OFFICIAL STATEMENT DATED FEBRUARY 10, 2021

NEW ISSUE **Moody's Rating: A1**

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. Interest on the Bonds is subject to the State of Minnesota franchise tax applicable to corporations, including financial institutions, and is includable in the calculation of certain federal taxes imposed on corporations. The Bonds will not be designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code. (See "TAX CONSIDERATIONS.")

$57,335,000
Minnesota Higher Education Facilities Authority
Revenue Bonds, Series 2021
(St. Olaf College)
(DTC Book Entry Only)

Dated Date: Date of Delivery of the Bonds **Interest Due: April 1 and October 1, commencing October 1, 2021**

The Bonds are to mature on October 1 as follows:

$ 9,210,000 Term Bonds due October 1, 2038 Rate 3.000% Yield 1.690% Price 111.492† CUSIP 60416J CY 4
$10,080,000 Term Bonds due October 1, 2041 Rate 3.000% Yield 1.790% Price 110.563† CUSIP 60416J CZ 1
$19,440,000 Term Bonds due October 1, 2046 Rate 4.000% Yield 1.750% Price 119.681† CUSIP 60416J DA 5
$18,605,000 Term Bonds due October 1, 2050 Rate 4.000% Yield 1.800% Price 119.197† CUSIP 60416J DB 3

† Priced to the first optional call date of October 1, 2030

The Bonds are subject to optional redemption in whole or in part prior to maturity on October 1, 2030 and on any date thereafter at par, as described herein. See "THE BONDS – Prior Redemption – Optional Redemption." The Bonds will also be 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. 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 obligations of the Minnesota Higher Education Facilities Authority (the "Authority") payable solely from Loan Repayments made by or on behalf of St. Olaf College, a Minnesota nonprofit corporation (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 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 Fryberger, Buchanan, Smith & Frederick, P.A., Duluth, Minnesota, Bond Counsel. Certain legal matters will be passed upon for the College by Lathrop GPM LLP, Minneapolis, Minnesota and for the Underwriter by Fox Rothschild LLP, Minneapolis, Minnesota. The Bonds are expected to be available for delivery to the Underwriter at DTC on or about March 18, 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 web sites 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
Fryberger, Buchanan, Smith & Frederick, P.A.

Municipal Advisor
North Slope Capital Advisors

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OFFICIAL STATEMENT

\$57,335,000
MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
REVENUE BONDS, SERIES 2021
(ST. OLAF 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 St. Olaf College, a Minnesota non-profit corporation and 501(c)(3) organization and the owner and operator of an institution of higher education located in Northfield, Minnesota (the "College"), in connection with the issuance of the Authority's \$57,335,000 Revenue Bonds, Series 2021 (St. Olaf 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 of Minnesota (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 March 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 March 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. construct, equip, and furnish new student residence facilities and related improvements on the College's campus, comprised of a residence hall of approximately 300 beds and 14 townhouses totaling approximately 140 beds;
2. renovate a residence hall on the College campus, which, along with item (1) above, is the "Project":
3. capitalize interest on the Bonds through April 1, 2022; and
4. 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 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 (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.

The College has never previously failed to provide annual reports or notices of material events 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 October 1, commencing October 1, 2036, 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 April 1 and October 1, commencing October 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 October 1 in the years as shown in the following table (the "Term Bonds") shall be called for redemption on October 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:

October 1, 2038		October 1, 2041	
Year	Amount	Year	Amount
2036	$2,980,000	2039	$3,260,000
2037	$3,070,000	2040	$3,360,000
2038†	$3,160,000	2041†	$3,460,000

October 1, 2046		October 1, 2050	
Year	Amount	Year	Amount
2042	$3,585,000	2047	$4,375,000
2043	$3,730,000	2048	$4,555,000
2044	$3,880,000	2049	$4,740,000
2045	$4,040,000	2050†	$4,935,000
2046†	$4,205,000		

† *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 October 1, 2030 and on any day thereafter Bonds due, or subject to mandatory redemption, on or after October 1, 2036. Redemption may be in whole or in part. All prepayments shall be at a price of par plus accrued interest.

Extraordinary Optional Redemption

The Bonds will be subject to 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. See "DEFINITIONS OF CERTAIN TERMS – Project Facilities" and "SUMMARY OF DOCUMENTS – The Loan Agreement."

The Bonds will be subject to optional redemption at par and accrued interest upon a Determination of Taxability as provided in the Loan Agreement. See "THE BONDS – 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. 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 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. construct, equip, and furnish new student residence facilities and related improvements on the College's campus, comprised of a residence hall of approximately 300 beds and 14 townhouses totaling approximately 140 beds;
2. renovate a residence hall on the College campus, which, along with item (1) above, is the "Project";
3. capitalize interest on the Bonds through April 1, 2022; and
4. pay certain issuance costs.

The Project

The College completed a housing study in 2018 that recommended the number of beds to be constructed as part of the Project. The housing study found that on-campus residential housing was a strong defining feature of the College's student life experience. The College believes that on-campus housing provides a significant advantage over competing institutions, and requires students to live on campus during all four years with a limited exception for qualifying seniors who must apply for permission to live off campus. As student enrollment has grown over the past several decades, the College has converted rooms in freshman dormitories from originally designed double occupancy to triple occupancy, and has converted originally designed study rooms to dormitory rooms. The study recommended converting these rooms back to designed capacity, as well as moderately increasing the number of available single rooms to address a growing desire for student independence.

The College presently owns several Honor Houses, mostly occupied by senior students, which were originally built as single family homes. See "APPENDIX I – The College – Campus Facilities." The housing study also recommended replacing Honor Houses that presently provide 138 beds with new construction townhomes with shared community spaces.

In response to the housing study, the College will construct on its Northfield campus a new residence hall with 300 beds and 14 townhouses with 140 beds for a total of 440 beds. This will produce a net increase of 24 beds on campus, bringing the total to 2,800. Demolition of certain facilities to make room for the new construction is expected to begin in January of 2021. Construction is expected to begin in the spring of 2021 with the Project completed and ready for occupancy in the fall of 2022.

The College has entered into a guaranteed maximum price construction contract with Boldt Construction, Appleton, Wisconsin and has engaged Workshop Architects, Milwaukee, Wisconsin, as the architect for the residence hall and townhouse component of the Project. The College has also entered into an agreement with ICS, Minneapolis, Minnesota, for comprehensive project owner representation services to ensure that all aspects of the process are coordinated and completed appropriately to optimize available funding, minimize disruption to on-going operations, and to ensure that overall quality control and coordination are maintained.

The Project will also include renovation of a selected and existing residence hall once the new residence hall and townhouses are completed. The College has engaged the services of ICS and Workshop Architects to develop a plan for continued renovation of existing residence halls, with priorities and timelines that are congruent with the timeline for the new residential housing units and the College's six-year physical development plan. This plan will be completed by spring of 2021 and will identify the renovation scope and priority for each existing residence hall.

SOURCES AND USES OF FUNDS

Sources of Funds	
Par Amount of the Bonds	$57,335,000.00
Net Premium/(Discount)	9,520,751.85
Total Sources:	$66,855,751.85
Uses of Funds	
Construction Project Costs	$64,225,000.00
Capitalized Interest	2,176,351.39
Costs of Issuance	245,127.71
Underwriter's Discount	209,272.75
Total Uses:	$66,855,751.85

SOURCE OF PAYMENT FOR THE BONDS AND FINANCIAL COVENANTS

General

The Bonds will be special 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 faith and credit of the Authority or the State, or the taxing powers of the State, are pledged. The Authority has no taxing powers.

No Mortgage Lien

The Bonds are not secured by any mortgage lien on or security interest in any property of the College.

Negative Pledge

As further security for the payments required to be made under the Loan Agreement, the College covenants that except for Permitted Encumbrances, and except as otherwise permitted by the Loan Agreement, the College will not mortgage, grant a lien upon, pledge, grant a security interest in, make an assignment of its interest in or permit the creation of any encumbrance on its real property; provided that the College may mortgage, pledge, assign and grant liens on and security interests in real property so long as the aggregate outstanding principal amount of the debt so secured does not exceed thirty-five percent (35%) of the book value (as determined by generally accepted accounting principles) of the College's Property, Plant and Equipment, as shown on the College's audited financial statements for its most recent audited Fiscal Year, as adjusted to include any increased book value to result from improvements financed by such secured debt.

Financial Covenants

The College will covenant and agree, for so long as the Bonds shall remain outstanding, to comply with the following provisions:

(a) The College shall charge and collect tuition and fees in each Fiscal Year sufficient to produce Net Income Available for Debt Service in an amount sufficient to result in a Debt Service Coverage Ratio equal to or greater than 110% for such Fiscal Year, provided that to the extent that the Debt Service Coverage Ratio for any Fiscal Year is less than 110% the College shall be deemed to be in compliance with this paragraph so long as (i) the College is in compliance with the provisions of paragraph (b) immediately below and is using commercially reasonable efforts to implement, subject to the limitations set forth in this Loan Agreement, the recommendations of the Independent Management Consultant presented in the report described therein, and (ii) the Debt Service Coverage Ratio is not less than 100% for two consecutive Fiscal Years.

(b) In the event the Debt Service Coverage Ratio for any Fiscal Year is less than 110%, the College shall not later than 60 days following such Fiscal Year end provide notice thereof to the Trustee and engage an Independent Management Consultant to review and analyze the operations and administration of the College, and submit to the College and the Trustee not later than 90 days following the date of engagement, a written report stating such recommendations as to the operations and administration of the College as such Independent Management Consultant deems appropriate, including any recommendation as to a revision of the methods of operations and administration of the College in order to increase the Debt Service Coverage Ratio to at least 110%. The College agrees to consider any recommendations by the Independent Management Consultant and, to the fullest extent practicable and allowed by law and consistent with its covenants hereunder, to adopt and carry out such recommendations.

(c) For purpose of these covenants, the following terms shall have the following meanings:

"Debt Service Coverage Ratio" means for a Fiscal Year, the ratio (expressed as a percentage) determined by dividing Net Income Available for Debt Service for such Fiscal Year by the Yearly Debt Service for such Fiscal Year.

"Funded Debt" means indebtedness (including a guarantee of indebtedness) for borrowed money having a maturity date of more than one year from the date of incurrence or assumption thereof and which, under generally accepted accounting principles, is shown on the balance sheet as a liability, including such indebtedness whenever payable if renewable at the sole option of the College for a term (including such renewal) of more than one year pursuant to the terms thereof or of a revolving loan agreement for a period of more than one year from the date of creation thereof unless and to the extent the lender thereunder may at its option require repayment at intervals of one year or less and including lease rental obligations with a term of more than one year from the date of incurrence or assumption by the College which, under generally accepted accounting principles, are shown on the balance sheet as a liability.

"Net Assets Without Donor Restrictions" means the Change in Net Assets from Operating Activities, as reported in the "Without Donor Restrictions" column in the Statement of Activities and change of Net Assets section of the audited financial report of the College.

"Net Income Available for Debt Service" means the Net Assets Without Donor Restrictions, plus Total Interest and Total Depreciation, Amortization and Accretion on the Statement of Functional Expenses section of the audited financial report of the College.

"Yearly Debt Service" means total principal and interest on the Funded Debt due and payable during the Fiscal Year.

(d) For purposes above, all capitalized terms used but not otherwise defined in the Loan Agreement shall have the meanings provided for accounting and financial reporting of independent colleges and universities, as applied in the College's audited financial statements for the Fiscal Year ended May 31,

2020. In the event of a change in generally accepted accounting principles or financial statement presentation, the College may request modification to the financial compliance or reporting requirements of the Loan Agreement, provided the request is accompanied by a proposed amendment to the Loan Agreement, and by a certificate of an independent certified public accountant to the effect that: (i) generally accepted accounting principles or financial statement presentation standards relevant to the College's financial covenants or reporting requirements under the Loan Agreement have changed; (ii) modifications to the financial covenants or reporting requirements contained in the proposed amendment to the Loan Agreement proffered with the certificate are reasonably required to allow the College to comply with the financial compliance and reporting requirements of the Loan Agreement following such changes; and (iii) the modifications reflected by the proposed amendment to the Loan Agreement will not materially prejudice the Holders of the Bonds, then the Authority and the College, subject to the consent of the Trustee, shall enter into the proposed amendment to the Loan Agreement, as authorized by the Indenture and with the consent required by the Loan Agreement, and such amendment will be deemed to be a part of the Loan Agreement.

(e) The College shall comply with the financial covenants set forth in each of (i) the loan agreement dated July 1, 2015, between the College and the Authority in connection with the Authority's Revenue Bonds, Series Eight-G (St. Olaf College); and (ii) the loan agreement dated September 1, 2016, between the College and the Authority in connection with the Authority's Revenue Bonds, Series Eight-N (St. Olaf College) so long as either of such loan agreements is in effect.

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 Construction 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.

Construction Account

There shall be deposited initially into the Construction Account certain Bond proceeds, except as otherwise required to be deposited into the Bond and Interest Sinking Fund 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 and 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.

Bond and Interest Sinking Fund Account

Initially there shall be deposited into the Bond and Interest Sinking Fund Account from Bond proceeds the rounding amount, if any, which is also to be used to pay interest on the Bonds. Subsequent 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 two (2) Business Days 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 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.

The Bonds are not secured by a mortgage on or security interest in any real property or personal property. The Bonds are not secured by a bond insurance policy, letter of credit or any other form of financial guarantee. The College has other series of bonds issued by the Authority on the College's behalf which are outstanding under other indentures and loan agreements. Funds held or pledged under those documents are not pledged to or available to pay the Bonds. Such other obligations are also general obligations of the College.

Obligation of the College

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.

No Debt Service Reserve Fund

Payment of principal and interest on the Bonds is not secured by any debt service reserve fund.

Adequacy of Revenues

Payment of principal of 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 both nationally and within the upper Midwest region from which the College draws the majority of its 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 changing general economic conditions will influence the number of applicants to the College.

Financial Aid

Approximately 97% of the College's students currently receive need-based scholarships or grants or merit-based scholarships from the College covering some portion of tuition and fees or living expenses. No assurance can be given that College financial aid or other federal or state financial aid will continue to be funded at current levels. Curtailment of such aid may cause a decline in enrollment, which may in turn have an adverse effect on the College's revenues. State financial shortfalls may result in reductions to state aid funding for colleges, including the College. See also Appendix I, "THE COLLEGE – Financial Aid."

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 – 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 and the loss of housing revenues for all or a portion of a school year. See “USE OF PROCEEDS” herein.

Debt Service Coverage

Certain historical operating revenue for the College and computed pro forma debt service coverage is provided in APPENDIX I under the caption “Debt Service Coverage Statement.” The coverage is merely an arithmetical computation as reflected in the applicable table and constitutes no assurance as to the future sufficiency of College revenues to satisfy College operations and debt service requirements, including Loan Repayment obligations.

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 has adopted investment and spending policies for endowment assets that strive to provide a source of income for spending that is reasonably stable and predictable from year to year while seeking to preserve capital, maintain endowment assets purchasing power, and prudently balance risk versus return. The contribution from endowment spending was approximately 16.6% of the College’s operating revenue for the fiscal year ended May 31, 2020, and is anticipated that it will provide approximately 20% of the College’s operating revenue for the fiscal year ended May 31, 2021. The College’s annual endowment spending is based upon 4.7% of the 16-quarter rolling market value average.

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 20, 2020 transitioned to remote instruction for the remainder of the Spring 2020 semester and the Summer 2020 program. 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. A majority of these refunds were applied towards Fall 2020 fees. The College provided housing and dining services for approximately 200 students who remained on campus throughout spring and summer.

The College began the 2020-21 academic year in mid-August with a combination of in-person and remote instruction. Faculty, staff, and students were required to participate in two rounds of COVID testing at the start of the semester and ongoing random surveillance testing throughout the semester. The College ended the Fall 2020 semester at Thanksgiving without having to suspend in-person classes. January 2021 Interim classes will be held remotely. College housing and dining facilities remain open for those students who are unable to vacate campus after Fall semester. Spring semester is planned to begin on February 15, 2021 with the combination of in-person and remote instruction. The College will follow similar testing protocols established in the fall. 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 virus insertion, attacks by internal and external parties and similar breaches could create disruption or shutdown of the College information systems and disrupt the services it 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 officer who manages 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 done every other year. The most recent external audit was completed in February 2020. The Audit Committee of the Board of Regents receives regular updates regarding cyber security topics.

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 and failure to protect confidential business and personal information. The College's current insurance coverage policy is in place through March 1, 2021 with an aggregate liability limit of $3,000,000, and covers legal, public relations, crisis management, data protection, cyber extortion, business interruption, and forensic services.

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 $922 million of Authority issued debt is outstanding as of January 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 faith or credit or 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; it 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 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 $66,646,479.10 (representing the aggregate principal amount of the Bonds less an underwriter's discount of $209,272.75 and adjusted for net original issue premium of $9,520,751.85).

The Underwriter intends to offer the Bonds to the public initially at the offering price 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 A1 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.

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 Fryberger, Buchanan, Smith & Frederick, P.A., Duluth, 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 Lathrop GPM LLP, Minneapolis, Minnesota and for the Underwriter by Fox Rothschild 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 taxable income and the alternative minimum tax base.

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 of the Bond maturities 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.

THE COLLEGE

History

St. Olaf College (the "College") is a four-year, co-educational liberal arts college located in Northfield, Minnesota. The College was founded in 1874 and operated as an academy, St. Olaf's School, until 1886, when a college department was added. The name was changed to St. Olaf College in 1889, and the first college class graduated in 1890. The academy was discontinued in 1917. Throughout its history, the College has been affiliated with the American Lutheran Church, one of the merging churches that became the Evangelical Lutheran Church in America (ELCA) in January of 1988. The College, however, is neither under common management with, nor controlled by, the Evangelical Lutheran Church in America.

Accreditation

The College is accredited by the Higher Learning Commission as well as by appropriate professional organizations. The College is also registered with the Minnesota Office of Higher Education in accordance with Minnesota statutes.

