquid structures measured at net asset value:					
Domestic equities	-	-	-	132,562	132,562
Private equities	-	-	-	86,355	86,355
Hedge funds	-	-	-	44,949	44,949
Real estate	-	-	-	22,088	22,088
Natural resources	-	-	-	45,243	45,243
Total long term investments	$ 264,153	$ 12,331	$ -	$ 458,882	$ 735,366
High Winds real estate	$ -	$ -	$ 15,473	$ -	$ 15,473
Beneficial interest in perpetual trust	$ -	$ -	$ 30,096	$ -	$ 30,096
Financial Liabilities:					
Interest rate swap agreement	$ -	$ 958	$ -	$ -	$ 958

(in thousands of dollars)

The following tables are roll-forwards of the Level 3 financial assets during the fiscal years ended May 31, 2020 and 2019:

Beneficial Interest in Perpetual Trust	2020	2019
Beginning balance	$ 30,096	$ 32,108
Net investment return	(46)	(1,072)
Purchases	755	744
Sales	(1,305)	(1,684)
Ending balance	$ 29,500	$ 30,096

High Winds Real Estate*	2020	2019
Beginning balance	$ 15,473	$ 15,473
Purchase of property	282	-
Ending balance	$ 15,755	$ 15,473

* Real estate values are based on independent appraisals.

At May 31, 2020, the College had $340,500 of long term investments, $12,448 of domestic equities held in collective trusts, and $85,682 of foreign equity held in collective trusts. These investments are reported at fair value. The College has concluded that the net asset value (NAV) reported by the underlying fund approximates the fair value of the investments and serves as the practical expedient for fair value.

Due to the nature of the investments held by the funds, changes in market conditions and economic environment may significantly impact the net asset value of the funds, and consequently, the fair value of the College's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is, therefore, reasonably possible that if the College was to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and the discount could be significant. The College has no plans to sell any of these assets on the secondary market.

(in thousands of dollars)

At May 31, 2020 and 2019, the College's alternative investments had strategies and redemption terms as summarized in the tables below:

2020				
Investment Category	Fair Value	Unfunded Commitments	Redemption Frequency*	Notice Period (in Days)*
Foreign equity held in collective trusts (a)	$ 85,682	None	Monthly	30 days
Domestic equities held in collective trusts (b)	12,448	None	Monthly	30 days
Domestic equities - alternative structures (c)	97,948	None	Quarterly	60 days
Hedge funds (d)	89,434	None	Monthly - Annual	30 - 90 days
Private investments (e)	153,118	$ 130,526	Not applicable	Not applicable
Totals	$ 438,630	$ 130,526		

2019				
Investment Category	Fair Value	Unfunded Commitments	Redemption Frequency*	Notice Period (in Days)*
Foreign equity held in collective trusts (a)	$ 112,437	None	Monthly	30 days
Domestic equities held in collective trusts (b)	15,248	None	Monthly	30 days
Domestic equities - alternative structures (c)	132,562	None	Quarterly	60 days
Hedge funds (d)	44,949	None	Monthly - Annual	30 - 90 days
Private investments (e)	153,686	$ 137,905	Not applicable	Not applicable
Totals	$ 458,882	$ 137,905		

* The information summarized in the tables above represents the general terms for the specified asset class. Individual investment funds may have terms that are more or less restrictive than those terms indicated for the asset class as a whole. In addition, most investment funds have the flexibility, as provided for in their constituent documents, to modify and waive such terms.

a. Foreign equities held in collective trusts are actively managed investment funds focused on the equity markets of non-US developed market countries. These funds have the ability to invest a portion of the funds in equities of emerging market countries. The unobservable inputs used to determine the fair values of these investments have been estimated using NAV.

b. Domestic equities held in collective trusts are actively managed investment funds focused on US equity markets. The unobservable inputs used to determine the fair values of these investments have been estimated using NAV.

c. Domestic equities - alternative structures are actively managed and designed to give the College exposure to the movements of the US equity market. The unobservable inputs used to determine the fair values of these investments have been estimated using NAV.

d. Hedge funds consist of funds in which the College has invested to potentially benefit from the skill of fund managers or to access unconventional assets. Typically, the underlying investments in these funds are publicly traded.

e. Private investments include a variety of investment strategies, including buyout, distressed debt, energy, real estate, timber and venture capital. These investments are of a long term nature and generally serve to drive the returns of the portfolio or to hedge inflation. The College receives proceeds from these funds as the holdings of the funds produce income or are sold. The College invests in funds with a life of 5 to 15 years, and does not have redemption rights.

