OFFICIAL STATEMENT DATED MAY 26, 2021

NEW ISSUE **Rating: Moody's A2**

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 alternative minimum tax applicable to individuals or Minnesota alternative minimum tax applicable to individuals, estates and trusts. Interest on the Bonds is subject to the State of Minnesota franchise tax applicable to corporations, including financial institutions, 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" herein.)

$21,560,000
Minnesota Higher Education Facilities Authority
Revenue Bonds, Series 2021
(Saint John's University)

(DTC Book Entry Only)

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

The Bonds are to mature annually on October 1 as follows:

Year	Amount	Rate	Yield	CUSIP 60416J	Year	Amount	Rate	Yield	CUSIP 60416J
2023	$ 840,000	4.00%	0.32%	DX 5	2032	$1,205,000	4.00%	1.50%*	EG 1
2024	$ 875,000	4.00%	0.47%	DY 3	2033	$1,255,000	4.00%	1.54%*	EH 9
2025	$ 910,000	4.00%	0.64%	DZ 0	2034	$1,305,000	4.00%	1.58%*	EJ 5
2026	$ 950,000	4.00%	0.79%	EA 4	2035	$1,360,000	4.00%	1.61%*	EK 2
2027	$ 985,000	4.00%	0.95%	EB 2	2036	$1,405,000	3.00%	1.81%*	EL 0
2028	$1,025,000	4.00%	1.10%	EC 0	2037	$1,450,000	3.00%	1.85%*	EM 8
2029	$1,070,000	4.00%	1.24%	ED 8	2038	$1,495,000	3.00%	1.89%*	EN 6
2030	$1,115,000	4.00%	1.33%	EE 6	2039	$1,545,000	4.00%	1.76%*	EP 1
2031	$1,160,000	4.00%	1.41%*	EF 3	2040	$1,610,000	4.00%	1.80%*	EQ 9

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

The Minnesota Higher Education Facilities Authority Revenue Bonds, Series 2021 (Saint John's University) (the "Bonds") will be subject to optional redemption prior to maturity, as described herein. See "THE BONDS – Prior Redemption – Optional Redemption." The Bonds will also be subject to extraordinary 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 Indenture. The Bonds will be subject to extraordinary optional redemption in whole or in part in the event of a Determination of Taxability, as described herein. See "THE BONDS – Prior Redemption – Extraordinary Optional Redemption" and "THE BONDS – Determination of Taxability."

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 Only System" herein). U.S. Bank National Association, Saint Paul, 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 Saint John's University (the "University"), pursuant to a Loan Agreement between the Authority and the University, or out of other amounts pledged pursuant to the Indenture as described herein. The Loan Repayments will be a general obligation of the University.

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 RBC Capital Markets, LLC (the "Underwriter") 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 University by Lathrop GPM LLP, Minneapolis, Minnesota; and for the Underwriter by Dorsey &Whitney LLP, Minneapolis, Minnesota. The Bonds are expected to be available for delivery to the Underwriter at DTC on or about June 10, 2021.

The Underwriter intends to engage in secondary market trading in the Bonds, subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Bonds at the request of any holder thereof. For information with respect to the Underwriter, see "UNDERWRITING" herein.

RBC Capital Markets

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 University, or the Underwriter to give any information or to make any representations with respect to the Bonds 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 University or the Underwriter. The information contained herein, except as it relates to the Authority, DTC, and the Trustee, has been obtained from the University 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 contained herein 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 University since the date hereof.

References herein to laws, rules, regulations, resolutions, agreements, reports and 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 have not been included as appendices to the Official Statement, they will be furnished on request.

References to web site 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, Rule 15c2-12 of the Securities and Exchange Commission.

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. THE UNIVERSITY DOES NOT EXPECT OR INTEND 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.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the Authority from time to time (collectively, the "Official Statement"), may be treated as an Official Statement with respect to the Bonds described herein that is deemed final as of the date hereof (or of any such supplement or correction) by the Authority, except for the omission of certain information referred to in the succeeding paragraph.

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. Neither the Authority, the Underwriter, nor the University 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 Business 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

* *The term of David D. Rowland has expired. Mr. Rowland has applied for reappointment, and will serve until June 30, 2021, until he is reappointed, or someone new is appointed to his position. The term of Mark Misukanis has also expired, and he is not seeking reappointment. Mr. Misukanis will serve until June 30, 2021 or until someone new is appointed to his position.*

Bond Counsel
Fryberger, Buchanan, Smith & Frederick, P.A.

Municipal Advisor to the Authority
Baker Tilly Municipal Advisors, LLC

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OFFICIAL STATEMENT

$21,560,000

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

REVENUE BONDS, SERIES 2021
(SAINT JOHN'S UNIVERSITY)

(DTC Book Entry Only)

INTRODUCTORY STATEMENT

This Official Statement provides information concerning the Minnesota Higher Education Facilities Authority (the "Authority") and Saint John's University, a Minnesota non-profit corporation and 501(c)(3) organization and the owner and operator of an institution of higher education located in Collegeville, Minnesota (the "University"), in connection with the issuance of the Authority's $21,560,000 Revenue Bonds, Series 2021 (Saint John's University) (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 certain projects.