Governance

The Board of Regents governs the College. The current Board has 27 voting members, each of whom serves a six-year term unless otherwise indicated, and seven non-voting Senior Regents. Current voting members are as follows:

Regent Name	Occupation and/or Location
Dr. David R. Anderson '74, ex officio	President, St. Olaf College, Northfield, Minnesota
Mr. Jeffrey W. Bolton	Chief Administrative Officer, Mayo Clinic, Rochester, Minnesota
Mr. Gregory L. Buck '77	President, Productivity, Inc., Plymouth, Minnesota
Mr. Sean A. Burress '94	Senior Director – Global Research, Media and Analytics, Kimberly-Clark Corporation, Romeoville, Illinois
Ms. Joan Ericksen '85	Senior United States District Judge, U.S. District Court for the District of Minnesota, Minneapolis, Minnesota
Ms. Stephanie L. Fehr '87	Executive Vice President and Chief Human Capital Officer, United Healthcare, Minnetonka, Minnesota
Rev. William O. Gafkjen '79	Bishop, Indiana-Kentucky Synod, Evangelical Lutheran Church in America (ELCA), Indianapolis, Indiana
Mr. Peter Gotsch '86	Managing Director, Svoboda Capital Partners, Chicago, Illinois
Mr. Paul D. Grangaard	Chairman and Chief Executive Officer, Faribault Woolen Mill Co., Faribault, Minnesota
Mr. John B. Grotting '71	Senior Advisor, Frazier Healthcare Partners, Rancho Santa Fe, California
Ms. Susan Gunderson '79, Board Vice Chair	Chief Executive Officer, LifeSource, Minneapolis, Minnesota
Ms. Jennifer Hellman '98	COO & Principal, Goff Public, Saint Paul, Minnesota
Ms. Jody Kleppe Horner '84	President, Midland University, Fremont, Nebraska

Regent Name	Occupation and/or Location
Mr. Mark Jordahl	President of Wealth Management, U.S. Bank Wealth Management Group, Minneapolis, Minnesota
Mr. Christopher Klein	Executive Chair of the Board, Fortune Brands Home and Security, Inc., Deerfield, Illinois
Mr. Ward Klein ’77	Retired Executive Chairman, Edgewell Personal Care, Chesterfield, Missouri
Mr. Judd R. Loewenstein ’18	Associate of Investments, Ascent Private Capital Management, Minneapolis, Minnesota
Mr. Jay Lund ’81, Board Chair	Chairman and CEO, Andersen Corporation, Oak Park Heights, Minnesota
Mr. Timothy Maudlin ’73	Retired Venture Capitalist, Eden Prairie, Minnesota
Ms. Brenda McCormick ’89	CFO and Senior Vice President, Children’s Minnesota, Edina, Minnesota
Ms. Gretchen Morgenson ’76	Senior Special Writer, Investigations, The Wall Street Journal, New York, New York
Ms. Laurie Nordquist ’81	CEO and Lead Region President for the Upper Midwest, Wells Fargo Minnesota, Minneapolis, Minnesota
Mr. Scott Okuno ’85	Professor of Oncology, Mayo Clinic, Rochester, Minnesota
Mr. John R. Raitt, Board Treasurer	Retired Partner, President & CEO, Harris Associates L.P., Wilmette, Illinois
Mr. Jon W. Salveson ’87	Vice Chairman of Investment Banking, Piper Sandler Companies, Minneapolis, Minnesota
Mr. Alphonso Tindall ’76	Partner, LincolnBear Capital, LLC. New York, New York
Ms. Theresa Hull Wise ’89	Retired Senior Vice President and Chief Information Officer, Delta Airlines, Bloomington, Minnesota

Administration

The principal officers and members of the President’s Leadership Team are as follows:

President. Dr. David R. Anderson became the College’s eleventh president on July 2, 2006. From 1999 until joining the College, Dr. Anderson served as provost and professor of English at Denison University. From 1997 to 1999 he served as vice president for academic affairs and dean of the college at Luther College. From 1993 to 1997 he was a professor of English and associate dean of arts and humanities at Florida Atlantic University. From 1981 to 1993 Dr. Anderson’s positions at Texas A&M University included director of undergraduate studies in English. From 1978 to 1980 he was an assistant professor of English and tutor in the St. Olaf College Paracollege. Dr. Anderson received his Bachelor of Arts in English and American Studies from the College in 1974 and his Ph.D. in English from Boston College in 1978. He also attended the Institute for Educational Management at Harvard University in 2000 and the Center for Dispute Resolution for training in mediation at Capital University in 2005.

Vice President for Equity and Inclusion. Bruce King joined the College in August 2008. He has worked for more than twenty years in both secondary and higher education, primarily in roles addressing access, equity and inclusion for underrepresented populations. His immediate prior position was Assistant Vice President for Academic Affairs and Chief Diversity Officer at the University of South Dakota. He has also worked at Hope College, Lake Forest College, Carleton College, Wesleyan University, Minnesota State Colleges and Universities System Office, Bloomington School District in Minnesota, and the Northwest

Suburban Integration School District in Maple Grove, Minnesota. Mr. King received a Bachelor of Science in Sociology and Social Work from Iowa State University (1985) and a Masters in Social Work (MSW) from the University of Iowa (1987).

Vice President for Student Life. Dr. Hassel Andre Morrison joined the College in September of 2018. His prior position was as the Associate Dean of Students at the University of Idaho. He has more than 20 years of experience in higher education in the areas of leadership development, community outreach and service, public-private partnerships, assessment, and recruitment and retention efforts. Prior to his role at the University of Idaho, Dr. Morrison worked in student life at North Carolina Central University, North Carolina State University, the University of Mary Washington, Virginia Union University, and Virginia State University. He earned his bachelor's degree from Radford University, his master's degree from Virginia State University, and his doctorate from North Carolina State University.

Vice President for Enrollment and College Relations. Michael Kyle began his tenure as Vice President and Dean of Enrollment in December 2004. He began his career at the College in July 1986 after receiving his Bachelor of Arts in Political Science from the College in 1985. He served as an admissions counselor, Assistant Director of Admissions and Associate Director of Admissions and Financial Aid at the College between 1986 and 1996. He was the Director of Alumni Relations and a gift officer at St. Paul Academy and Summit School from 1996 to 1998. He returned to the College as a Principal Gifts Officer and Director of Corporate Relations, a position he held until November 2004.

Provost and Dean of the College. Dr. Marci Sortor assumed the position of Provost and Dean of the College in 2011. She joined the College faculty as a professor of history in 2011. Prior to joining the College, Dr. Sortor served for 21 years in various capacities in the history faculty at Grinnell College, including as professor of history, associate dean of the college, vice president of institutional planning, and interim vice president for college and alumni relations. Dr. Sortor received her Ph.D. from the University of California-San Diego.

Vice President and Chief Financial Officer. Janet Hanson began her career at the College in March of 2014. She came to the College following 14 years as Vice Chancellor for Administration and Finance at the University of Wisconsin-Superior. Prior to joining UW-Superior, Ms. Hanson served as the Vice President for Business and Finance at Marian College in Fond du Lac, Wisconsin, worked as a project manager and management consultant at American Management Systems, and worked in the budget office at the University of Wisconsin-Oshkosh. She received her baccalaureate degree from the University of Wisconsin-Oshkosh and her master's degree from the University of Wisconsin-Madison.

Vice President and General Counsel. Carl Crosby Lehmann joined the College in June 2016 as its General Counsel. Prior to joining the College, Mr. Lehmann was with the Gray Plant Mooty law firm (now Lathrop GPM) in Minneapolis for 21 years, specializing in higher education. He served as outside counsel for several colleges and universities during this time, including for the College, and served as chair of the firm's Employment and Higher Education practice group. Mr. Lehmann received his bachelor's degree in 1991 from the College and his Juris Doctor in 1995 from the University of Minnesota.

Vice President for Advancement. Enoch Blazis was named Vice President for Advancement in 2008. He came to the College from Williams College where he managed a portfolio of 200 major gift prospects and contributed to the successful completion of the "Williams Campaign" which raised $500 million. He previously worked in the private sector as a management consultant and entrepreneur in New York City and New England. Mr. Blazis earned his undergraduate degree in mathematics at the United States Naval Academy in 1987, upon which he was commissioned to the United Stated Marine Corps. He served as a Marine infantry officer achieving the rank of major before retiring his commission.

Director of Athletics. Ryan Bowles began his tenure as director of athletics at the College on August 31, 2015. Mr. Bowles previously served at Division I University of Maryland, where he was a member of the athletic department staff from 2003-2015, overseeing 11 varsity sports and serving on the department's leadership team. Mr. Bowles also oversaw Maryland's transition in 2014 from the Atlantic Coast

Conference to the Big Ten, and he served on the Big Ten's Sports Management Council. He holds a bachelor's and a master's degrees from McDaniel College, where he was a four-time letter winner on the men's soccer team.

Assistant Vice President and Chief Investment Officer. The principal staff person assigned to the debt financing being incurred by the College is Mark R. Gelle, Assistant Vice President and Chief Investment Officer. Mr. Gelle served the College for 20 years as the Director of Financial Aid and Director of Student Financial Services. He was named Assistant Treasurer in January of 1998 and earned his current title in August of 2008. He is a 1976 graduate of the College with a degree in Economics and he earned an MBA degree from the University of St. Thomas in 1982.

Campus Facilities

The College’s 350-acre campus is located in the city of Northfield, Minnesota, 40 miles south of the Minneapolis/Saint Paul metropolitan area. The College also owns approximately 650 acres of land that adjoins the campus on the west, southwest and the north. Much of the land is rented to area farmers, although 60 acres are on a 100-year lease with the Northfield Hospital. In addition, several hundred acres have been set aside as natural lands.

The physical facilities include 17 academic and administrative buildings, 11 student residence halls, and 10 athletic competition venues. The College also owns 36 off-campus houses, 24 of which are used as student housing. The College plans to raze eight of the 36 houses in the summer of 2021 to provide the building sites for its current Project. After the Project is complete, an additional eight houses will be razed or sold to be moved off site. The residence halls and off-campus houses will accommodate approximately 96% of the student body after the Project is completed. The total net book value after depreciation of the College plant and equipment, at May 31, 2020 was $243,997,314 and at May 31, 2019 was $246,735,612. The replacement cost of plant and equipment is estimated to be in excess of $600 million.

The College completed major building programs mainly during the 1950s and 1960s, and many of the campus buildings, which were originally constructed in the 1920s and 1930s, have since been improved. The oldest building on the campus is Old Main, which was built in 1878. Old Main was renovated in 1982 and again in 2012 and is listed on the National Register of Historic Places. The newest building on campus is Regents Hall of Natural Sciences, which opened in 2008. This $60 million, 180,500 square foot structure received LEED Platinum certification. The College’s prior science building, now Tomson Hall, has been fully renovated and is the home for the College’s foreign language departments, education department, student services and other administrative offices, including admissions. Holland Hall, fully renovated in 2016-17, is home to the College’s social science departments. In January 2018 the College renovated a fieldhouse into an 800-seat hockey arena in the Skoglund Athletic Complex.

Academic Information

The College offers 44 graduation majors, including 10 teaching certifications, 19 concentrations and 20 pre-professional fields with the most popular majors (in order) being: biology, mathematics, chemistry, economics, English, and music.

The College follows the 4-1-4 academic calendar of two, 14-week semesters of four courses each semester, separated by a one month interim term in January. This calendar is augmented by summer sessions during which as many as four courses may be taken.

Marketing

The College employs a multifaceted approach to promoting the College among key constituencies and a national audience. Through print and web pieces, video, photography, social media, and other elements, the College’s Marketing and Communications Team crafts the story of the College and its community.

Partnerships with other campus departments cultivate stories of exceptional students and faculty, engaged alumni, and commitment to the College's mission. The Marketing and Communications Team provides support and direction to the marketing of the College to appropriate audiences.

Marketing and Communications activities are closely coordinated with Admissions recruitment efforts and College fundraising, working to complement and expand the reach of those endeavors. The percentage of enrolling students coming from outside Minnesota has grown to almost 60 percent, further strengthening the College's reputation as one of the nation's leading liberal arts colleges. We have modernized our marketing efforts to be digitally focused and leveraging data to optimize and to produce effective results.

The College further enhances the effectiveness of its marketing and admissions recruitment activities and its efforts at bringing alumni and donors into a closer relationship with the College through regional and international touring of the College's ensembles, such as the world-renowned St. Olaf Choir, extensive web streaming of College events, and the annual PBS broadcast of the St. Olaf Christmas Festival. The College's robust streaming and on-demand services were seen by 240,478 unique viewers around the world in the past three years.

Student Enrollment

The College's full-time and head count enrollments are reflected in the table below. These figures reflect enrollments for the fall semester for each year. Full-time student enrollment is typically 100 to 120 students lower in the spring semester.

Academic Year	Full-time Students	Head Count Students
2016/17	2,990	3,040
2017/18	3,003	3,035
2018/19	3,023	3,048
2019/20	3,050	3,072
2020/21	2,916	2,953

The objective of the College is to maintain the Full-time Equivalent (FTE) fall semester enrollment of 2,900 to 3,000. The student body enrolled in the fall of 2020 consisted of students from 50 states and 82 foreign countries. Fifty-seven percent (57%) of full-time students come from outside Minnesota.

Applications, Acceptances and Enrollment of New First-Year Students

Fall	Applicants	Acceptances	Matriculants	Acceptance Rate	Matriculation Rate
2016	6,046	2,704	824	44.7	30.5
2017	5,949	2,571	786	43.2	30.6
2018	5,497	2,743	809	49.9	29.5
2019	5,700	2,705	806	47.5	29.8
2020	5,244	2,658	729	50.7	27.4

The College's applications for Fall 2021 received as of January 18, 2021 compared to applications received as of the same date for the prior three years is as follows:

January 18,	Applications
2021	4,901
2020	4,166
2019	4,471
2018	4,211

Academic Profile of New First-Year Students

The College admits qualified men and women from varied geographic, cultural, economic, racial, and religious backgrounds. In determining acceptance, the primary considerations are academic achievement, academic aptitude, and personal qualifications.

Fall	Median SAT	Median ACT	Median High School Rank
2016	1,260	29	90%
2017	1,270	29	89%
2018	1,320	29	86%
2019	1,320	29	88%
2020	1,260	28	87%

Geographic Distribution of Entering First-Year Students

The following table shows the geographic distribution of entering first-year students for Fall of 2020:

	Fall 2020
Minnesota	313
Illinois	73
Wisconsin	37
California	29
Colorado	28
Washington	22
Iowa	15
Other Countries	87
Other States	125
Total	729

Student Retention

Fall Semester	New 1st Year	Percent of Students Returning 2nd Year	3rd Year	4th Year	Percent of Graduates By 4th Year	By 5th Year
2015	762	92.3	87.0	85.9	80.8	84.2
2016	824	92.3	87.0	85.2	80.8	
2017	786	90.6	85.6	83.5		
2018	809	90.8	83.6			
2019	806	90.9				
2020	729					

Tuition and Fees

The College charges a Comprehensive Fee for each academic year, which includes tuition up to a maximum course load of 4.5 courses per semester, academic fees, room and a full board plan. Certain other fees may be charged for additional services or special courses. The following table lists the Comprehensive Fees charged for the past five academic years.

Year	Tuition	Room and Board	Comprehensive Fee
2016/17	$44,180	$10,080	$54,260
2017/18	$46,080	$10,350	$56,430
2018/19	$47,840	$10,850	$58,690
2019/20	$49,710	$11,270	$60,980
2020/21	$51,450	$11,660	$63,110

The College offers four optional payment plans for students: a standard semester plan, with payments due in August and January; a monthly plan of 10 equal payments from June through March; a quarterly plan of four equal payments due on the 15th of the months of June, September, December and March; and a single payment, with a small discount, due August 15.

The following table lists total gross revenue derived from tuition and fees for the fiscal years ended May 31, 2016 through May 31, 2020:

Year	Tuition and Fees
2015/16	$132,502,290
2016/17	$134,183,711
2017/18	$140,958,766
2018/19	$148,162,104
2019/20	$153,249,481

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Comprehensive Charges for 2020-2021 at Minnesota's Private Colleges

College or University	Tuition and Required Fees	Room & Board	Comprehensive Charges*
Carleton College	$59,352	$15,147	$74,499
Macalester College	$58,478	$13,084	$71,562
St. Olaf College	**$51,450**	**$11,660**	**$63,110**
College of Saint Benedict	$48,444	$11,346	$59,790
Saint John's University	$48,166	$11,362	$59,528
Gustavus Adolphus College	$49,000	$10,430	$59,430
University of St. Thomas†	$47,383	$11,903	$59,286
Hamline University** ††	$45,145	$10,810	$55,955
St. Catherine University**	$45,374	$ 9,300	$54,674
Concordia College	$43,266	$ 8,890	$52,156
Augsburg University**	$40,005	$10,885	$50,890
Minneapolis College of Art and Design	$41,794	$ 8,380	$50,174
Bethel University**	$39,030	$10,960	$49,990
The College of St. Scholastica**	$39,410	$10,340	$49,750
Saint Mary's University of Minnesota**	$38,200	$ 9,710	$47,910
Bethany Lutheran College	$28,510	$ 8,150	$36,660
Concordia University, St. Paul**	$23,400	$ 9,600	$33,000
Minnesota Private College Averages	$43,906	$10,703	$54,610

Source: Survey data provided by Minnesota Private Colleges

*These are standard charges for first-time, full time, full-year undergraduate students, including fees assessed on all undergraduates. While the above figures represent an average by college, some charges may vary depending on room, board and program choices that students make.

**Seven colleges have non-traditional or degree completion programs for which a separate tuition policy applies.

† The University of St. Thomas tuition increase reflects a change in how tuition is charged (from per credit to banded) for first-year students. Continuing students will continue to pay on the per credit tuition model. Additionally the University of St. Thomas has a separate tuition structure for the Dougherty Family College.

†† Hamline University tuition and fees include a $690 book rental fee, which covers book expenses for the year.