Securities denominated in foreign currencies are translated into US dollars at the closing rate of exchange. Foreign currency amounts related to the purchase or sale of securities and income and expenses are translated at the exchange rate on the transaction date. For financial reporting purposes, net investment return reflects changes in exchange rates, as well as changes in the market value of investments.

The College hedges the foreign currency risks of the non-US developed markets public equity portfolio by entering into foreign currency exchange contracts. These derivatives are marked to market daily and exchange traded. In the statements of activities, net investment return includes gains or losses from the use of derivatives for hedging and rebalancing activities. As of May 31, 2020 and 2019, the College held a short position in non-US developed market currency futures of $87,890 and $120,546, respectively.

The College periodically uses asset class futures contracts to manage exposures to various asset classes. As of May 31, 2020, the College held a short position of $12,079 in non-US developed market equities and a long position of $16,563 in two-year US Treasury futures. As of May 31, 2019, the College held a short position of $5,635 in non-US developed market equities and a long position of $9,446 in two-year US Treasury futures.

5) Funds Held in Trust by Others

The College’s beneficial interest in the fair value of assets in a perpetual trust was $29,500 and $30,096 as of May 31, 2020 and 2019, respectively. For the years ended May 31, 2020 and 2019, the College received $1,524 and $1,552 from this trust, respectively.

The College is the income beneficiary of a revocable trust with an estimated value of $9,265 and $10,299 as of May 31, 2020 and 2019, respectively, which is controlled by independent trustees. For the years ended May 31, 2020 and 2019, the College received $428 and $426 from this trust, respectively. These assets are not recorded on the financial statements of the College.

(in thousands of dollars)

6) Contributions Receivable

Contributions receivable consists of the following:

	2020	2019
Unconditional promises expected to be collected in:		
Less than one year	$ 3,903	$ 1,677
One year to five years	1,385	1,505
More than five years	15	20
Less: Discount to present value (2.0 – 3.0%)	(61)	(78)
	$ 5,242	$ 3,124

7) Land, Buildings and Equipment

The following is a summary of the College's land, buildings and equipment:

	2020	2019
Land and land improvements	$ 4,362	$ 4,362
Buildings and building improvements	342,472	340,186
Equipment	16,493	16,455
Construction in progress	388	112
	363,715	361,115
Less: Accumulated depreciation	(149,108)	(140,252)
	$ 214,607	$ 220,863

8) Bonds and Mortgages Payable

Bonds and mortgages payable consist of the following:

	2020	2019
Minnesota Higher Education Facilities Authority variable rate demand revenue bonds of 1994, weekly maturity and rate reset, 1.41% average for current fiscal year	$ 6,660	$ 6,660
Minnesota Higher Education Facilities Authority variable rate demand revenue bonds of 2003, weekly rate reset as well as a weekly tender option, 1.40% average for current fiscal year	15,300	15,300
Minnesota Higher Education Facilities Authority revenue bonds of 2012, final series due 2043	13,055	13,445
Minnesota Higher Education Facilities Authority revenue bonds of 2015, final series due 2032	18,000	19,780
Minnesota Higher Education Facilities Authority revenue bonds of 2019, final series due 2048	33,930	35,650
	86,945	90,835

(in thousands of dollars)

	2020	2019
Plus: Unamortized bond premium	4,769	5,021
Less: Unamortized bond issuance costs	(695)	(737)
	$ 91,019	$ 95,119

In September of 1994, $6,660 of variable rate demand revenue bonds were issued on behalf of the College by MHEFA. The bonds were initially issued with a weekly maturity and rate reset, but longer maturities are optional as well as a fixed rate. Proceeds of the issue were used to finance various campus improvements and an athletic field expansion. Loan repayments associated with the bonds are general obligations of the College, with interest payable monthly (semi-annual if converted to fixed), and principal payable at maturity, on March 1, 2024.

In February of 2003, $15,300 of variable rate demand revenue bonds were issued on behalf of the College by MHEFA. The bonds were issued with a weekly rate reset, as well as a weekly tender option. In the event of a tender and unsuccessful remarketing, self liquidity is provided through treasury securities held as long term investments. Proceeds of the issue were used to finance various dormitory improvements. Loan repayments associated with the bonds are general obligations of the College, with interest payable monthly and principal payable at maturity, on March 1, 2033.

In November of 2012, $14,730 of revenue bonds were issued on behalf of the College by MHEFA. The average interest rate of the bonds is 3.28%. Proceeds of this issue were used to partially fund the renovation of the Studio Art portion of the Janet Wallace Fine Arts building and replace boilers in the sub-basement of the building.