NOTE: Comprehensive charges are reduced for many students through financial assistance. Ninety-five percent of our first-time, full-time students receive financial assistance with the amounts and types of aid determined by family resources, calculated need, government formulas, financial aid funding and other factors. Typical assistance provided to students includes federal and state grants (if applicant qualifies), institutional grants, loans and work-study determined by students' needs and other factors.

Financial Aid

Approximately 77% of the full-time students enrolled in 2019-20 receive need-based scholarships or grants from the College. An additional 20% of the full-time students receive merit-based (non-need-based) scholarships from the College. The following table is a five-year summary of financial aid from College and non-College sources and these figures include both need-based and merit-based financial aid.

	2015/16	2016/17	2017/18	2018/19	2019/20
Unrestricted Institutional Scholarships and Grants	$64,126	$66,815	$ 77,626	$ 84,411	$ 92,953
Federal Pell, SEO, Teach & Smart Grants	2,498	2,648	2,948	3,390	3,302
Minnesota State Grants	1,751	1,933	2,399	2,732	2,796
Other Scholarships and Grants	2,792	2,682	2,375	2,596	2,805
Total Scholarships and Grants	$71,167	$74,078	$ 85,348	$ 93,129	$101,856
Student Loans	12,378	16,559	16,598	16,909	17,202
Student Work	4,490	4,726	4,968	4,211	5,740
Total Financial Aid	$88,035	$95,363	$106,914	$114,249	$124,798

NOTE: The figures above are in thousands.

Athletics

The College is part of the intensely competitive Minnesota Intercollegiate Athletic Conference (MIAC) and offers the most varsity sports among the 13 NCAA Division III colleges and universities within MIAC. The College currently offers men and women the opportunity to compete in 26 varsity sports and 23 club sports. More than 1,100 undergraduate students participate in intercollegiate varsity or club competitions annually. Also, nearly 1,050 students participate in the 21 intramural options offered on campus.

Since 1999, the College's athletes have earned All-American honors more than 200 times and had student athletes go on to play professional football and baseball. In 2013, the men's Cross Country team won the NCAA Division III Championship.

Women's varsity sports offered include: Alpine Skiing, Basketball, Cross Country, Golf, Hockey, Nordic Skiing, Soccer, Softball, Swimming and Diving, Tennis, Track & Field, and Volleyball.

Men's varsity sports offered include: Alpine Skiing, Baseball, Basketball, Cross Country, Football, Golf, Hockey, Nordic Skiing, Soccer, Swimming & Diving, Tennis, and Track & Field.

Recent upgrades to the College's athletic facilities include new synthetic turf fields for football and soccer in 2016 and 2018 respectively, and a new ice arena in 2019. These facilities were made possible by two lead gifts from alumni families and many additional gifts from alumni, alumni parents, non-alumni parents of current students, and faculty and staff.

As a result of COVID-19, the College postponed Fall sports until the spring. Winter sports competitions were cancelled. There has been no final decision about the state of competition for spring sports at this time. A number of the athletic staff were redeployed to assist with contact tracing efforts.

Faculty and Staff

The College has 204 full-time faculty members devoted primarily to instruction, and 98 part-time primarily instructional faculty members. The College has a total full time equivalent (FTE) of 257 faculty members devoted to instructional activities. The student to teaching faculty ratio is approximately 12 to 1. The chart below shows the total number of College employees, stated in FTE terms, by category:

Category	Number of FTE Employees (as of 11/1/2020)
Teaching Faculty	257
Administrative	276
Support Staff	175
Total	708

NOTE: *The figures above reflect the allocation of some faculty FTE to non-instructional positions, and do not represent instructional FTE for primarily non-instructional positions.*

No employees are unionized and there are no pending salary negotiations. The College is not aware of any plans for any of its employees to become unionized.

The average salaries for 2020-2021 by faculty rank are:

Rank	Number of Full-Time Faculty	Average Salary
Professor	56	$100,098
Associate Professor	70	$ 78,341
Assistant Professor	67	$ 63,509
Instructor	7	$ 58,364

Retirement Plans

The College has certain defined contribution retirement plans for employees. All employees are eligible to participate after meeting certain eligibility requirements. College contributions are based upon a percentage of salaries. The College's contributions to the retirement plans approximated $4,035,000 and $3,956,000 for the years ended May 31, 2020 and 2019, respectively.

The College also provides postretirement health care benefits for current or retired employees and covered dependents, which are recorded on the accrual basis. Two voluntary employee benefit association (VEBA) trusts were established in fiscal year 2006. The Employee After-Tax-Contributions VEBA Trust (funded solely by employee after tax contributions) and the Employer Contribution VEBA Trust (funded solely by employer pretax contributions) were established to provide employee welfare benefit plans providing certain insured and/or self-insured health and life benefits for eligible retired employees and their eligible spouses and dependents. The trusts are managed by a trustee, who invests in money market and mutual funds (Level 1 assets). The trusts are exempt from taxation to the extent permitted under section 501(c)(9) and 512 of the Internal Revenue Code of 1986.

Gifts and Grants

Listed below are College data for gifts and grants for the noted five fiscal years. Pledges are recorded as gifts the year in which the pledges are received.

Fiscal Year Ended May 31	Without Donor Restrictions	Donor Restricted	Total
2016	$10,420,467	$15,716,826	$26,137,293
2017	$ 6,658,575	$17,945,816	$24,604,391
2018	$ 6,334,628	$17,414,100	$23,748,728
2019	$ 6,791,331	$21,932,411	$28,723,742
2020	$ 8,325,046	$10,339,349	$18,664,395

Endowment and Planned Gift Investments

Endowment investments and planned gift investments listed below are shown at market value:

Fiscal Year Ended May 31	Endowment Investments	Planned Gift Investments	Total Investments
2016	$440,277,000	$28,502,000	$468,779,000
2017	$493,255,000	$28,925,000	$523,180,000
2018	$531,449,000	$29,603,000	$561,052,000
2019	$528,130,000	$25,934,000	$554,064,000
2020	$508,001,000	$24,812,000	$532,813,000

The amounts shown in the Endowment Investments column exclude uncollected pledges to the endowment fund. The amounts shown in the Planned Gift Investments column exclude life insurance policies owned by the College and planned gifts held in trust by others, both of which are in the planned gift fund.

As of December 31, 2020, the unaudited market value of the College's endowment investments was $622.5 million, representing a 22% investment return for the Fiscal Year (seven months), and the market value of the planned gift investments was $28.3 million.

Endowment funds are managed by CornerStone Partners ("CSP") of Charlottesville, Virginia under a full-discretion OCIO agreement. As of December 31, 2020, 45.1% of the endowment assets were allocated to public equity investments, 8.2% to fixed income investments, with the remaining 46.7% allocated to alternative assets: 21.2% to hedge funds, 14.7% to private equity, and 10.8% to real assets. Income earned and appreciation, both realized and unrealized, are measured to calculate the total return. For the following fiscal years ended May 31, the total return on the endowment was:

Fiscal Year Ended May 31:	Return
2016	(2.68%)
2017	12.67%
2018	9.30%
2019	0.12%
2020	(2.55%)

The College endowment spending policy is based on a spending rate of 4.7% of a 16-quarter moving average of unit values. For fiscal year 2020, the gross effective payout rate was 4.68%, based on the beginning endowment market value of $528.1 million as of June 1, 2019. With 15.4% of the endowment reinvesting, the net effective payout rate to operations was 4.03%.

Derivative Products

The College has no interest rate swap agreements in place at the current time.

Fundraising

The College launched the public phase of a $200 million capital campaign on October 6, 2016. The comprehensive campaign aimed to raise new revenue, primarily endowed and annual gifts, in support of the College's strategic plan and critical needs. Key campaign priorities included:

- Advancing high-impact practices by raising additional endowment for mentored undergraduate research, international study, the Conversations and unpaid internships;
- Building community in support of residential learning through gifts for Athletics, the Institute for Freedom and Community, the Lutheran Commons, and Student Life;
- Preserving the affordability of a St. Olaf degree through endowed scholarships and opportunity funds for our students, and;
- Sustaining and enhancing our mission through annual gifts to the St. Olaf Fund.

The Board has demonstrated strong support with over $40 million coming from current and former Board members. The campaign concluded May 31, 2020, with 25,485 donors contributing and pledging more than $252.2 million for these priorities.

Financial Statements

Appendix VII sets forth the College's financial statements as of and for the fiscal years ended May 31, 2020 and 2019, audited by Baker Tilly US, LLP, Minneapolis, Minnesota, and prepared in accordance with generally accepted accounting principles (GAAP). The firm has not participated in the preparation of this Official Statement and expresses no opinion on its contents.

Statement of Activities for Fiscal Years 2016 through 2020

In fiscal year 2019, 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 presentation of its statements of activities.

The following two tables set forth the College's statements of activities for fiscal years 2016 through 2020. The first table following displays, per the accounting standard change described above, statements of activities without donor restrictions for fiscal years 2018 through 2020 and the second table following displays statements of unrestricted activities for fiscal years 2016 and 2017. The statements are prepared in accordance with generally accepted accounting principles (GAAP) based on the College's audited financial statements for the fiscal years 2016-2020.

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ST. OLAF COLLEGE

STATEMENT OF ACTIVITIES WITHOUT DONOR RESTRICTIONS

Fiscal Years Ended May 31,

	2018	2019	2020
OPERATING REVENUES, GAINS AND OTHER SUPPORT			
Tuition, room and board, net of scholarships	$ 87,575,789	$ 89,717,102	$ 81,011,926
Other tuition and fees	4,027,837	3,588,148	2,994,470
Government grants	2,844,081	2,881,839	4,986,304
Private gifts and grants	3,092,095	3,155,441	3,018,621
Long-term investment income and gains allocated for operations	5,940,826	6,142,270	6,325,196
Other sources	3,050,918	3,789,098	3,575,625
Investment income	277,030	382,181	250,142
Net gains (losses) on investments and capital assets	(642,142)	(53,401)	(20,451)
Capital gifts allocated	1,940,643	2,086,627	2,209,004
Auxiliary enterprises - sales and services	2,893,116	1,553,497	1,358,469
	111,000,193	113,242,802	105,709,306
Net assets released from restrictions	16,676,491	18,070,474	20,218,783
Total Operating Revenues, Gains and Other Support	127,676,684	131,313,276	125,928,089
OPERATING EXPENSES			
Program expenses	107,168,151	109,259,531	107,964,438
Support expenses	15,117,530	15,103,564	15,138,525
Total Operating Expenses	122,285,681	124,363,095	123,102,963
Change in Net Assets from Operating Activities	5,391,003	6,950,181	2,825,126
NONOPERATING ACTIVITIES			
Long-term investment activities	17,676,865	(380,225)	(4,100,197)
Less: Long-term investment income and gains allocated for operations	(5,940,826)	(6,142,270)	(6,325,196)
	11,736,039	(6,522,495)	(10,425,393)
Student loan income net of expenses	(5,506)	(6,539)	(12)
Deferred giving activities - gifts and/or grants	606	4,992	606
Capital giving activities - gifts and/or grants	397,846	749,059	319,515
Capital related gifts released from restrictions	1,794,482	5,131,990	103,210
Capital gifts allocated to operations	(1,940,643)	(2,086,627)	(2,209,004)
Adjustment to actuarial liability for annuities payable	182,956	(136,336)	(42,760)
Adjustment to prior service cost and actuarial liability for retiree health plan	153,162	332,708	(115,345)
Loss due to refinancing			1,258,591
Change in Net Assets from Nonoperating Activities	12,318,942	(2,533,248)	(11,110,592)
Change in Net Assets before reclassification of net assets		4,416,933	(8,285,466)
Reclassification of prior year net assets per gift matching		(12,620,889)	30,003
Change in Net Assets	17,709,945	(8,203,956)	(8,255,463)
Net Assets - Beginning of Year	332,504,112	350,214,057	342,010,101
NET ASSETS - END OF YEAR	$350,214,057	$342,010,101	$333,754,638

Source: Audited Financial Statements of the College

ST. OLAF COLLEGE
STATEMENT OF UNRESTRICTED ACTIVITIES

Fiscal Years Ended May 31,

	2016	2017
OPERATING REVENUES, GAINS AND OTHER SUPPORT		
Tuition	$28,338,896	$130,934,888
Less: Unfunded scholarships and grants	(57,958,996)	(60,738,686)
Funded scholarships and grants	(7,449,644)	(8,561,438)
Net tuition	62,930,256	61,634,764
Other tuition and fees	4,163,394	3,248,823
Government grants	3,175,443	3,002,532
Private gifts and grants	4,123,211	3,287,397
Long-term investment income and gains allocated for operations	5,637,449	6,082,233
Other sources	3,463,731	2,679,284
Investment income	203,353	227,692
Net gains (losses) on investments and capital assets	14,437	(49,054)
Capital gifts allocated		1,886,328
Auxiliary enterprises - sales and services	29,178,497	29,936,012
	112,889,771	111,936,011
Net assets released from restrictions	15,580,278	15,020,591
Total Operating Revenues, Gains and Other Support	128,470,049	126,956,602
OPERATING EXPENSES		
Program expenses		
Instruction	54,028,620	54,846,415
Research	2,131,513	1,734,463
Public service	617,196	593,019
Academic support	11,991,627	12,088,655
Student services	19,018,626	18,799,976
Auxiliary enterprises	19,710,281	20,736,226
Support expenses		
Institutional support	10,401,290	9,996,151
Fundraising	4,801,139	4,783,567
Total Operating Expenses	122,700,292	123,578,472
Change in Net Assets from Operating Activities	5,769,757	3,378,130
NONOPERATING ACTIVITIES		
Long-term investment activities		
Investment income	620,086	1,883,185
Net gains on investments	(5,565,646)	20,738,895
Total long-term investment income	(4,945,560)	22,622,080
Less: Long-term investment income and gains allocated for operations	(5,637,449)	(6,082,233)
	(10,583,009)	16,539,847
Student loan income net of expenses	(3,562)	23,208
Capital giving activities - gifts and/or grants	3,119,507	309,710
Deferred giving activities - gifts	2,306	58,936
Capital gifts allocated to operations		(1,886,328)
Adjustment to actuarial liability for annuities payable	(96,843)	149,320
Adjustment to prior service cost and actuarial liability for retiree health plan	87,671	(586,668)
Loss due to refinancing	(1,404,071)	(1,306,705)
	(8,878,001)	
Reclassification of prior year net assets	(2,861,190)	
Change in Net Assets from Nonoperating Activities	(11,739,191)	13,301,320
Change in Net Assets	(5,969,434)	16,679,450
Net Assets - Beginning of Year	270,065,026	264,095,592
Cumulative effect of change in accounting principle		51,729,070
Net Assets - Beginning of Year, as Adjusted		315,824,662
NET ASSETS - END OF YEAR	$264,095,592	$332,504,112

Source: Audited Financial Statements of the College

Long-Term Debt of the College

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

1. $53,745,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Eight-G, dated July 1, 2015 (the "Series Eight-G Bonds"); fixed rates range from 3.25% to 5.00%; final maturity is December 1, 2032; $42,150,000 is outstanding.

2. $22,845,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Eight-N, dated September 15, 2016 (the "Series Eight-N Bonds"); fixed rates range from 3.00% to 4.00%; final maturity is October 1, 2035; $22,475,000 is outstanding.

As of January 1, 2021, the College's total long-term debt outstanding is $64,625,000. After issuance of the Bonds, the College's outstanding long-term debt will increase by the principal amount of the Bonds.

As described above under "SOURCE OF PAYMENT FOR THE BONDS AND FINANCIAL COVENANTS – Financial Covenants," the College will covenant in the Loan Agreement to comply with the financial covenants in the loan agreements relating to the Series Eight-G Bonds and the Series Eight-N Bonds, so long as either of these agreements is in effect. The loan agreements each include a covenant prohibiting the incurrence of additional debt by the College unless the average pro forma debt service coverage ratio for the last two Fiscal Years for which audited financial statements are available was at least 110 percent. For purposes of this test, "debt service coverage ratio" is defined to mean generally the ratio determined by dividing net income available for debt service by maximum annual debt service to be paid on then outstanding funded debt and the funded debt proposed to be incurred. A more complete description of the additional debt covenant relating to the previous bond issues is included in the Official Statement for the Series Eight-N Bonds, which is posted on the Electronic Municipal Market Access (EMMA) website at https://emma.msrb.org/IssueView/Details/EP373264. The College has reviewed the additional funded debt tests under the loan agreements for the Series Eight-G Bonds and the Series Eight-N Bonds and has determined that the College has satisfied the conditions to incur the long-term debt represented by the Bonds.

Debt Service Coverage Statement

The following table sets forth the College's Net Income Available for Debt Service based on the College's Fiscal Year 2020 audit and compares that amount to actual debt service in Fiscal Year 2020 and maximum annual debt service. Maximum annual debt service is based on debt service on the College's outstanding long-term debt and actual debt service on the Bonds. Coverage represents the amount of College revenue available for debt service, as further detailed in the table, divided by actual debt service for Fiscal Year 2020 and maximum annual debt service.

This table is intended merely to show the relationship of the Fiscal Year 2020 net income available for debt service to actual Fiscal Year 2020 debt service and to a pro forma statement of combined annual debt service of the College after giving effect to the issuance of the Bonds. The table is not intended and should not be considered a projection of future revenues, expenses, debt service or debt service coverage of the College. There is no assurance that the future revenues, expenses, debt service and debt service coverage of the College or the respective relationships thereof will correspond to the revenues, expenses and debt service or the respective relationships thereof shown by or reflected in the following table.

Debt Service Coverage Statement

	Fiscal Year 2020
Change in Net Assets from Operating Activities Without Donor Restrictions	$ 2,825,126
Plus: Total Depreciation, Amortization and Accretion	12,857,581
Plus: Total Interest	3,118,613
Net Income Available for Debt Service	$18,801,320
Annual Debt Service (Fiscal Year 2020)	$ 6,618,613
Debt Service Coverage Ratio (FY 2020 Net Income Available for Debt Service divided by Fiscal Year 2020 Debt Service)	2.84
Maximum Annual Debt Service (MADS)	$ 7,976,434
Debt Service Coverage Ratio (FY 2020 Net Income Available for Debt Service divided by MADS)	2.36

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Pro Forma Debt Service

Fiscal Year	Current Debt Service	Debt Service Series 2021	Total Debt Service
2022	$5,874,450	†	$5,874,450
2023	5,871,425	$2,100,500	$7,971,925
2024	5,874,025	2,100,500	7,974,525
2025	5,871,675	2,100,500	7,972,175
2026	5,871,025	2,100,500	7,971,525
2027	5,871,600	2,100,500	7,972,100
2028	5,872,900	2,100,500	7,973,400
2029	5,871,763	2,100,500	7,972,263
2030	5,871,063	2,100,500	7,971,563
2031	5,875,934	2,100,500	7,976,434
2032	5,870,994	2,100,500	7,971,494
2033	5,873,297	2,100,500	7,973,797
2034	5,872,900	2,100,500	7,973,400
2035	5,871,000	2,100,500	7,971,500
2036	5,875,200	2,100,500	7,975,700
2037		5,035,800	5,035,800
2038		5,035,050	5,035,050
2039		5,031,600	5,031,600
2040		5,035,300	5,035,300
2041		5,036,000	5,036,000
2042		5,033,700	5,033,700
2043		5,035,100	5,035,100
2044		5,033,800	5,033,800
2045		5,031,600	5,031,600
2046		5,033,200	5,033,200
2047		5,033,300	5,033,300
2048		5,031,700	5,031,700
2049		5,033,100	5,033,100
2050		5,032,200	5,032,200
2051		5,033,700	5,033,700

† *Interest on the Bonds is capitalized for Fiscal Year 2022.*

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PROPOSED FORM OF LEGAL OPINION

FRYBERGER
LAW FIRM

$57,335,000
MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
REVENUE BONDS, SERIES 2021
(ST. OLAF COLLEGE)

We have acted as bond counsel in connection with the issuance by the Minnesota Higher Education Facilities Authority (the "Authority") of its fully registered (initially book-entry) Revenue Bonds, Series 2021 (St. Olaf College), in the aggregate principal amount of $57,335,000 (the "Bonds"), dated March 18, 2021. The Bonds mature, or are subject to mandatory redemption, on October 1 in the years 2036 through 2050, and bear interest at the interest rates per annum specified in the Indenture (defined below) for each maturity subject to an increase in such interest rates in the event of a Determination of Taxability. The Bonds are subject to optional and extraordinary redemption prior to maturity as provided in the Indenture.

The Bonds are issued for the purpose of funding a loan from the Authority to St. Olaf College (the "College"), a Minnesota nonprofit corporation, located in Northfield, Minnesota, in order to finance (i) the acquisition, construction, equipping and furnishing of a new student housing project consisting of a 300-bed residence hall and 14 new townhouses, each townhouse containing 10 beds; and (ii) renovations, equipping and furnishing of an existing residence hall, all located on the campus, as further described in the Loan Agreement. We have examined executed counterparts of the Loan Agreement (the "Loan Agreement") between the Authority and the College and the Trust Indenture (the "Indenture") between the Authority and Wells Fargo Bank, National Association, in Minneapolis, Minnesota, as Trustee (the "Trustee") each dated as of March 1, 2021, one or more opinions of Lathrop GPM LLP and Schmitz, Ophaug & Blumhoefer, LLP, as counsels to the College, the form of the Bonds prepared for execution and such other documents as we deemed necessary for the purpose of the following opinion.

As to questions of fact material to our opinion, we have relied upon certified proceedings, documents and certifications furnished to us by public officials and officials of the College without undertaking to verify such facts by independent investigation. We have also relied upon the opinion of Lathrop GPM LLP as to the Loan Agreement having been duly authorized and executed and being binding upon the College, as to the corporate organization, tax-exempt status, good standing and powers of the College, and we have relied on the opinions of Schmitz, Ophaug & Blumhoefer, LLP as to title to the Project Site (as defined in the Loan Agreement and Indenture), all without examining the records of the College or original title records or abstracts of title.

Except as set forth in our opinion to Piper Sandler & Co. dated the date hereof, we have not been engaged or undertaken to verify the accuracy, completeness or sufficiency of the Official

Statement or other offering material relating to the Bonds, and we express no opinion relating thereto (except to the extent, if any, stated in the Official Statement).

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Authority is an agency of the State of Minnesota with authority under Sections 136A.25 to 136A.42, Minnesota Statutes, to issue the Bonds, to loan the proceeds thereof to the College and to execute and deliver the Loan Agreement and the Indenture to secure the Bonds.

2. The Loan Agreement and the Indenture are valid and binding instruments of the parties thereto, enforceable in accordance with their terms.

3. The Bonds are valid and binding limited obligations of the Authority, payable from and secured by the assignment of the loan repayments payable by the College under the Loan Agreement to the Trustee, scheduled to be made in amounts and at times sufficient (if timely paid in full) to pay the principal of and interest on the Bonds when due, and by the pledge of the funds and investments held by the Trustee under the Indenture and by the pledge of funds and rights to payment held by the Trustee, as assignee, under the Loan Agreement.

4. Assuming compliance with certain covenants in the Loan Agreement and Indenture, under existing laws, regulations, rulings and decisions as presently construed, the interest on the Bonds is not includable in gross income for purposes of federal income taxation or in taxable income of individuals, estates and trusts for purposes of Minnesota income taxation. Interest on the Bonds is not an item of tax preference required to be included in the computation of "alternative minimum taxable income" for purposes of the federal alternative minimum tax applicable to individuals under Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") or Minnesota alternative minimum tax applicable to individuals, trusts and estates. Interest on the Bonds, however, is includable in "adjusted current earnings" for purposes of the computation of "alternative minimum taxable income" of corporations under Section 55 of the Code and is subject to the Minnesota franchise tax imposed upon corporations, including financial institutions, measured by taxable income and the alternative minimum tax base. The Bonds are not arbitrage bonds within the meaning of Section 148 of the Code. The Bonds are "private activity bonds" within the meaning of Section 141(a) and "qualified 501(c)(3) bonds" within the meaning of Section 145 of the Code. Reference is made to the caption "Tax Exemption" in the Official Statement for a description of the effect of certain provisions of the Code relating to, among other things, the branch profits tax imposed on foreign corporations, losses incurred by property and casualty insurance companies, Subchapter C earnings of S corporations, net investment income of foreign corporations, and the taxability of Social Security and railroad retirement benefits.

The rights of the holders of the Bonds and the enforceability of the Bonds, the Indenture and the Loan Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and receivership proceedings and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in accordance with principles of equity.

Dated: March ___, 2021

Respectfully submitted,

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by St. Olaf 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 $57,335,000 in aggregate principal amount of Revenue Bonds, Series 2021 (St. Olaf College) (the "Bonds"), issued pursuant to a Trust Indenture dated as of March 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 March 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 February ___, 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 March 1, 2021.

ST. OLAF COLLEGE

By____
Its Vice President and Chief Financial Officer

EXHIBIT A

ANNUAL REPORT INFORMATION

The Annual Report Date will be the date that is 180 days after each fiscal year end, commencing with the fiscal year ended 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:

a. 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 Sections entitled:

- Student Enrollment
- Applications, Acceptances and Enrollment of New First-Year Students
- Academic Profile of New First-Year Students
- Geographic Distribution of Entering New First-Year Students
- Student Retention
- Tuition and Fees
- Financial Aid
- Faculty and Staff
- Retirement Plans
- Gifts and Grants
- Endowment and Planned Gift Investments
- Fundraising

b. An update of Debt Service Coverage Statement.

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 Article IV or V of the Indenture.

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

Arbitrage Regulations: All regulations and proposed regulations from time to time issued and in effect under Section 148 of the Internal Revenue 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.

Authority: The Minnesota Higher Education Facilities Authority.

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 shall be provided as well.

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

Authorized Institution Representative: The Vice President and Chief Financial Officer 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, Vice Chair, Secretary or Treasurer of its Board of Regents or the President or a Vice President of the College. Such certificate may designate an alternate or alternates and in that case, specimen signatures for the alternates shall be provided as well.

Authorized Investments: Investments authorized for moneys in the Accounts created under Articles IV and V of the Indenture and described in Section 5.04 of 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 Regents: The Board of Regents of the College, and includes any Executive Committee or other committee authorized to act for such board.

Bond and Interest Sinking Fund Account: The Bond and Interest Sinking Fund Account established pursuant to the Indenture.

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

Bond Counsel: Any firm of nationally-recognized bond counsel experienced in matters relating to tax-exempt financing.

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

Bond Resolution: The Series Resolution of the Authority adopted on January 20, 2021, authorizing the Bonds, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

Bond Year: With respect to the Bonds, (a) the period from the Issue Date to the close of business on October 1, 2021, and (b) each succeeding 12-month period ending at the close of business on October 1 of each year in which the outstanding Bonds, if paid at their stated maturity dates, will be outstanding.

Bonds: The Minnesota Higher Education Facilities Authority Revenue Bonds, Series 2021 (St. Olaf College).

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 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.

Business Day: Any day other than Saturday, Sunday, a legal holiday in the State of Minnesota or any other day that the Depository or banks in Minnesota 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 of Section 1.02 of the Indenture, each Certificate shall include the statements provided for in said Section 1.02.

College or Corporation: St. Olaf College, a Minnesota nonprofit corporation, as owner and operator of the Institution, its successors and assigns.

Completion Date: The date set forth in the Certificate of the Project Supervisor furnished pursuant to Section 3.05 of the Loan Agreement.

Construction Account: The Construction Account established under the Indenture into which shall be deposited an amount specified in the Indenture to be applied to Project Costs.

Construction Period: The period between the date of commencement of acquisition, construction, furnishing and equipping the Project and the Completion Date.

Continuing Disclosure Certificate: The Continuing Disclosure Certificate by the College, to be dated as of March 1, 2021.

Date of Taxability: The date as of which the interest on the Bonds shall be so determined to be includable in the gross income of the Owners thereof; provided, that no Bond shall bear additional interest for any period for which the statute of limitations shall be 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 shall be 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 shall 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 Internal Revenue 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.

EMMA: The Electronic Municipal Market Access System maintained by the Municipal Securities Rulemaking Board or such successor municipal finance electronic filing system.

Event of Default: An Event of Default described in the Indenture or Loan Agreement and summarized in 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, and shall initially mean the 12-month period commencing on June 1 in each year.

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

Indenture: The Trust Indenture between the Authority and Wells Fargo Bank, National Association, as Trustee, to be dated as of March 1, 2021, 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 the Board of Regents of the College.

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

Independent Management Consultant: An Independent certified public accountant, Independent financial consultant or Independent management consultant having a favorable reputation for skill and experience in studying and reporting on operations of private nonprofit institutions of higher education satisfactory to the Authority.

Institution: St. Olaf College, a Minnesota institution of higher education with its main campus located in the City of Northfield, Minnesota owned and operated by the College. The Institution is also referred to as the “College” elsewhere in this Official Statement.

Interest Payment Date: April 1 and October 1 of each year, commencing October 1, 2021, and any other date on which the principal of or interest on the Bonds shall be due and payable.

Interest Rate: With respect to the Bonds, the interest rate per annum specified in Section 2.01 of the Indenture, in the column entitled "Interest Rate" for the Bonds of the respective year of maturity.

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

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

Loan Agreement: The Loan Agreement between the Authority and the College, to be dated as of March 1, 2021, 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.

Opinion of Counsel: A written opinion of counsel (who need not be Independent Counsel unless so specified) appointed by the College or the Authority.

Outstanding: When used as of any particular time with reference to Bonds, without regard to capitalization of such term, means (subject to the provisions of Section 9.03 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 securities described in Section 10.02 of the Trust Indenture in the necessary amount shall 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 shall have been given pursuant to Article III of the Indenture, or provision satisfactory to the Trustee shall have been made for the giving of such notice; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the terms of Section 2.07 of the Indenture pertaining to replacement of Bonds.

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, (iv) those additional encumbrances set forth in Exhibit C to the Loan Agreement, and (v) liens granted by the college to secure debt allowed under Section 6.15 of the Loan Agreement.

Project: (i) The acquisition, construction, equipping and furnishing of a new student housing project consisting of a 300-bed residence hall and 14 new townhouses, each townhouse containing 10 beds; and (ii) renovations, equipping and furnishing of an existing residence hall, all located on the College's campus.

Project Buildings: The buildings or facilities acquired, improved or constructed with proceeds of the Bonds, including investment earnings.

Project Equipment: All fixtures, equipment, and other personal property of a capital nature acquired with proceeds of the Bonds, including investment earnings thereon, generally described in Exhibit B to the Loan Agreement.

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

Project Site: Those portions of land or interests in land described on Exhibit A to 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 Project.

Project Supervisor: The Project Supervisor appointed as provided in Section 3.07 of the Loan Agreement and in Section 4.09 of the Indenture.

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

Redemption Account: The Redemption Account created under the Indenture for deposit of any moneys received which are not otherwise committed. Moneys in the Redemption Account shall 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 by the Trustee, if directed by the Authority or the College, to pay rebate due to the United States under Section 148 of the Internal Revenue 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.

Responsible Officer: Of any Trustee means and includes the chairman of the board of directors, the president, every vice president, every assistant vice president, every corporate trust officer, and every officer and assistant officer of such Trustee, other than those specifically above mentioned, to whom any corporate trust matter is referred because of such person's knowledge of, and familiarity with, a particular subject.

Stated Maturity: When used with respect to any Bond or any installment of interest thereon, the date specified in such Bond and in the Indenture 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.

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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 “DEFINITIONS OF CERTAIN TERMS,” Appendix IV, contained herein.

Construction of Project

The College represents that construction, acquisition and installation of the Project will be substantially completed by no later than September 1, 2022, 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 shall accordingly be amended by a supplement to the Loan Agreement executed by the Authority and the College, a copy of which shall be furnished to the Trustee, provided that no such amendment of the description of the Project shall 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 such effect is furnished. The College agrees that it has previously paid or will itself pay all costs relating to the acquisition, construction, improving and equipping of the Project, including costs of issuance of the Bonds, to the extent such payments and costs exceed the proceeds of the Bonds, including investment earnings in the Construction Account.

Loan Repayments

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 two Business Days prior to each April 1 and October 1, commencing October 1, 2021, the College shall 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 two Business Days prior to each October 1, commencing on October 1, 2036, 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 shall 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 Sections 4.04, 4.05 and 5.01 of the Indenture), and (ii) any credits permitted by Section 5.01, 5.03 or 5.04 of 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 the Bonds, the College shall deposit into the Redemption Account such amount, if any, as shall be necessary and sufficient to provide for the redemption of any Bonds called for redemption from the Redemption Account; and

(c) the College shall deposit forthwith into the Bond and Interest Sinking Fund Account or the Redemption Account, as appropriate, the amount of any deficiency in the event that the funds on deposit in the Bond and Interest Sinking Fund Account or Redemption Account on any Bond principal 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) [reserved]

(e) the College shall 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 Section 6.09(f) of the Loan Agreement and Section 5.05 of the Indenture (relating to arbitrage rebate).

Each payment under this Section shall 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. The College shall furnish to the Authority, if the Authority so requests, advice of the transmittal of such payments at the time of transmittal of payment.

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 under "THE BONDS."

As additional payments, the College agrees to pay the annual 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 agrees to own, use and operate the Project Facilities 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 Project Facilities in such manner or to such an extent as would result in loss of the tax-exemption of interest on the Bonds under the Internal Revenue 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 Facilities 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, lease or sublease or enter into agreements in the ordinary course of business for the use of the Project Facilities (i) so long as the tax-exempt status of the Bonds will not be affected thereby, (ii) no such transaction or agreement shall be inconsistent with the Loan Agreement, the Indenture, or the Act, (iii) the College shall remain fully obligated under the Loan Agreement as if such agreement had not been made, and (iv) 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 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 Regents, 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 shall notify the College that, in the opinion of Independent Counsel, by nonpayment of any such items the Project Facilities or any part thereof or revenue therefrom will be subject to loss or forfeiture, in which event the College shall 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 come due, all taxes, special assessments, license fees and governmental charges of any kind 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 shall notify 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 shall be paid promptly.

Insurance

The College is required to maintain, or cause to be maintained, 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 (without limiting the generality of the foregoing) fire and extended coverage in an amount not less than 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, in the minimum amount for each occurrence of $5,000,000 and aggregate for each year of $5,000,000, 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 $100,000.

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

Upon the written request of the College, the Trustee shall 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 shall 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 30 days before the cancellation or modification of the policy limits below the insurance requirements set forth above becomes effective. The College shall annually provide the Trustee with a certificate of insurance compliance within 30 days of the end of the College's Fiscal Year.

Damage or Destruction

If the Project Facilities shall be damaged or partially or totally destroyed there shall be no abatement 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 shall 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 substantially all of the Project Facilities are damaged or destroyed to such extent that they cannot be reasonably restored within six months or (ii) normal use and operation of such Project Facilities are interrupted for a six-month period or (iii) the cost of restoration exceeds the available Net Proceeds by more than $500,000 (plus the amount of the deductible). The Bonds may be redeemed in part if (i) all or a portion of the Project Facilities have been damaged or destroyed, (ii) the College determines that the Project Facilities or portion thereof, as the case may be, is not needed in its operations and (iii) 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 Redemption")

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 shall be taken in any proceeding involving the exercise of the right of eminent domain, the College shall 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 shall be as described in the second paragraph under the caption "Damage or Destruction" above.

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 upon the following conditions:

(a) the College may substitute equipment and related property for any Project Equipment and Building Equipment, provided that such substitution shall 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 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 agrees to hold the Authority and the Trustee, their respective 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 (but not the Trustee) or anyone acting on behalf of the Authority; provided that the indemnity shall be effective only to the extent of any loss that may be sustained by the Authority or the Trustee 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 agrees to 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 agrees to indemnify and hold the Trustee harmless from and against any and all losses, liability, damages, costs or expenses that the Trustee may suffer or incur arising out of or in connection with the acceptance or administration of the Indenture or the trusts thereunder or the performance of its duties thereunder or under this Loan Agreement, except for losses, liability, damages, costs or expenses arising from the Trustee's negligence or willful misconduct.