In October of 2015, $22,660 of revenue bonds were issued on behalf of the College by MHEFA. The average interest rate of the bonds is 4.08%. $18,555 of the proceeds were used to partially repay the 2007 issue, while the remaining $4,105 was used for various campus projects.

In October of 2019, $40,315 of revenue bonds were issued on behalf of the College by MHEFA. The average interest rate of the bonds is 3.10%. $13,865 of the proceeds were used to repay the 2010 issue. $5,905 of the proceeds were used repay the 2007 issue. The remaining $20,545 will fund the construction of a new building that will house the theater and dance programs, as well as new multiuse classrooms.

On July 1, 2015, in direct connection with the variable rate demand revenue bonds issued in 2003, the College entered into an interest rate swap agreement that obligates it to pay a fixed rate of 2.07% annually to the counterparty in exchange for the receipt of a floating payment equal to 67% of LIBOR. The contract expires March 1, 2030. The net difference between the amounts paid to and received from the counterparty is recorded as interest expense. Payments under the swap contract are based on a notional amount of $15,300. As of May 31, 2020 and 2019, the estimated fair value of the swap contract was $(2,402) and $(958), respectively.

(in thousands of dollars)

In the statements of activities, net gains or losses from the interest rate swap agreements result from fluctuations in the variable interest rate to which the swaps are tied. Included in the statements of activities for the years ended May 31, 2020 and 2019 are interest rate swap losses of $1,444 and $753, respectively.

Annual debt commitments (principal) at May 31, 2020, are as follows:

Fiscal Year Ending May 31,	Amount
2021	$ 4,150
2022	4,420
2023	3,075
2024	9,835
2025	3,315
After 2025	62,150
	$ 86,945

Total interest expensed on debt aggregated $3,150 and $3,314 during the years ended May 31, 2020 and 2019, respectively.

9) Restrictions and Limitations on Net Asset Balances

The Board has designated, from *net assets without donor restrictions* of $206,178 and $214,569 at May 31, 2020 and 2019, respectively, net assets for quasi endowment in the amount of $56,682 and $60,672 at May 31, 2020 and 2019, respectively. Per Board policy, bequests received without donor restrictions are designated for long term investment (quasi-endowment), unless otherwise designated by the Board.

Net assets with donor restrictions are available for the following purposes at May 31, 2020 and 2019:

	2020	2019
Perpetual in nature:		
Endowment funds for:		
Scholarships	$ 34,068	$ 33,901
Prizes and awards	302	301
Library support	3,095	3,094
Program support	243,681	243,520
Faculty support	25,549	25,535
Research	2,064	2,059
	308,759	308,410
Beneficial interest in outside managed trusts restricted for scholarships	29,654	30,178
High Winds Fund	20,182	19,294
Loan funds	3,525	3,607
Split interest agreements for scholarships and program support	3,252	3,361
Total perpetual in nature	365,372	364,850

(in thousands of dollars)

Purpose restricted:		
The portion of unexpended investment return generated from donor-restricted endowment funds subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) consists of:		
Scholarships	$ 47,465	$ 52,533
Prizes and awards	480	496
Library support	2,797	3,400
Program support	207,035	253,284
Faculty support	35,923	37,492
Research	3,667	3,972
	297,367	351,177
Gifts and other unexpended revenues and gains available for:		
Scholarships	283	222
Prizes and awards	123	148
Library support	18	18
Program support	2,057	2,004
Faculty support	712	890
Research	291	308
Contributions receivable and trust available for scholarships, program support and operations	8,859	6,493
Split interest agreements for scholarships, program support and operations	3,729	3,870
Private grants	1,486	2,059
Plant projects	327	313
Other	1,142	1,960
Total purpose restricted	316,394	369,462
Total net assets with donor restrictions	$ 681,766	$ 734,312

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the passage of time or the occurrence of other events specified by donors as follows for the years ended May 31, 2020 and 2019:

	2020	2019
Purpose restrictions accomplished:		
Operating:		
Scholarships	$ 29,347	$ 28,995
Faculty support	4,657	4,615
Various programming	3,216	3,232
Grant expenditures	941	952
Total - operating	38,161	37,794
Non-operating:		
Plant purchases	31	6,973
Total restrictions released	$ 38,192	$ 44,767

10) Endowment Funds

Overview

The College's endowment consists of 647 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The College is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as *net assets with donor restrictions* because those net assets are time restricted until the Board appropriates such amounts for expenditure. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to *net assets without donor restrictions*. The Board has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the College considers a fund to be underwater if the fair value of the fund is less than the sum of: a) the original value of initial and subsequent gift amounts donated to the fund; and b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The College has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Additionally, in accordance with UPMIFA, the College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: a) the duration and preservation of the funds; b) the purposes of the College and the donor-restricted endowment funds; c) general economic conditions; d) the possible effect of inflation and deflation; e) the expected total return from income and the appreciation of investments; f) other resources of the College, and g) the investment policies of the College.