College to Maintain its Existence and Accreditation

The College agrees that, so long as the Bonds are outstanding, it will maintain its existence as a nonprofit corporation and maintain the Institution as an institution of higher education under the laws of Minnesota, accredited as such by recognized accrediting agencies and that it will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation, or permit one or more other corporations to consolidate with or merge into it, except upon the conditions provided in the Loan Agreement. The conditions are the following: (a) if the surviving, resulting or transferee institution, as the case may be, is other than the College, such surviving, resulting or transferee corporation shall 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 Minnesota, 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 shall furnish to the Trustee an opinion of Bond Counsel that such consolidation, merger or transfer shall have no effect upon the tax-exempt nature of the interest on the Bonds under the Internal Revenue Code and regulations thereunder.

$150,000,000 Limitation on Outstanding Non-Hospital Bonds

The College has represented that the sum of the principal amount of the Bonds, plus the respective outstanding aggregate principal amounts of all tax-exempt nonhospital bonds issued on behalf of or for the benefit of the College and all organizations under common management or control with the College (other than qualified hospital bonds), within the meaning of Section 145 of the Internal Revenue Code, does not exceed $150,000,000, excluding nonhospital bonds issued on or after August 5, 1997, to finance capital expenditures incurred after August 5, 1997. Under the Loan Agreement, in no event will the College affiliate or consolidate with or merge into another corporation or sell or otherwise transfer to another institution all or substantially all of its assets or the assets of the Institution as an entirety if the effect of any such transaction would be to adversely affect the tax exempt status of the Bonds, such as by exceeding limitations on the outstanding aggregate principal amounts of all tax-exempt bonds issued by or on behalf of the College or such other resulting entity, and all organizations under common management or control with the College or such resulting entity, within the meaning of Section 145 of the Internal Revenue Code.

Federal Income Tax Status

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

Institution to be Nonsectarian

The College agrees that 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 Internal Revenue Code and regulations thereunder as in effect at the date of issuance of the Bonds, the Bonds shall bear additional interest at the rate of two percent 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 shall 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.

Other Covenants

The College further agrees to comply with all applicable laws and regulations against unlawful discrimination, and not to discriminate as prohibited by Minnesota Statutes, Section 363A.13; to provide and file such financing statements and other instruments of further assurance as the Authority or Trustee may request; to perform all obligations imposed by the Internal Revenue 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 to 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 agrees to 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 further agrees to comply with the applicable rebate requirements imposed under Section 148 of the Internal Revenue 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.

Events of Default

Following are Events of Default under Section 7.01 of the Loan Agreement:

(a) If the College shall fail to make any Loan Repayment when due and either (i) on a Bond principal 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 and interest on the Bonds, or (ii) such failure shall continue for five 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 shall fail to comply with the provisions of Section 6.09(f) of the Loan Agreement (relating to arbitrage calculation and rebate requirements); or

(c) [Reserved]

(d) If the College shall fail 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 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

(e) 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

(f) If a court of competent jurisdiction shall enter 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 shall not be vacated or set aside or stayed within 90 days from the date of the entry thereof; or

(g) If, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the College or of the whole or any substantial part of its property, and such custody or control shall not be terminated within 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 of Minnesota or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics or pandemics; 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; or any other cause or event not reasonably within the control of the College. The provisions of paragraph (d) above, are subject to the further limitation that if the default can be remedied but not within a period of 30 days after notice and if the College has taken all action reasonably possible to remedy such default within such 30-day period, the default shall not become an Event of Default for so long as the College shall diligently proceed to remedy such default and in accordance with any directions or limitations of time made by the Trustee. The College agrees, however, to 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 shall have happened, and be 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 shall become immediately due and payable.

(b) The Trustee (or the Authority with respect to certain sections 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 of the Loan Agreement or the Indenture.

Any amounts collected by the Trustee pursuant to the actions set forth above shall 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 Section 7.04 of 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 "DEFINITION OF CERTAIN TERMS," Appendix IV, contained herein.

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 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 created and maintained under the Indenture; (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 shall be deposited into accounts held by the Trustee as described in "ACCOUNTS," contained in the body of this Official Statement.

Authorized Investments

Moneys on deposit to the credit of the Bond and Interest Sinking Fund Account, the Redemption Account and the Construction Account shall be invested by the Trustee as directed by the Authorized Institution Representative only in investments as authorized by the Act, as amended from time to time, and are subject to additional restrictions generally described as follows: governmental bonds, notes, bills and other securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organization created by an act of Congress; any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service; any security which is a revenue obligation of any state or local government which is rated "AA" or better by a national bond rating service; mutual funds or unit trusts which invest solely in the investments described in Section 5.04 of the Indenture, such as obligations of the United States government, its agencies, states and state political subdivisions or in certain repurchase agreements; constant dollar value money market funds that invest solely in the types of obligations or repurchase agreements in which the foregoing mutual funds may invest and which are rated in the highest rating category by a national credit rating agency; time deposits that are fully insured by the Federal Deposit Insurance Corporation or bankers acceptances of United States banks; certain guaranteed investment contracts issued by certain banks or insurance companies rated at least in the highest two rating categories of a nationally recognized rating agency; certain guaranteed investment contracts, with a term of 18 months or less, issued by certain banks or insurance companies with a short-term unsecured debt rating in the highest category by a nationally recognized rating agency; certain types of repurchase agreements; and certain commercial paper maturing in 270 days or less. Section 5.04 of the Indenture sets forth further restrictions as to type and maturity of investments.

Trustee's Right to Payment

The Trustee shall have 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; not to extend the maturity of any of the Bonds or the time of payment of any claims for interest; 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 shall, in the discretion of the Trustee, be 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 shall become due and payable (whether at maturity or by proceedings for redemption or by declaration of acceleration or otherwise), shall not be made; or

(b) If payment of any interest on the Bonds when the same shall become due and payable (in which case interest shall 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) shall not be made; or

(c) If the Authority shall default 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 shall have continued for a period of 60 days after written notice, specifying such default and requiring the same to be remedied, shall have 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 shall 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, shall occur and be continuing.

Remedies

If an Event of Default shall exist, the Trustee may, and upon written request of the Holders of a majority in aggregate principal amount of Bonds outstanding shall, by notice in writing delivered to the Authority and the College, declare the principal of all Bonds then outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall 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 shall have been made shall be 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) shall be paid, or the amount thereof shall be paid to the Trustee for the benefit of those entitled thereto. Notwithstanding the foregoing, the Trustee need not proceed upon any such written request of the Bondholders, as aforesaid, unless such Bondholders shall have offered to the Trustee security and indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred therein or thereby.

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), shall be 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 shall 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 any such other appropriate legal or equitable remedy as the Trustee, being advised by counsel, shall deem 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 shall have offered to the Trustee security and indemnity satisfactory to the Trustee 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 shall not be liable unless it acts negligently or with willful misconduct. 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 shall have 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 shall have become an Event of Default and the Holders of a majority in aggregate principal amount of Bonds outstanding shall have made written request to the Trustee and shall 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 shall have offered to the Trustee indemnity as provided in the Indenture; and no one or more Bondholders shall have the right to affect, disturb, or prejudice the lien of the Indenture by his or their action or to enforce any right thereunder except in the manner therein provided, and that all proceedings at law or in equity shall 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, shall 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 shall not be waived unless, prior to such waiver, all arrears of interest, and all expenses of the Trustee shall have been paid or shall 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 shall 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, shall extend to or shall affect any subsequent default or Event of Default or shall 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 shall:

(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 (i) government obligations described in Section 5.04(a) of the Indenture, in such aggregate face amount, bearing interest at such rates and maturing at such dates as shall be sufficient in the opinion of a verification agent, upon which the Trustee may conclusively rely, and/or (ii) 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 Article III of 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 said Article III, the entire amount of the redemption price, including interest accrued and to accrue, and premium, if any, of (i) government obligations described in Section 5.04(a) of the Indenture, in such aggregate face amount, bearing interest at such rates and maturing at such dates as shall be sufficient in the opinion of a verification agent, upon which the Trustee may conclusively rely, and/or (ii) 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 shall also pay or provide for the payment of the unpaid fees and expenses of the Trustee (and its counsel) and the rebate of all amounts due or to become due to the United States under Section 148 of the Internal Revenue Code, then at the request of the Authority or the College all the Trust Estate shall revert to the Authority and the College as their interests appear, and the entire estate, right, title and interest of the Trustee, and of registered owners of such Bonds in respect thereof, shall thereupon cease, determine and become void; and the Trustee in such case, upon cancellation of all such Bonds for the payment of which cash or government obligations shall not have been deposited in accordance with the provisions of the Indenture, shall, 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 shall then be held thereunder.

When the Authority or the College shall have deposited at any time with the Trustee in trust for the purpose, in the manner provided above, or left with it if previously so deposited, cash or government obligations described in Section 5.04(a) of the Indenture, 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 shall 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 shall be deemed not to be outstanding hereunder; and it shall be the duty of the Trustee to hold the funds so deposited for the benefit of the Holders of such Bonds, as the case may be, and from and after such redemption date or maturity, interest on such Bonds so called for redemption shall cease to accrue.

Supplemental Indentures

The Authority and the Trustee may enter into such supplemental indentures as shall by them be 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 to the Trustee additional property for the benefit and security of the Holders and owners 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 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 defective or inconsistent 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 shall not impair the security of the same; and

(e) to modify the Indenture as authorized by the Bondholders pursuant to Section 11.04 of the Indenture.

In addition and subject to the provisions set forth below, the Holders of not less than 51% in aggregate principal amount of the Bonds under the Indenture then outstanding shall have the right to consent to and approve such supplemental indentures as shall be 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 shall not be construed as permitting without the consent of the Holders of all Bonds outstanding (a) an extension of the maturity of any Bond, or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, or (c) 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 (d) a preference or priority of any Bond over any other, or (e) 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 shall, without the consent of or notice to any of 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 Indenture, or (b) for the purpose of curing any ambiguity or formal defect or omission, or (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 shall 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 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 shall be fully registered as to principal and interest at the designated corporate trust office of the Trustee, which shall 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 authorized attorney satisfactory to the Trustee subject to such reasonable regulations as the Trustee may prescribe and shall 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 shall be by check or draft of the Trustee mailed (or, pursuant to an agreement with the Trustee, by wire transfer) to the registered Owner at his address as shown on the registration books of the Trustee, subject to applicable procedures while in book entry form.

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.

ST. OLAF COLLEGE

FINANCIAL STATEMENTS
INCLUDING INDEPENDENT AUDITORS' REPORT FOR THE
FISCAL YEARS ENDED MAY 31, 2020 AND 2019

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Independent Auditors' Report

To the Board of Regents
St. Olaf College

We have audited the accompanying financial statements of St. Olaf College (the College), which comprise the statements of financial position as of May 31, 2020 and 2019, and the related statements of activities and changes in net assets, 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 audits 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.

Opinion

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

Other Matters

Report on Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The "Highlights" on page 1, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly US, LLP

Baker Tilly US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)
Minneapolis, Minnesota
October 9, 2020

ST. OLAF COLLEGE

STATEMENTS OF FINANCIAL POSITION
As of May 31, 2020 and 2019

ASSETS

	2020	2019
Cash and cash equivalents	$ 14,787,998	$ 15,812,056
Receivables		
Accounts, net (Note 4)	965,774	1,446,436
Contributions, net (Note 5)	9,668,851	13,759,905
Student loans, net (Note 6)	5,142,730	5,912,828
Notes receivable (Note 1)	750,000	901,650
Investments (Note 7)	534,121,613	553,530,710
Other assets	666,364	1,823,418
Deposits held by trustee (Note 7)	1,082,022	1,753,590
Beneficial interest in trusts held by others (Note 7)	1,797,503	1,767,205
Property, plant and equipment, net (Note 10)	243,997,314	246,735,612
TOTAL ASSETS	$ 812,980,169	$ 843,443,410

LIABILITIES AND NET ASSETS

	2020	2019
LIABILITIES		
Accounts payable	$ 2,723,063	$ 2,268,218
Accrued and other liabilities (Note 11)	14,694,177	14,016,587
Deferred revenue	5,426,522	3,170,180
Annuities payable (Note 16)	10,383,168	11,086,670
Long-term debt (Note 15)	74,567,367	78,608,179
U.S. government grants refundable	3,540,391	4,948,241
Deposits held in trust for others	568,888	865,961
Total Liabilities	111,903,576	114,964,036
NET ASSETS		
Without donor restrictions (Note 2)	333,754,638	342,010,101
With donor restrictions (Note 2)	367,321,955	386,469,273
Total Net Assets	701,076,593	728,479,374
TOTAL LIABILITIES AND NET ASSETS	$ 812,980,169	$ 843,443,410

See accompanying notes to the financial statements.

ST. OLAF COLLEGE

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Year Ended May 31, 2020
With Comparative Totals for 2019

	Without Donor Restrictions	With Donor Restrictions	Total	2019
OPERATING REVENUES, GAINS AND OTHER SUPPORT				
Tuition, room and board, net of scholarships (Note 1)	$ 81,011,926		$ 81,011,926	$ 89,717,102
Other tuition and fees	2,994,470		2,994,470	3,588,148
Government grants	4,986,304		4,986,304	2,881,839
Private gifts and grants	3,018,621	$ 4,436,041	7,454,662	9,198,072
Long-term investment income and gains allocated for operations	6,325,196	14,490,501	20,815,697	19,220,683
Other sources	3,575,625	31,010	3,606,635	3,842,427
Investment income	250,142	37,230	287,372	429,780
Net losses on investments and capital assets	(20,451)		(20,451)	(53,401)
Capital gifts allocated	2,209,004		2,209,004	2,086,627
Auxiliary enterprises - sales and services	1,358,469		1,358,469	1,553,497
	105,709,306	18,994,782	124,704,088	132,464,774
Net assets released from restrictions (Notes 1 and 3)	20,218,783	(20,218,783)		
Total Operating Revenues, Gains and Other Support	125,928,089	(1,224,001)	124,704,088	132,464,774
OPERATING EXPENSES				
Program expenses	107,964,438		107,964,438	109,259,531
Support expenses	15,138,525		15,138,525	15,103,564
Total Operating Expenses	123,102,963		123,102,963	124,363,095
Change in Net Assets from Operating Activities	2,825,126	(1,224,001)	1,601,125	8,101,679
NONOPERATING ACTIVITIES				
Long-term investment activities	(4,100,197)	(9,516,660)	(13,616,857)	579,727
Less: Long-term investment income and gains allocated for operations	(6,325,196)	(14,490,501)	(20,815,697)	(19,220,683)
	(10,425,393)	(24,007,161)	(34,432,554)	(18,640,956)
Student loan income net of expenses	(12)	85,309	85,297	62,572
Deferred giving activities - gifts	606	48,300	48,906	35,085
Capital giving activities - gifts and grants	319,515	5,855,008	6,174,523	16,608,746
Capital related gifts released from restrictions (Notes 1 and 3)	103,210	(103,210)		
Capital gifts allocated to operations	(2,209,004)		(2,209,004)	(2,086,627)
Adjustment to actuarial liability for annuities payable	(42,760)	228,440	185,680	1,197,354
Adjustment to prior service cost and actuarial liability for retiree health plan	(115,345)		(115,345)	332,708
Gain from sale of asset	1,258,591		1,258,591	
Change in Net Assets from Nonoperating Activities	(11,110,592)	(17,893,314)	(29,003,906)	(2,491,118)
Change in Net Assets before reclassification of net assets	(8,285,466)	(19,117,315)	(27,402,781)	5,610,561
Reclassification of prior year net assets	30,003	(30,003)		
Change in Net Assets	(8,255,463)	(19,147,318)	(27,402,781)	5,610,561
Net Assets - Beginning of Year	342,010,101	386,469,273	728,479,374	722,868,813
NET ASSETS - END OF YEAR	$ 333,754,638	$ 367,321,955	$ 701,076,593	$ 728,479,374

See accompanying notes to the financial statements.

ST. OLAF COLLEGE

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Year Ended May 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES, GAINS AND OTHER SUPPORT			
Tuition, room and board, net of scholarships (Note 1)	$ 89,717,102		$ 89,717,102
Other tuition and fees	3,588,148		3,588,148
Government grants	2,881,839		2,881,839
Private gifts and grants	3,155,441	$ 6,042,631	9,198,072
Long-term investment income and gains allocated for operations	6,142,270	13,078,413	19,220,683
Other sources	3,789,098	53,329	3,842,427
Investment income	382,181	47,599	429,780
Net losses on investments and capital assets	(53,401)		(53,401)
Capital gifts allocated	2,086,627		2,086,627
Auxiliary enterprises - sales and services	1,553,497		1,553,497
	113,242,802	19,221,972	132,464,774
Net assets released from restrictions (Notes 1 and 3)	18,070,474	(18,070,474)	
Total Operating Revenues, Gains and Other Support	131,313,276	1,151,498	132,464,774
OPERATING EXPENSES			
Program expenses	109,259,531		109,259,531
Support expenses	15,103,564		15,103,564
Total Operating Expenses	124,363,095		124,363,095
Change in Net Assets from Operating Activities	6,950,181	1,151,498	8,101,679
NONOPERATING ACTIVITIES			
Long-term investment activities	(380,225)	959,952	579,727
Less: Long-term investment income and gains allocated for operations	(6,142,270)	(13,078,413)	(19,220,683)
	(6,522,495)	(12,118,461)	(18,640,956)
Student loan income net of expenses	(6,539)	69,111	62,572
Deferred giving activities - gifts	4,992	30,093	35,085
Capital giving activities - gifts and grants	749,059	15,859,687	16,608,746
Capital related gifts released from restrictions (Notes 1 and 3)	5,131,990	(5,131,990)	
Capital gifts allocated to operations	(2,086,627)		(2,086,627)
Adjustment to actuarial liability for annuities payable	(136,336)	1,333,690	1,197,354
Adjustment to prior service cost and actuarial liability for retiree health plan	332,708		332,708
Change in Net Assets from Nonoperating Activities	(2,533,248)	42,130	(2,491,118)
Change in Net Assets before reclassification of net assets	4,416,933	1,193,628	5,610,561
Reclassification of prior year net assets per gift matching	(12,620,889)	12,620,889	
Change in Net Assets	(8,203,956)	13,814,517	5,610,561
Net Assets - Beginning of Year	350,214,057	372,654,756	722,868,813
NET ASSETS - END OF YEAR	$ 342,010,101	$ 386,469,273	$ 728,479,374

See accompanying notes to the financial statements.

ST. OLAF COLLEGE

STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended May 31, 2020

	Program Expenses							Support Expenses			
	Instruction	Research	Public Service	Academic Support	Student Services	Auxiliary Enterprises	Total Program	Institutional Support	Fundraising	Total Support	Total
Compensation	$ 37,974,113	$ 720,483	$ 103,480	$ 7,115,539	$ 11,936,441	$ 4,219,226	$ 62,069,282	$ 5,439,471	$ 3,922,769	$ 9,362,240	$ 71,431,522
Depreciation, amortization, and accretion	3,715,431	158,146	2,541	2,269,885	2,609,766	2,961,075	11,716,844	830,247	310,490	1,140,737	12,857,581
General operating expenses	2,002,750	114,100	45,303	1,997,206	2,307,355	125,006	6,591,720	1,019,038	483,533	1,502,571	8,094,291
Food services	213,048	4,087	168,254	56,706	289,264	6,277,487	7,008,846	63,170	279,681	342,851	7,351,697
Travel and meals	5,762,565	97,662	10,638	288,946	1,075,723	18,963	7,254,497	216,149	161,789	377,938	7,632,435
Contract, professional services, insurance, and taxes	3,058,373	86,435	234,387	95,357	1,397,750	134,958	5,007,260	1,405,334	658,290	2,063,624	7,070,884
Facilities - repairs, maintenance, utilities, fuel	1,409,607	90,837	11,538	437,744	959,790	2,438,022	5,347,538	99,686	98,716	198,402	5,545,940
Interest	1,339,474	14,970	42	13,117	444,696	1,156,152	2,968,451	149,162	1,000	150,162	3,118,613
Total Expenses	$ 55,475,361	$ 1,286,720	$ 576,183	$ 12,274,500	$ 21,020,785	$ 17,330,889	$ 107,964,438	$ 9,222,257	$ 5,916,268	$ 15,138,525	$ 123,102,963

For the Year Ended May 31, 2019

	Program Expenses							Support Expenses			
	Instruction	Research	Public Service	Academic Support	Student Services	Auxiliary Enterprises	Total Program	Institutional Support	Fundraising	Total Support	Total
Compensation	$ 36,834,741	$ 696,690	$ 165,736	$ 7,036,239	$ 11,181,008	$ 4,315,834	$ 60,230,248	$ 5,399,032	$ 3,723,087	$ 9,122,119	$ 69,352,367
Depreciation, amortization, and accretion	3,738,699	174,755	2,568	2,273,001	2,382,973	3,058,037	11,630,033	854,764	311,378	1,166,142	12,796,175
General operating expenses	2,091,501	119,880		2,052,277	2,551,006	161,576	6,976,240	995,472	536,962	1,532,434	8,508,674
Food services	294,955	7,371	196,712	59,538	458,414	7,587,211	8,604,201	68,241	383,178	451,419	9,055,620
Travel and meals	5,469,813	116,695	12,752	414,610	1,424,985	17,881	7,456,736	177,539	249,031	426,570	7,883,306
Contract, professional services, insurance, and taxes	3,553,160		320,724	147,521	1,249,331	202,400	5,473,136	1,349,032	695,701	2,044,733	7,517,869
Facilities - repairs, maintenance, utilities, fuel	1,590,447	96,060	6,940	489,053	1,130,202	2,469,097	5,781,799	119,302	84,405	203,707	5,985,506
Interest	1,403,737	15,778	45	13,893	459,666	1,214,019	3,107,138	155,379	1,061	156,440	3,263,578
Total Expenses	$ 54,977,053	$ 1,227,229	$ 705,477	$ 12,486,132	$ 20,837,585	$ 19,026,055	$ 109,259,531	$ 9,118,761	$ 5,984,803	$ 15,103,564	$ 124,363,095

See accompanying notes to the financial statements.

ST. OLAF COLLEGE

STATEMENTS OF CASH FLOWS
For the Years Ended May 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (27,402,781)	$ 5,610,561
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation, amortization and accretion expense	12,857,581	12,796,175
Net losses on investments	15,602,675	1,843,580
Loss on dispositions of property, plant and equipment	59,562	48,793
Actuarial adjustment of annuities payable	400,105	(416,506)
Adjustment to prior service cost and actuarial liability for retiree health plan	115,345	(332,708)
Gifts of property, plant and equipment	(138,444)	(27,100)
Change in:		
Accounts receivable	480,662	216,622
Contributions receivable for operations	1,137,173	41,433
Contributions receivable for plant	(394,535)	
Other assets	1,157,054	(647,366)
Funds held in trust by others	(30,298)	525,064
Change in:		
Accounts payable	364,918	(1,920,535)
Accrued and other liabilities	423,007	(1,038,382)
Deferred revenue	2,256,342	(856,615)
Change in deposits held in trust for others	(297,073)	(885,290)
Gifts and grants received for long-term investment and plant, net	(6,174,523)	(16,608,746)
Nonoperating investment income	(1,807,991)	(1,837,327)
Net Cash Flows from Operating Activities	(1,391,221)	(3,488,347)
CASH FLOWS USED BY INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(10,352,048)	(15,602,700)
Purchases of investments	(155,375,638)	(218,359,739)
Proceeds from sales of investments	159,182,060	225,962,078
Disbursements of loans to students	(446,884)	(425,480)
Repayments of loans by students	1,216,982	1,185,732
Net Cash Flows Used by Investing Activities	(5,775,528)	(7,240,109)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal repayments of indebtedness	(3,500,000)	(2,815,000)
Gifts and grants received for long-term investment and plant, net	6,174,523	16,608,746
Change in nonoperating contributions receivable	3,348,416	(6,518,106)
Change in U.S. government grants refundable, net	(1,407,850)	(43,552)
Increase in annuities payable from new gifts	48,907	35,085
Payments to annuitants	(1,152,514)	(1,326,988)
Nonoperating investment income	1,807,991	1,837,327
Change in trustee account for refinanced bonds, net	671,568	46,712
Change in notes receivable	151,650	(151,650)
Net Cash Flows from Financing Activities	6,142,691	7,672,574
Net Change in Cash and Cash Equivalents	(1,024,058)	(3,055,882)
CASH AND CASH EQUIVALENTS - Beginning of Year	15,812,056	18,867,938
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 14,787,998	$ 15,812,056
Supplemental Disclosure:		
Interest paid	$ 3,185,828	$ 3,323,119
Property, plant and equipment acquired through accounts payable	499,085	409,158

See accompanying notes to the financial statements.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Organization **-** Founded in 1874, St. Olaf College (the "College") is a private, four year, residential, liberal arts college located in Northfield, Minnesota. Affiliated with the Evangelical Lutheran Church in America, the College is coeducational and enrolls approximately 3,000 students. The College confers the degrees of Bachelor of Arts and Bachelor of Music.

Basis of Financial Statements - The accounting policies of the College reflect practices common to universities and colleges and the financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The more significant accounting policies are summarized below:

Net Asset Classifications - For the purposes of financial reporting, the College classifies resources into two net asset categories pursuant to any donor-imposed restrictions and applicable law. The Board of Regents has adopted practices that affect the presentation of board designations on net assets without donor restrictions. It has been the College's practice that bequests without restrictions under $25,000 are distributed to current unrestricted funds. The same methodology is applied to matured deferred gifts. The board's practice has been to designate year-end operating surpluses to the endowment. Accordingly, the net assets of the College are classified in the accompanying financial statements in the categories that follow:

Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions. (See Note 2)

With Donor Restrictions - Net assets subject to donor-imposed restrictions that will be met by action of the College and/or the passage of time or are restricted in perpetuity (See Note 2)

Releases from Restrictions - Expirations of temporary restrictions on net assets (i.e., the donor-imposed purpose has been fulfilled and/or the stipulated time period has elapsed) are reported on the statement of activities as net assets released from restrictions. (See Note 3) Occasionally donor restrictions related to net assets may be clarified or changed, at which time they are reflected as a reclassification of prior year net assets on the statement of activities.

Revenue Recognition - The timing and classification of revenue are summarized below:

Tuition, Room and Board 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 four weeks 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 September 1st for Fall semester and January 1st for the Spring semester. Performance obligations for certain ancillary services are satisfied when the service is performed. The College applies the practical expedient as allowed for within the accounting standards and, therefore, does not disclose information about remaining performance obligations that have original expected durations of one year or less. All remaining performance obligations will be satisfied in connection with the completion of the fiscal 2021 year.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tuition, Room and Board Revenue *(continued)* - The College also provides auxiliary services, such as residence and food 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 12 weeks of the semester may receive a partial refund for board plans in accordance with the College's refund policy. Students that withdraw from the College before the first day of class may receive a full refund for room plans in accordance with the College's refund policy, but partial refunds will not occur after that date. Refunds issued reduce the amount of revenue recognized. Tuition, room and board are included within a single comprehensive contract, as the College has determined that on campus residency (room and board) is part of the educational requirements. The College determines the transaction price based on standard charges for goods and services provided, reduced by discounts relating to institutional scholarships, both funded and unfunded, in accordance with the College's policies.

The College's revenue associated to tuition, room and board, net of scholarships and grants, were allocated as follows:

	2020	2019
Tuition	$ 150,255,011	$ 144,573,956
Room and board	23,709,540	29,632,754
Tuition, room and board	173,964,551	174,206,710
Unfunded scholarships and grants	(80,091,576)	(74,695,366)
Funded scholarships and grants	(12,861,049)	(9,794,242)
Tuition, room and board, net of scholarships	$ 81,011,926	$ 89,717,102

Deferred Revenue - Deferred revenue represents payments received for tuition or room and board prior to the start of the summer and fall academic terms. As of May 31, 2020, summer terms have not yet began; thus, all revenue relating to the 2020 summer terms are included in deferred revenue.

Government Grants - The College provides various services for state and federal agencies connected to government grants. Under the terms of the grants, the College is reimbursed for services performed and revenue is recognized in the fiscal year in which the services are performed. All performance obligations under the various contracts are satisfied in conjunction with the recognition of the associated revenues.

The Coronavirus Aid, Relief, and Economics Security (CARES) Act provided budgetary relief to higher education institutions. Congress set aside approximately $14.25 billion of the $30.75 billion allotted to the Education Stabilization Fund through the Higher Education Emergency Relief Fund (HEERF). Each institution received one grant comprised of two parts. Under the legislation, no less than 50% of the full grant was to be used for direct emergency aid to students. The remaining portion of the full grant was to be used by institutions to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus. Institutions were given one calendar year from the date of award in their HEERF Grant Award Notification to complete the performance of their HEERF grant. The College was awarded approximately $2,167,000 of HEERF funding. The notification from the Department of Education for the student portion was received on April 21, 2020 and for the institutional portion on May 6, 2020. Institutions may recognize the institutional portion of the grant to the extent the grant was expended on student relief as of May 31, 2020. As of May 31, 2020, approximately $955,000 of the student relief portion of the grant was expended and recognized as federal grants and contracts income and student aid expense. Likewise, approximately $955,000 of the institutional portion of the grant was expended and recognized as federal grants and contract income with the offset being a reduction in room and board revenue related to refunds provided to students. As restrictions were met in the same period, these grants were reported as changes in net assets without donor restrictions.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contribution Revenue - Contributions are recognized as revenues when the donor's commitments are received, as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions or time. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. During the year ended May 31, 2016, the College received a conditional promise to give up to $15,000,000 to create an endowment to support a new program. The contribution is conditional upon the amount of other donations received for the program through 2025. Based on the terms of the agreement, the contribution will not be recognized as revenue until the end of the agreement. As of May 31, 2020, $3,543,000 of other donations have been received for the program.

Gifts of assets other than cash are recorded at their estimated fair value at the date of gift.

Contributions received with donor imposed restrictions that are met in the same year as received are reported as revenues within the net assets with donor restrictions class, and a release to net assets without donor restrictions is made to reflect the expiration of such restrictions.

Contributions of exhaustible long-lived assets, or of cash and other assets to be used to acquire them, without donor stipulations concerning the use of such long-lived assets are reported as revenues of the net asset with donor restriction class. Gifts received for long-lived assets are released from net assets with donor restrictions when the assets are placed in service.

Operating Measure - The College's operating revenues in excess of expenses and transfers includes support for operating activities from both donor restricted net assets and net assets without donor restrictions designated for long-term investment (the donor restricted and quasi endowment) according to the College's spending policy, which is detailed in Note 8. The measure of operations excludes endowment support for non-operating activities, investment return in excess of amounts made available for current support and changes in the actuarial value of annuities payable.

Investment Gains and Losses - Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions or with donor restrictions unless their use is restricted by explicit donor stipulation or by law. Losses from investments on board designated endowment funds are reported as decreases in net assets without donor restrictions.

Income and net gains or losses on investments of endowment and similar funds are reported in the statement of activities as follows:

> as increases or decreases in net assets without donor restrictions for board designated endowment funds;

> as increases or decreases in net assets with donor restrictions to restore donor restricted endowment funds in accordance with the stipulations of the donor, reported as with deficiencies

> as increases or decreases in net assets with donor restrictions in all other cases.

Cash and Cash Equivalents - The College considers all highly liquid investments, except for those held for long-term investment, with a maturity of three months or less when purchased to be cash equivalents. Certain cash held by the College is restricted for the Perkins Loan Fund.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables - Accounts and notes receivable are carried at cost, less an allowance for doubtful accounts (See Notes 4 and 6). During the year ended May 31, 2017, the College entered into a subordinated promissory note agreement with Northfield Hotel Properties LLC for $750,000. The loan is to be paid back in 2027 with 5.5% interest to be paid quarterly. During the year ended May 31, 2019, the College entered into a promissory note agreement with Minnesota Holding Company, LLC for $151,650. The note is secured by a mortgage on a property owned by the College. The College received the proceeds of the sale of the property by Minnesota Holding Company, LLC in July 2019.

Investments - Investments in publicly traded securities are stated at quoted market value. Other investments, for which no such quoted market values or valuations are readily available, are carried at fair value as estimated by management using values provided by external investment managers. Changes in fair value are recorded as unrealized gains or losses in the period of change (See Note 7).

Other Assets - Prepaid expenses and inventories are included in other assets. Inventories are valued at the lower of cost or market.

Deposits Held by Trustee - Cash, short-term investments and government securities held by the trustee include amounts restricted for debt service as required by the related trust indentures.

Beneficial Interest in Trusts Held by Others - The beneficial interest in trusts held by others and related contribution revenue are recognized at the date the trusts are established for the present value of estimated future payments to be received.

Property, Plant and Equipment - Physical plant assets are stated at cost at the date of acquisition or market value if donated, less accumulated depreciation. The College typically depreciates its assets on the straight-line basis over estimated useful lives ranging from 15 to 50 years for buildings and improvements and 5 to 15 years for furnishings, library materials and equipment. The College has developed a schedule of the estimated funding required for significant repairs and maintenance of its facilities based on a forty-year life cycle. Normal repair and maintenance expenses are charged to operations as incurred. Certain property and equipment purchased with government grant funds are subject to certain requirements and limitations. Generally, the College capitalizes physical plant additions and equipment in excess of $5,000. (See Note 10)

Annuities Payable - Annuities payable represent the College's liability under annuity contracts with donors and irrevocable charitable remainder trusts for which the College serves as the trustee. Assets held under these agreements are included in investments. (See Note 16)

U.S. Government Grants Refundable - Funds provided by the United States Government under the Federal Perkins Loan Program are loaned to qualified students and may be reloaned after collections. These funds are ultimately refundable to the government and are included as liabilities on the statements of financial position. Revenues from other government grants are recognized as they are earned in accordance with the agreement. Any funding received before it is earned is recorded as a refundable advance. Expenses incurred before cash is received are shown as a reduction in the government grants refundable liability on the statement of financial position.

Deposits Held in Trust for Others - The College acts as trustee for funds transferred from various organizations for investment management and administrative purposes. The funds are to be distributed back to these organizations as they request them. The College recognizes the funds as a liability in the accompanying statement of financial position.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenses - The financial statements report certain categories of expenses that are attributable to program and support functions. These expenses require allocation on a reasonable basis that is consistently applied. These expenses include depreciation and amortization, interest, health and dental expenses, tuition and benefit expenses, and operation and maintenance of plant. Depreciation and amortization is allocated based on square footage, whereby interest expense is allocated based on the program and/or supporting function that benefit from the related debt issuances. Operation and maintenance of plant is allocated based on square footage.

Advertising Expenses - Advertising costs are expensed when incurred.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status - The Internal Revenue Service has determined that the College is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The College is also exempt from state income taxes. However, any unrelated business income may be subject to taxation.

The College follows the accounting standards for contingencies in evaluating uncertain tax positions. This guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. No liability has been recognized by the College for uncertain tax positions as of May 31, 2020 and 2019. The College's tax returns are subject to review and examination by federal and state authorities.

New Accounting Pronouncement Adopted in Current Year - During June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The guidance is intended to clarify and improve accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) subject to other guidance and (2) determining whether a contribution is conditional. The College adopted this guidance for fiscal year 2020 with no material impact to the financial statements.

New Accounting Pronouncement Not Yet Effective - In February 2016, FASB issued ASU No. 2016-02, *Leases*. ASU No. 2016-02 was issued to increase transparency and comparability among entities. Lessees will need to recognize nearly all lease transactions (other than leases that meet the definition of a short-term lease) on the statement of financial position as a lease liability and a right-of-use asset (as defined). Lessor accounting under the new guidance will be similar to the current model. ASU No. 2016-02 is effective for fiscal year 2021. Upon adoption, lessees and lessors will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach, which includes a number of optional practical expedients that entities may elect to apply. The College is currently assessing the impact this standard will have on its financial statements.