(in thousands of dollars)

Endowment Funds Restrictions and Designations

The College's endowment net assets were classified as follows at May 31, 2020 and 2019:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 56,682	$ -	$ 56,682
Donor-restricted endowment funds:			
Original donor-restricted gift amounts and amounts required to be maintained in perpetuity by donor	-	308,759	308,759
Original donor-restricted gift amounts not required to be maintained in perpetuity by the donor but managed by the College as endowment funds, including accumulated investment gains	-	297,367	297,367
Total funds	$ 56,682	$ 606,126	$ 662,808

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 60,672	$ -	$ 60,672
Donor-restricted endowment funds:			
Original donor-restricted gift amounts and amounts required to be maintained in perpetuity by donor	-	308,410	308,410
Original donor-restricted gift amounts not required to be maintained in perpetuity by the donor but managed by the College as endowment funds, including accumulated investment gains	-	351,177	351,177
Total funds	$ 60,672	$ 659,587	$ 720,259

(in thousands of dollars)

The College's endowment net assets changed as follows for the years ended May 31, 2020 and 2019:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beg. of year	$ 60,672	$ 659,587	$ 720,259
Net investment return	2.982	(31,616)	(28,634)
Contributions	252	6,128	6,380
Other transfers in (out)	1,168	181	1,349
Amounts appropriated for expenditure	(8,392)	(28,154)	(36,546)
Endowment net assets, end of year	$ 56,682	$ 606,126	$ 662,808

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beg. of year	$ 61,821	$ 678,008	$ 739,829
Net investment return	6,461	7,355	13,816
Contributions	-	1,829	1,829
Other transfers in (out)	697	115	812
Amounts appropriated for expenditure	(8,307)	(27,720)	(36,027)
Endowment net assets, end of year	$ 60,672	$ 659,587	$ 720,259

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (underwater). As of May 31, 2020, funds with original gift values of $18,189, fair values of $16,759, and deficits of $1,430 were reported in net assets with donor restrictions. These deficits, which the College believes are temporary, resulted from unfavorable market fluctuations. Continued spending appropriations are deemed prudent. As of May 31, 2019, no deficits of this nature existed.

Return Objectives and Risk Parameters

The College has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce results that exceed endowment spending plus inflation with real growth as a secondary goal. The College expects its endowment funds, over three to five years, to provide an average annual real rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long term rate-of-return objectives, the College relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The College targets a diversified asset allocation that places emphasis in three broad categories - economic growth, real assets, and safety and liquidity - in a 65-20-15 percent ratio to achieve its long term return objectives within prudent risk constraints.

The majority of the assets of the endowment funds have been placed in an investment pool, on a fair value basis, with each individual fund within the pool subscribing to or disposing of units on the basis of the market value per unit at the beginning of the month within which the transaction takes place.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Half of the allowable spending in the previous fiscal year is increased by 2%, and that amount represents one half of the current fiscal year endowment draw. The other half of the draw is computed as 5% of a trailing a 16-quarter average market value of long-term investments. The amount to be spent is constrained by a test to ensure the formula does not create a spending amount that is too large or too small relative to the current endowment size. In establishing this policy, the College considered the expected return on its endowment. Accordingly, the College expects the current spending policy to allow its endowment to maintain its purchasing power by growing at a rate equal to planned payouts. Additional real growth will be provided through new gifts and any excess investment returns. If yield (interest and dividend income) is not sufficient to support the calculated spending, the balance is allocated from gains on the endowment assets.

The College has a policy that permits applying its regular spending policy to underwater endowment funds, unless otherwise precluded by donor intent or relevant laws and regulations.

(in thousands of dollars)

11) High Winds Fund

Included in *net assets with donor restrictions* are resources related to the High Winds Fund. The Fund is subject to the provisions of an agreement between the College and a major benefactor. The purpose of the High Winds Fund is to maintain and improve the beauty, serenity and security of the area surrounding the College campus. As of May 31, 2020, the High Winds Fund owned 16 properties surrounding the College campus. The total value of the assets of the Fund, net of liabilities, as of May 31, 2020 and 2019 was $22,887 and $22,299, respectively. In addition to real estate with a market value of $15,755 as of May 31, 2020 and $15,473 as of 2019, the High Winds fund holds cash, investments, and receivables, net of liabilities, of $7,132 and $6,826 at May 31, 2020 and 2019, respectively.