Reclassifications - Certain amounts appearing in the 2019 financial statements have been reclassified to conform with the 2020 presentation. The reclassifications have no effect on the reported amounts of total net assets or change in total net assets.

NOTE 2 - RESTRICTIONS AND LIMITATIONS ON NET ASSET BALANCES

Net assets without donor restrictions were allocated as follows:

	2020	2019
Plant	$ 165,865,376	$ 165,391,946
Operations	(14,029,993)	(11,623,320)
Endowment funds	178,110,490	183,982,642
Deferred gifts	3,353,242	3,466,930
Student loan programs - matching federal government	455,523	791,903
	$ 333,754,638	$ 342,010,101

Net assets with donor restrictions consist of the following:

	2020	2019
Gifts and other unexpended revenues and gains available for:		
Scholarships, instruction and other support	$ 11,415,360	$ 12,893,070
Acquisition of buildings and equipment	394,535	7,652
	11,809,895	12,900,722
Endowment funds	338,220,101	356,155,208
Deferred gifts	14,325,168	14,549,733
Student loan funds	2,966,791	2,863,610
	$ 367,321,955	$ 386,469,273

Total net assets consist of the following:

	2020	2019
Plant	$ 166,259,911	$ 165,399,598
Operations	(2,614,633)	1,269,750
Endowment funds (Note 8)	516,330,591	540,137,850
Deferred gifts (Note 16)	17,678,410	18,016,663
Student loan funds	3,422,314	3,655,513
	$ 701,076,593	$ 728,479,374

NOTE 3 - NET ASSETS RELEASED FROM RESTRICTIONS

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

	2020	2019
Capital related gifts for projects placed in service	$ 103,210	$ 5,131,990
Scholarships, instruction and other departmental support	20,218,783	18,070,474
	$ 20,321,993	$ 23,202,464

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable, and the related allowance for doubtful accounts, was as follows at May 31, 2020 and 2019:

	2020			2019		
	Receivable	Allowance	Net	Receivable	Allowance	Net
Student accounts	$ 701,979	$ 250,000	$ 451,979	$ 819,170	$ 250,000	$ 569,170
Other accounts	1,416,856	903,061	513,795	1,736,743	859,477	877,266
Total accounts receivable	$ 2,118,835	$ 1,153,061	$ 965,774	$ 2,555,913	$ 1,109,477	$ 1,446,436

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.

NOTE 5 - CONTRIBUTIONS RECEIVABLE

Contributions receivable include the following unconditional promises to give at May 31, 2020 and 2019:

	2020	2019
Unconditional promises expected to be collected in:		
Less than one year	$ 3,234,512	$ 3,064,412
One to five years	7,234,036	10,671,834
Over five years	701,000	706,500
Gross unconditional promises to give	11,169,548	14,442,746
Less: Unamortized discount	(512,599)	(209,893)
Allowance for uncollectible promises	(988,098)	(472,948)
	$ 9,668,851	$ 13,759,905

Contributions receivable due within one year are not discounted. Contributions receivable expected to be collected in more than one year have been discounted using historic rates, ranging from 1% to 3.3%. As of May 31, 2020, net contributions receivable consisted of $8,690,535 for endowments, $394,535 for plant, and $583,781 for operations. As of May 31, 2019, net contributions receivable consisted of $12,038,951 for endowments and $1,720,954 for operations.

NOTE 6 - CREDIT QUALITY OF STUDENT LOANS RECEIVABLE

The College issues uncollateralized loans to students based on financial need. Loans to students 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. Interest income on student loan receivables is recognized when received, and fees and costs are recognized when incurred. Government student loan program receivables (Perkins) that become uncollectible can be assigned to the federal government. At May 31, 2020 and 2019, student loans receivable represented 0.63% and 0.70% of total assets, respectively.

At May 31, 2020 and 2019 student loans receivable consisted of the following:

	2020	2019
Federal government programs	$ 3,445,216	$ 4,367,765
Institutional programs	2,129,314	1,976,863
	5,574,530	6,344,628
Less allowance for doubtful accounts:		
Beginning of year	(431,800)	(431,800)
Change to allowance		2,551
Write-off recoveries		(2,551)
End of year	(431,800)	(431,800)
Student loans receivable, net	$ 5,142,730	$ 5,912,828

Funds advanced by the Federal government of $3,785,467 and $5,075,123 at May 31, 2020 and 2019, respectively, are ultimately refundable to the government and are classified as liabilities in the statement of financial position. These amounts are partially offset by related receivables from the Federal government.

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

	2020	2019
Past due student loans receivable:		
0 - 240 days past due	$ 444,838	$ 710,117
240 days - 2 years past due	422,169	275,231
2 - 5 years past due	151,487	115,405
5+ years past due	135,301	74,272
Total past due	1,153,795	1,175,025
Current student loans receivable	4,420,735	5,169,603
Total student loans receivable, gross	$ 5,574,530	$ 6,344,628

NOTE 7 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

Fair Value Hierarchy - Fair value is defined in the accounting guidance as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the assets or liability in an orderly transaction between market participants at the measurement date. Under this guidance, a three-level hierarchy is used for fair value measurements which are based on the transparency of information, such as the pricing source, used in the valuation of an asset or liability as of the measurement date.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following three categories.

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or market-corroborated inputs.

Level 3 - Inputs are unobservable for the asset or liability. Unobservable inputs reflect the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk) using the best information available in the circumstances, which may include using the reporting entity's own data.

Valuation Techniques and Inputs

Level 1 - Level 1 assets include:

- Investments in cash and short-term investments (consisting primarily of money market funds), mutual funds, stocks, bonds, and deposits held by trustee (consisting primarily of money market funds and other short-term investments) for which quoted prices are readily available.

Level 2 - Level 2 assets include:

- Investments in certain fixed income securities (corporate bonds and notes) for which quoted prices are not readily available. The fair values are estimated using Level 2 inputs based on multiple sources of information, which may include market data and/or quoted market prices from either markets that are not active or are for the same or similar assets in active markets.

Level 3 - Level 3 assets include:

- Investments in real estate for which fair value is based on inputs such as appraisals and the county assessed value.
- Other investments, which represent ownership interests in insurance contracts. The fair value has been estimated based on information provided by the insurance companies.
- Beneficial interest in trusts held by others for which quoted prices are not readily available. The fair values are estimated using an income approach by calculating the present value of the future distributions expected to be received based on a combination of Level 2 inputs (interest rates and yield curves) and significant unobservable inputs (entity specific estimates of cash flows).

NOTE 7 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Certain mutual funds and alternative investments are measured at fair value using the net asset value (NAV) per share (or its equivalent) of such investment funds as a practical expedient for fair value. The College has estimated the fair value of these funds by using the net asset value provided by the investee.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

There have been no changes in the techniques and inputs used as of May 31, 2020 and 2019.

While the College believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table presents information about the College's assets measured at fair value on a recurring basis as of May 31, 2020:

	Total	Level 1	Level 2	Level 3
ASSETS				
Investments				
Cash and short-term investments	$ 10,635,215	$ 10,635,215		
Marketable securities				
Mutual funds				
Fixed income – domestic	5,016,380	5,016,380		
Fixed income – international	1,076,233	1,076,233		
Equity funds – domestic	42,675,564	42,675,564		
Equity funds – international	14,774,753	14,774,753		
Real asset funds	3,672,293	3,672,293		
Stocks	12,169,728	12,169,728		
Bonds	14,503,632	315,952	$ 14,187,680	
Real estate	1,031,500			$ 1,031,500
Other investments	1,822,291			1,822,291
Subtotal investments	107,377,589	90,336,118	14,187,680	2,853,791
Deposits held by trustee	1,082,022	1,082,022		
Beneficial interest in trusts held by others	1,797,503			1,797,503
Subtotal by valuation hierarchy	$ 110,257,114	$ 91,418,140	$ 14,187,680	$ 4,651,294
Investments measured using NAV				
Hedge funds	117,050,232			
Private credit funds	205,290			
Private equity funds	79,051,798			
Global equity funds	159,415,590			
Fixed income funds	9,425,122			
Real estate funds	26,722,616			
Commodity funds	34,873,376			
Subtotal investments by NAV	426,744,024			
Total assets at fair value	$ 537,001,138			
Investments by valuation hierarchy	$ 107,377,589			
Investments by NAV	426,744,024			
Total investments	$ 534,121,613			

NOTE 7 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents information about the College's assets measured at fair value on a recurring basis as of May 31, 2019:

	Total	Level 1	Level 2	Level 3
ASSETS				
Investments				
Cash and short-term investments	$ 16,320,774	$ 16,320,774		
Marketable securities				
Mutual funds				
Fixed income - domestic	5,928,178	5,928,178		
Fixed income - international	1,278,983	1,278,983		
Equity funds - domestic	19,073,968	19,073,968		
Equity funds - international	15,388,410	15,388,410		
Real asset funds	7,921,922	7,921,922		
Stocks	31,703,174	31,703,174		
Bonds	19,925,208	430,907	$ 19,494,301	
Real estate	1,058,000			$ 1,058,000
Other investments	1,778,299			1,778,299
Subtotal investments	120,376,916	98,046,316	19,494,301	2,836,299
Deposits held by trustee	1,753,590	1,753,590		
Beneficial interest in trusts held by others	1,767,205			1,767,205
Subtotal by valuation hierarchy	$ 123,897,711	$ 99,799,906	$ 19,494,301	$ 4,603,504
Investments measured using NAV				
Hedge funds	120,818,746			
Private equity funds	73,291,835			
Global equity funds	158,447,425			
Fixed income funds	12,615,667			
Real estate funds	22,400,862			
Commodity funds	45,579,259			
Subtotal investments by NAV	433,153,794			
Total assets at fair value	$ 557,051,505			
Investments by valuation hierarchy	$ 120,376,916			
Investments by NAV	433,153,794			
Total investments	$ 553,530,710			

NOTE 7 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents a reconciliation of the statement of financial position amounts for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended May 31, 2020:

	Balances May 31, 2019	Net realized and unrealized gains (losses)	Purchases	Sales	Net transfers in (out) of Level 3	Balances May 31, 2020
Assets						
Real estate	$ 1,058,000	$ (26,500)				$ 1,031,500
Other investments	1,778,299	43,992				1,822,291
Beneficial interest in trusts held by others	1,767,205	44,974		$ (14,676)		1,797,503
Total	$ 4,603,504	$ 62,466	$ -	$ (14,676)	$ -	$ 4,651,294

The amount of total gains (losses) for the period included in change in net assets attributable to the change in unrealized gains or losses relating to assets measured at fair value still held at May 31, 2020. $ 62,466

The following table presents a reconciliation of the statement of financial position amounts for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended May 31, 2019:

	Balances May 31, 2018	Net realized and unrealized gains (losses)	Purchases	Sales	Net transfers in (out) of Level 3	Balances May 31, 2019
Assets						
Real estate	$ 1,713,849	$ (135,465)		$ (520,384)		$ 1,058,000
Other investments	1,753,253	25,046				1,778,299
Beneficial interest in trusts held by others	1,800,919	(33,714)				1,767,205
Total	$ 5,268,021	$ (144,133)	$ -	$ (520,384)	$ -	$ 4,603,504

The amount of total gains (losses) for the period included in change in net assets attributable to the change in unrealized gains or losses relating to assets measured at fair value still held at May 31, 2019. $ 28,232

Investment income and gains (losses) for the investments without readily determinable fair values totaled $(14,324,657) and $3,836,268 for the years ended May 31, 2020 and 2019, respectively.

NOTE 7 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The College uses the NAV as a practical expedient to determine fair value of all underlying investments which (a) do not have a readily determinable fair value; and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

The following table lists the alternative investments in which NAV was utilized as the practical expedient for estimating fair value by major category as of May 31, 2020 and 2019:

Investment Type	Unfunded Commitments	Fair Value May 31, 2020	Fair Value May 31,2019	Redemption Frequency	Redemption Notice Period	Estimated Remaining Life
Alternative Investments						
Hedge funds (a)		$ 117,050,232	$ 120,818,746	Quarterly to 2 years	45-120 days	N/A (a)
Private credit (b)	$ 5,225,000	205,290		Not redeemable	N/A	7-10 years
Private equity funds (c)	41,570,118	79,051,798	73,291,835	Not redeemable	N/A	1-15 years
Global equity funds (d)		159,415,590	158,447,425	Monthly to 3 years	8-90 days	N/A
Fixed income funds (e)		9,425,122	12,615,667	Daily	2 days	N/A
Real estate funds (f)	12,971,772	26,722,616	22,400,862	Not redeemable	N/A	1-12 years
Commodity funds (g)	18,276,829	34,873,376	45,579,259	Monthly to not redeemable	30 days to N/A	1-12 years
Total	$ 78,043,719	$ 426,744,024	$ 433,153,794			

(a) Comprised of various hedge funds which primarily focus on absolute return, security selection, and hedging. A portion of the investments in this category cannot be redeemed currently because the investments include restrictions that do not allow for redemption in the first 12 to 36 months after acquisition.

(b) Comprised of a private credit fund providing customized and secured debt financing to emerging growth companies. This investment is illiquid and not redeemable. Instead, distributions are received through the liquidation of the underlying assets of the fund.

(c) Comprised of various private equity funds with a broad range of investment objectives which include diversified fund of funds focused on venture, buyout, and special situations, as well as smaller direct funds that have more specific niche strategies. These investments are generally not redeemable. Instead, distributions are received through the liquidation of the underlying assets of the fund.

(d) Comprised of limited partnership investments both holding long-only domestic and international equities.

(e) Comprised of two limited partnership investments at the statement of financial position date; the funds invest in international long-only fixed income securities.

(f) Includes funds having diversified investment objectives that focus on domestic commercial properties to apartments and office holdings. The other investments cannot be redeemed, but distributions from each fund will be received as the underlying investments in the funds are liquidated.

(g) Includes fund of funds investments that focus on natural resources and/or energy.

NOTE 8 - ENDOWMENT

The College's endowment consists of approximately 1,950 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Regents to function as endowments. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Regents as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law - The College's Board of Regents has interpreted the Minnesota enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as allowing the College to appropriate for expenditure or accumulate so much of an endowment fund as the College determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. The College's Board of Regents has determined it is prudent to preserve the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The College classifies as net assets with restrictions (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of a donor-restricted endowment fund is classified as net assets with restriction until those amounts are appropriated for expenditure by the College through the Board of Regents' approval of the annual budget, which is inclusive of the spending rate for its endowment funds established pursuant to the College's spending policy. See Note 1 for further information on net asset classifications.

Endowment net asset composition by type of fund consists of the following as of May 31, 2020:

		With Donor Restrictions		
	Without Donor Restrictions	Accumulated Gains	Original Gifts	Total
Donor-restricted endowment funds		$ 98,771,603	$ 239,448,499	$ 338,220,102
Board-designated endowment funds	$ 178,110,489			178,110,489
Total endowment net assets	$ 178,110,489	$ 98,771,603	$ 239,448,499	$ 516,330,591

Endowment net asset composition by type of fund consists of the following as of May 31, 2019:

		With Donor Restrictions		
	Without Donor Restrictions	Accumulated Gains	Original Gifts	Total
Donor-restricted endowment funds		$ 121,440,447	$ 234,714,761	$ 356,155,208
Board-designated endowment funds	$ 183,982,642			183,982,642
Total endowment net assets	$ 183,982,642	$ 121,440,447	$ 234,714,761	$ 540,137,850

NOTE 8 - ENDOWMENT (CONTINUED)

Changes in endowment net assets for the year ended May 31, 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions: Accumulated Gains	With Donor Restrictions: Original Gifts	Total
Endowment net assets, May 31, 2019	$ 183,982,642	$ 121,440,447	$ 234,714,761	$ 540,137,850
Total investment return	(4,100,197)	(9,271,994)	(244,666)	(13,616,857)
Contributions	319,514	9,999	4,586,578	4,916,091
Appropriation of endowment assets for:				
Operating expenditures	(6,325,196)	(14,490,501)		(20,815,697)
Non-operating expenditures	(49,261)		(17,872)	(67,133)
Other changes:				
Transfers from other funds	4,150,000	1,052,232		5,202,232
Reclassification of net assets		31,420		31,420
Matured deferred gifts	132,987		409,698	542,685
Endowment net assets, May 31, 2020	$ 178,110,489	$ 98,771,603	$ 239,448,499	$ 516,330,591

Changes in endowment net assets for the year ended May 31, 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions: Accumulated Gains	With Donor Restrictions: Original Gifts	Total
Endowment net assets, May 31, 2018	$ 199,066,038	$ 133,144,600	$ 203,842,895	$ 536,053,533
Total investment return	(380,225)	1,251,629	(323,097)	548,307
Contributions	749,059		14,839,172	15,588,231
Appropriation of endowment assets for:				
Operating expenditures	(6,142,270)	(13,078,413)		(19,220,683)
Non-operating expenditures	(48,993)		(17,772)	(66,765)
Other changes:				
Transfers from other funds	3,376,000			3,376,000
Transfers between endowment funds	(12,916,983)	122,631	12,794,352	
Matured deferred gifts	280,016		3,579,211	3,859,227
Endowment net assets, May 31, 2019	$ 183,982,642	$ 121,440,447	$ 234,714,761	$ 540,137,850

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original value of the gifts contributed to each endowment fund. At May 31, 2020, 472 donor-restricted funds with original gift values of $90,513,705, fair values of $86,692,357 and deficiencies of $3,821,348 were reported in net assets with donor restrictions. At May 31, 2019, 106 donor-restricted funds with original gift values of $12,661,806, fair values of $12,371,046 and deficiencies of $290,760 were reported in net assets with donor restrictions. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of new donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the Board of Regents.