12) Lease Revenue

The College is the lessor of both commercial and residential properties under various operating leases. Initial lease terms generally range from one year to five years. Leases provide for fixed monthly payments and, in certain cases, provide for future rent escalations. The college determines if an arrangement is a lease at inception. The College has no sales-type or direct financing leases. All leases are considered operating leases and have been recorded in the financial statements as such. The College has lease agreements with lease and non-lease components, which are generally accounted for separately. Properties that were purchased by the High Winds Fund are shown as real estate on the statement of financial position, whereas properties purchased with general College funds are shown as land buildings and equipment, net of accumulated depreciation on the statement of financial position.

Lease revenue totaled $1,529 and $1,618 during the years ended May 31, 2020 and 2019, respectively. Leases terminate at the end of the stated lease term or under certain circumstances noted in the lease agreements. Most residential leases are for a single year. The longest commercial lease terminates in 2024. Certain leases provide an option to extend the lease for one additional lease term with the same terms as the original lease.

Minimum future lease revenue to be received on non-cancelable agreements as of May 31, 2020 for each of the next five years and in aggregate are:

Fiscal Year Ending May 31,	Amount
2021	$ 931
2022	625
2023	570
2024	404
2025	202
	$ 2,732

(in thousands of dollars)

13) Liquidity

The College regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. As of May 31, 2020 and 2019, the following assets could be made readily available within one year to meet general expenditures:

	2020	2019
Cash and cash equivalents	$ 2,045	$ 2,434
Accrued investment income	310	239
Notes and accounts receivable	848	543
Contributions receivable	927	1,314
Short term investments	41,309	44,174
Endowment spending rate appropriations	38,260	37,845
	$ 83,699	$ 86,549

The majority of the College's liquidity is provided by cash and cash equivalents and short-duration U.S. treasuries. Principal and interest on student loans are not included above, as those amounts are used solely for new loans and are, therefore, not available to meet current operating needs. Based on historical experience, only the portion of contributions receivable due within one year are considered liquid.

Board-designated endowment in the amount of $56,682 and $60,672 at May 31, 2020 and 2019, respectively, is subject to an annual spending rate as described in Endowment Funds footnote. Although the College does not intend to spend from the gift corpus of these funds, these amounts could be made available if deemed necessary.

14) Employee Benefits

Retirement Plans

The College provides retirement benefits to substantially all employees. Certain academic and non-academic personnel are covered under defined contribution plans with Teachers Insurance and Annuity Association (TIAA), and Vanguard Fiduciary Trust Company. A plan covering union employees is funded by deposits with trustees based on a fixed rate of contribution per hour worked. The College has no liability for these pension plans once deposits are made to the administrators. Total benefit expense for the years ended May 31, 2020 and 2019 was $4,876 and $4,744, respectively.

Health Benefit Plan

On January 1, 2012, the College adopted the Macalester College Medical Benefit Plan (the Plan) to provide comprehensive health benefits for covered employees and their covered dependents, as defined in the Plan agreement. This plan is self-insured and, as such, the College pays the benefits as claims for benefits and associated expenses are incurred subject to stop-loss limits of $110 per claimant for calendar 2020 and 2019. There is also an aggregate stop-loss limit of 125% of expected claims, which is recalculated quarterly based on plan enrollment. For the years ended May 31, 2020 and 2019, the aggregate stop-loss amount was $6,879 and $6,779, respectively. The employees are required to contribute to the cost of coverage under the Plan. A liability for claims reported but not yet paid as of May 31, 2020 and 2019 is reported as a component of accounts payable and accrued expenses on the statements of financial position.

15) Fundraising Expenses

Fundraising expenses for the College totaled $5,474 and $6,086 for the years ended May 31, 2020 and 2019, respectively. Fundraising expenses are included in Management and General expenses on the Schedule of Expenses.

16) Commitments

The College is subject to certain claims arising out of the ordinary course of business. Although it is not possible to predict the outcome of these claims, management believes they will not have a material effect on the financial condition of the College.

17) Subsequent Event

In connection with the preparation of the financial statements, the College has evaluated subsequent events after the statement of financial position date of May 31, 2020 through September 30, 2020, which is the date the financial statements were available to be issued.

Subsequent to year end, the College entered into a revolving line of credit agreement with a bank in the amount of $20 million. The agreement carries an interest rate of 1.25% plus the Monthly Reset LIBOR Rate, and it matures August 10, 2021. The agreement is unsecured.

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