The College's endowment spending policy states that, as permitted by UPMIFA, the Investment Committee will decide on a case-by-case basis whether or not to continue spending from the endowments with deficiencies, otherwise known as underwater endowments.

NOTE 8 - ENDOWMENT (CONTINUED)

Return Objectives and Risk Parameters - The College has adopted investment and spending policies for endowment assets that strive to provide a source of income for spending that is reasonably stable and predictable from year-to-year, while seeking to preserve capital, maintain the purchasing power of the endowment assets, and prudently earn the highest possible rate of return consistent with the College's ability to accommodate risk. Endowment assets include those assets of donor-restricted funds that the College must hold indefinitely or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Regents, the endowment assets are invested in a manner that is intended to produce results that outperform the appropriate benchmark for each asset class and to outperform a simple benchmark of the broad market mix represented by a 70 percent S&P 500 and 30 percent Barclays Aggregate allocation. The College expects its endowment funds, over time, to provide an average real total return of 6 percent, net of fees. 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 including asset classes such as public equities, fixed income and alternative assets in order to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The Board of Regents designates only a portion of the College's cumulative investment return for support of current operations; the remainder is retained to support operations of future years and to offset potential market declines. In developing its spending policy, the College considers certain of the following factors which it determines relevant:

1. The duration and preservation of the fund
2. The purposes of the College and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the College
7. The investment policies of the College.

The Board has adopted a policy to appropriate for distribution during each fiscal year an amount per endowment unit calculated at a rate of 4.7% of the average endowment market value per endowment unit from the preceding 16 quarters established as of the end of the calendar year prior to the beginning of the fiscal year.

NOTE 9 - LIQUIDITY AND AVAILABILITY

The following table reflects the College's financial assets as of May 31, 2020 and 2019, reduced by amounts not available for general expenditures within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. Other financial assets that are excluded from this measure of liquidity include cash and other investments that are restricted by donors, the College's Board of Regents, or are restricted for a specific use.

	2020	2019
Financial assets		
Cash and cash equivalents	$ 14,787,998	$ 15,812,056
Accounts receivable	965,774	1,446,436
Contributions receivable	9,668,851	13,759,905
Student loan receivables	5,142,730	5,912,828
Notes receivable	750,000	901,650
Investments	534,121,613	553,530,710
Deposits held by trustee	1,082,022	1,753,590
Assets held in trust by others	1,797,503	1,767,205
Financial assets at May 31	568,316,491	594,884,380
Less those unavailable for general expenditure within one year:		
Cash restricted for student loans	2,482,699	2,821,357
Accounts receivable beyond one year	121,621	137,732
Contributions receivable for endowments	8,690,535	12,038,951
Contributions receivable for plant	394,535	
Contributions receivable greater than one year	301,872	914,589
Student loan receivables restricted for financial aid purposes	5,142,730	5,912,828
Note receivable beyond one year	750,000	750,000
Endowment assets restricted by donors, net of appropriation for next year	313,483,331	328,416,479
Endowment assets restricted by the Board of Regents, net of appropriation for next year	169,411,244	175,572,209
Cash and other investments held for gift annuitants	26,433,245	27,518,233
Bond proceeds and reserves restricted by use	1,082,022	1,753,590
Investments held for others connected to split-interest agreements	1,797,503	1,767,205
Financial assets not available for expenditure within one year	530,091,337	557,603,173
Financial assets available to meet cash needs for general purposes within one year	$ 38,225,154	$ 37,281,207

As of May 31, 2020, the College had liquid assets on hand to cover approximately three to four months of operating expenses. The College's practice is to structure its financial assets to be available as its general expenses, liabilities and obligations come due.

Cash in excess of daily requirements is typically invested in short-term, liquid securities. The College also has an unsecured $5,000,000 line of credit through Wells Fargo Bank, representing approximately 15 days of operating expenses. Borrowings under this line of credit bear interest at an annual rate of 50 basis points below the Bank's base (prime) rate. Interest is payable on the last day of each month. Principal, and any unpaid interest, is due on March 31, 2021. In addition, the agreement requires the College to comply with certain financial covenants. At May 31, 2020 and 2019, there were no outstanding borrowings under this arrangement.

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

At May 31, 2020 and 2019, property, plant and equipment consisted of the following:

	2020	2019
Land	$ 1,342,890	$ 1,277,890
Improvements other than buildings	29,574,644	28,548,067
Buildings	324,297,528	319,507,483
Equipment	62,408,576	60,436,947
Library materials	15,782,149	15,620,936
Art collection	1,867,836	1,768,200
Construction in progress	1,772,071	296,129
	437,045,694	427,455,652
Less: Accumulated depreciation	(193,048,380)	(180,720,040)
	$ 243,997,314	$ 246,735,612

NOTE 11 - ACCRUED AND OTHER LIABILITIES

At May 31, 2020 and 2019, accrued and other liabilities consisted of the following:

	2020	2019
Payroll	$ 8,716,640	$ 8,053,003
Self-insurance reserve (Note 12)	545,000	282,000
Post-retirement benefit obligations (Note 13)	1,199,072	1,443,120
Interest	1,227,944	1,295,159
Asset retirement obligations (Note 14)	2,919,563	2,784,760
Other	85,958	158,545
	$ 14,694,177	$ 14,016,587

NOTE 12 - SELF-INSURANCE

The College provides medical benefits through a self-insurance plan, which is available to all employees of the College who meet the eligibility requirements for certain medical expenses. Accrued and other liabilities include an incurred but not reported reserve of approximately $545,000 and $282,000 at May 31, 2020 and 2019, respectively, an estimate of amounts due and payable on existing claims for which the College is self-insured and which are expected to be settled currently. The College is self-insured for the first $225,000 per claim with an aggregate stop loss of approximately $9,761,000. As of May 31, 2020 and 2019, the College had unrestricted net assets of $890,620 and $1,093,341, respectively, designated for health insurance benefits, which consists of the cumulative amount that employee and college contributions towards health premiums have exceeded expenses over the life of the plan.

NOTE 13 - RETIREMENT PLANS AND POSTRETIREMENT BENEFIT PLAN

The College has certain defined contribution retirement plans for employees. All employees are eligible to participate after meeting certain eligibility requirements. College contributions are based upon a percentage of salaries. The College's contributions to the retirement plans approximated $4,035,000 and $3,956,000 for the years ended May 31, 2020 and 2019, respectively.

The College also provides postretirement health care benefits for current or retired employees and covered dependents, which are recorded on the accrual basis. Two voluntary employee benefit association (VEBA) trusts were established in fiscal year 2006. The Employee After-Tax-Contributions VEBA Trust (funded solely by employee after tax contributions) and the Employer Contribution VEBA Trust (funded solely by employer pre-tax contributions) were established to provide employee welfare benefit plans providing certain insured and/or self-insured health and life benefits for eligible retired employees and their eligible spouses and dependents. The trusts are managed by a trustee, who invests in money market and mutual funds (Level 1 assets). The trusts are exempt from taxation to the extent permitted under section 501(c)(9) and 512 of the Internal Revenue Code of 1986.

The following tables set forth the postretirement health care benefit plan's status with amounts reported in the College's financial statements at May 31, 2020 and 2019:

	2020	2019
Change in benefit obligation		
Benefit obligation at beginning of year	$ 12,602,678	$ 12,861,263
Service cost	29,616	33,312
Interest cost	406,093	477,681
Plan participants' VEBA contributions	30,804	38,838
Employer VEBA contributions	766,307	800,546
Actuarial (gain)/loss	201,235	(829,971)
Benefits paid	(832,495)	(778,991)
Benefit obligation at end of year	$ 13,204,238	$ 12,602,678
Change in plan assets		
Fair value of plan assets at beginning of year	$ 11,159,558	$ 10,894,514
Actual return on plan assets	643,868	47,463
Employer contributions	1,003,431	957,734
Plan participants' contributions	30,804	38,838
Benefits paid	(832,495)	(778,991)
Fair value of plan assets at end of year	$ 12,005,166	$ 11,159,558
Funded status		
Funded status at end of year	$ (1,199,072)	$ (1,443,120)
Amounts recognized in the statement of financial position consist of:		
Current liabilities	$ (186,275)	$ (215,000)
Noncurrent liabilities	(1,012,797)	(1,228,120)
Net amount recognized (Note 11)	$ (1,199,072)	$ (1,443,120)

NOTE 13 - RETIREMENT PLANS AND POSTRETIREMENT BENEFIT PLAN (CONTINUED)

	2020	2019
Amounts recognized in change in net assets consist of:		
Prior service cost	$ -	$ -
(Gain)/loss	(245,056)	(360,400)
Accumulated change in net assets	$ (245,056)	$ (360,400)
Weighted-average assumptions used to determine benefit obligations at May 31		
Discount rate	2.20%	3.25%
Expected return on plan assets	5.00%	5.00%
Rate of compensation increase	0.00%	0.00%
Components of net periodic benefit cost		
Service cost	$ 29,616	$ 33,312
Interest cost	406,093	477,681
Expected return on plan assets	(557,978)	(544,726)
Amortization of prior service cost	-	-
Net periodic postretirement benefit cost	$ (122,269)	$ (33,733)
Changes in net assets		
Net (gain)/loss	$ 115,345	$ (332,708)
Amortization of prior service cost	-	-
Total amount (gain)/loss recognized in change in net assets	$ 115,345	$ (332,708)
Total amount recognized in net periodic benefit cost and change in net assets	$ (6,924)	$ (366,441)
Weighted-average assumptions used to determine net periodic benefit cost as of June 1		
Discount rate	3.25%	3.75%
Expected return on plan assets	5.00%	5.00%
Rate of compensation increase	0.00%	0.00%
Assumed health care cost trend rates at May 31		
Health care cost trend rate assumed for next year	7.50% - Post 65 7.50% - Pre 65	8.00% - Post 65 8.00% - Pre 65
Rate to which the cost trend rate is assumed to decline (the ultimate trend)	5.00%	5.00%
Year that the rate reaches the ultimate rate	2025	2025

Plan assets are invested primarily in mutual funds, which are classified as Level 1 in the fair value hierarchy, as of May 31, 2020 and 2019.

NOTE 13 - RETIREMENT PLANS AND POSTRETIREMENT BENEFIT PLAN (CONTINUED)

During the year ending May 31, 2021, the College expects to contribute approximately $186,000 in benefit payments for the postretirement medical plan, which includes the liability for post-65 retiree VEBA and the present value of the projected future liability for the pre-65 retiree health plan. The College also expects to contribute approximately $631,000 to the VEBA for current employees during the year ending May 31, 2021.

The following estimated benefit payments for the postretirement medical plan, which reflect expected future service, as appropriate, are expected to be paid during the years ending May 31:

2021	$ 186,275
2022	152,989
2023	138,732
2024	121,042
2025	114,526
2026 - 2030	299,361

It is reasonably possible that changes in these estimates could occur in the near term and that actual results could differ from these estimates and could have a material impact on the financial statements.

NOTE 14 - ASSET RETIREMENT OBLIGATIONS

The College owns certain buildings that contain encapsulated asbestos material and as such records a liability for the reasonably estimated fair value of the conditional asset retirement obligation.

The following shows the activity in the College's asset retirement obligations:

	2020	2019
Balance at beginning of the year	$ 2,784,760	$ 2,654,819
Abatement costs	(4,435)	(2,800)
Accretion expense	139,238	132,741
Balance at end of the year (Note 11)	$ 2,919,563	$ 2,784,760

NOTE 15 - LONG-TERM DEBT

Long-term debt at May 31, 2020 and 2019 consisted of the following bonds issued by the Minnesota Higher Education Facilities Authority (MHEFA) on behalf of the College:

	Interest	Principal Payment	Year of Maturity	Outstanding Balance 2020	Outstanding Balance 2019
MHEFA Revenue Bonds, Series Seven-F, issued to refinance variable debt	Bonds bear rates from 2.63% to 5.00%	Annual payments range from $535,000 to $555,000	2021		$ 1,090,000
MHEFA Revenue Bonds, Series Eight-G, issued to finance construction and advance refunding	Bonds bear rates from 3.25% to 5.00%	Annual payments range from $2,410,000 to $4,495,000	2033	$ 44,685,000	47,095,000
MHEFA Revenue Bonds, Series Eight-N, issued to advance refund previous issuance	Bonds bear rates from 2.25% to 4.00%	Annual payments range from $370,000 to $5,760,000	2036	22,845,000	22,845,000
Principal outstanding on bonds				67,530,000	71,030,000
Plus: Unamortized premium - Series Seven-F Revenue Bonds					9,900
Unamortized premium - Series Eight-G Revenue Bonds				5,120,227	5,529,845
Unamortized premium – Series Eight-N Revenue Bonds				2,167,775	2,309,152
Less: Unamortized debt issue costs				(250,635)	(270,718)
Total Long-Term Debt				$ 74,567,367	$ 78,608,179

On August 10, 2016, the College issued $22,845,000 in tax-exempt bonds, Series Eight-N, through the Minnesota Higher Education Facilities Authority (MHEFA). A portion of the Series Seven-F Revenue Bonds ($24,465,000) was legally defeased by proceeds from the Series Eight-N Revenue Bonds, as well as a portion of the debt service reserve fund on Series Seven-F ($1,866,000). The proceeds of the Series Eight-N Revenue Bonds related to the defeasance were placed in an escrow until October 1, 2019, at which time the refunded bonds were callable and paid off.

Revenue Bonds Series Eight-G and Eight-N are secured by a pledge of loan repayment from the College and require that certain covenants be maintained.

NOTE 15 - LONG-TERM DEBT (CONTINUED)

The College maintains short-term investments and U.S. government securities held by a trustee for retirement of indebtedness that totaled $1,082,022 and $1,753,590 as of May 31, 2020 and 2019, respectively. These funds are intended to be used to make principal and interest payments.

Anticipated principal payments on long-term debt are as follows:

Year Ending May 31:	
2021	$ 2,905,000
2022	3,045,000
2023	3,190,000
2024	3,350,000
2025	3,515,000
Thereafter	51,525,000
Total	$ 67,530,000

NOTE 16 - DEFERRED GIFT (SPLIT-INTEREST) AGREEMENTS

The College has arrangements with donors classified as charitable lead trusts, charitable remainder trusts, charitable gift annuities and pooled life income funds. In general, under these arrangements the College receives a gift from a donor in which it has an interest and agrees to pay the donor stipulated amounts. The arrangement may cover one or more lives. The College invests and administers the related assets and makes distributions to the beneficiaries as required. When the agreement reaches the end of its term, remaining assets are retained by the College as net assets with restrictions or net assets without restrictions, or in some instances, distributed to third-party beneficiaries.

When a gift is received under one of these arrangements, it is split into the amount representing the actuarial present value of future distributions back to the donor and the remaining gift value to be retained for the benefit of the College or third-party beneficiaries. The actuarial liability is adjusted annually using actuarial tables appropriate for the type of arrangement, number of lives covered and age and gender characteristics of the beneficiary. The College used historical discount rates ranging from 1.2% to 11.6% for the years ended May 31, 2020 and 2019 in making the actuarial and gift calculations. In some cases, there can be a time delay in the recording of the asset because of the time needed for discovery, verification of the College’s rights, and the determination of the valuation of future payments.

Information pertaining to the College’s deferred gift agreements for the years ended May 31, 2020 and 2019 is as follows:

	2020	2019
Cash and investments	$ 26,433,245	$ 27,518,233
Interfund payable	(12,553)	2,220
Beneficial interest in trusts held by others	1,797,503	1,767,205
Deposits held in trust for others	(156,617)	(184,325)
Annuities payable	(10,383,168)	(11,086,670)
	$ 17,678,410	$ 18,016,663
Net Assets		
Without donor restrictions	$ 3,353,242	$ 3,466,930
With donor restrictions	14,325,168	14,549,733
	$ 17,678,410	$ 18,016,663

NOTE 17 - CONCENTRATIONS

Financial instruments that potentially subject the College to concentrations of credit risk consist principally of cash and cash equivalents, investments, accounts receivable, notes receivable and derivatives. Cash, cash equivalents and investment holdings are concentrated in a limited number of financial institutions and amounts in excess of FDIC and similar coverage are subject to the usual risks of balances in excess of those limits. Investments are diversified in order to reduce credit risk. Student loans, student receivables and other receivables are due from a variety of sources concentrated primarily in the Midwestern United States. In addition, the College's students receive a substantial amount of support from state and federal student financial assistance programs which are subject to audit by governmental agencies. A significant reduction in the level of this support, if this were to occur, could have an adverse effect on the College's programs and activities.

NOTE 18 - RELATED PARTY TRANSACTIONS

The College has various signed contracts with a construction company owned by a former member of the Board of Regents. The contracts were approved unanimously by the Board of Regents in accordance with the College's conflict of interest policy. Amounts payable to the construction company totaled $21,195 and $0 as of May 31, 2020 and 2019, respectively. Total payments to this construction company were approximately $3,184,000 and $8,976,000 for the years ended May 31, 2020 and 2019, respectively.

As of May 31, 2020 and 2019, approximately $2,374,000 and $3,326,000, respectively, of contributions receivable were due from members of the Board of Regents. Contribution revenue from members of the Board of Regents totaled approximately $1,911,000 and $4,796,000 for the years ending May 31, 2020 and 2019, respectively. Board members are not compensated.

The College has invested in various private equity investments, in which members of the Investment Committee and Board of Regents have an affiliation. The individuals fully disclosed their interests in these investments when they were discussed, did not receive a commission or referral fee, and did not participate in the voting regarding these investments. As of May 31, 2020 and 2019, the College's total value of these funds was approximately $4,316,000 and $6,767,000, respectively. The College's cumulative contributions, net of distributions, to these investments as of May 31, 2020 totaled approximately $4,413,000. The College's cumulative contributions, net of distributions, to these investments as of May 31, 2019 totaled approximately $2,609,000. The College's outstanding future commitments to these investments totaled approximately $0 and $1,955,000 at May 31, 2020 and 2019, respectively.

NOTE 19 - SUBSEQUENT EVENTS

The College has evaluated subsequent events through October 9, 2020, which is the date that the financial statements were issued.

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