The Bonds are also being issued pursuant to the Trust Indenture (the "Indenture") dated as of June 1, 2021 between the Authority and U.S. Bank National Association, Saint Paul, 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") to be dated as of June 1, 2021 between the University and the Authority relating to the Bonds, the Authority is loaning the Bond proceeds to the University and the University will covenant as its general obligation to make Loan Repayments and deposits in amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same shall become due.

The proceeds of the Bonds will be loaned to the University by the Authority and will be used to finance:

1. the acquisition, construction and equipping of a new 96-bed townhouse style student residence facility;
2. renovation and upgrades to Peter Engel Science Center;
3. renovation of the first floor and third floor of Wimmer Hall;
4. construction of a pedestrian bridge connecting the lower campus and upper campus across Stumpf Lake;
5. capital improvement and renovation projects, including a student center (Sexton Commons) and student residence facilities (Saint Thomas Aquinas Hall and Saint Mary Hall) (along with items (1) (2) (3) and (4) above, is the "Project"); and
6. 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, which are a general obligation of the University. Under the Loan Agreement, the University will agree to provide the funds necessary to make timely payment of the Loan Repayments. See "SOURCE OF PAYMENT FOR THE BONDS" 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, 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.

THE BONDS

General

The Bonds will be dated as of the date of delivery, which is expected to be on or about June 10, 2021. The Bonds will mature annually each October 1, commencing October 1, 2023 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 not exceeding the amount maturing in any maturity, 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 Only 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

<u>Optional Redemption</u>

The Bonds maturing on or after October 1, 2031 are subject to optional redemption at the University's direction on October 1, 2030 and on any day thereafter at par plus accrued interest. Redemption may be in whole or in part and if in part in such order of maturity as the University directs and selected by random means within a maturity, in integral multiples of $5,000.

<u>Extraordinary Optional Redemption</u>

The Bonds will also be subject to optional redemption at par in integral multiples of $5,000, as a whole or in part, plus accrued interest in certain cases of damage to or destruction or condemnation of Project Facilities and upon a Determination of Taxability as provided in the Loan Agreement (see "THE BONDS – Determination of Taxability" herein and Appendix V, "SUMMARY OF DOCUMENTS – The Loan Agreement").

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 fewer 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 University 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).

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"), the University 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 University annually, and to provide notices of the occurrence of any of the events enumerated in the Rule not later than ten business days after the occurrence of the event 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 listed events is set forth in Appendix III, "FORM OF CONTINUING DISCLOSURE CERTIFICATE."

The Certificate may be amended under certain circumstances as permitted by the Rule. Furthermore, the University has reserved its right to discontinue providing information required by the Continuing Disclosure 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 Continuing Disclosure Certificate if a court of competent jurisdiction or the University determines that such modification is required by the Rule.

In the past five years, the University has timely filed annual reports required by its continuing disclosure obligations. A failure by the University to comply with the Undertaking will not constitute an event of default on the Bonds (although holders may have other remedies at law or in equity). 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 University pursuant to the Undertaking, may adversely affect the transferability and liquidity of the Bonds and their market price.

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, premium, if any, and interest on the Bonds.

Risk of Insufficient Collateral

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

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

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

Adequacy of Revenues

Payment of principal and interest on the Bonds is intended to be made from the University's Loan Repayments. The University'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 University 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 University draws the majority of its students. Universities and colleges compete principally based on location, net tuition rates, degree offerings, and academic reputation. To the extent that competitors have or achieve an advantage with respect to any of these factors, the University 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 University's net assets without restriction available for 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 University's efforts to attract students.

Reliance on Tuition and Fees

The adequacy of University assets without donor restriction available for the payment of debt service on the Bonds will depend on the amount of future tuition revenue the University receives. Such revenue, in turn, will depend primarily on the University'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 University 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 University.

Financial Aid

Approximately 98% of the University's student body received some form of financial assistance through scholarships, grants, loans and work study, from federal, state, University or private sources covering at least a portion of tuition, fees and living expenses. No assurance can be given that federal and state financial aid and private third party financing will continue to be funded at current levels or that the University will continue to fund student aid at current levels. Curtailment of such aid may cause a decline in enrollment, which may in turn have an adverse effect on the University's revenues. See Appendix I, "THE UNIVERSITY – Financial Aid" herein.

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

Damage, Destruction or Other Liability

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

Construction Risks

Construction of the Project is subject to ordinary risks associated with new construction, such as risks of cost overruns, contractor and subcontractor claims, noncompletion and delays due to a variety of factors, including, among other things, site difficulties, necessary design changes or final detailing, labor shortage or strife, delays in and shortages of materials, weather conditions, fire, and casualty. Any delays in construction may adversely impact the University'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.

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.

Additional Indebtedness and Liens

Loan documents for the Authority's $13,815,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Eight-H, dated August 31, 2015 (the "Series Eight-H Bonds"); and the $18,275,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Eight-I, dated December 3, 2015 (the "Series Eight-I Bonds"); entered into by the University described in Appendix I , "THE UNIVERSITY – Long-Term Debt" contain financial ratio covenants that relate to the University's debt and which may be affected by the issuance of additional debt. The University is in compliance with those covenants and will be in compliance with those covenants upon issuing the Bonds. In addition, the loan documents for the Series Eight-H Bonds and the Series Eight-I Bonds include covenants limiting the issuance of additional long-term debt that will be met for issuance of the Bonds. The Loan Agreement for the Bonds does not contain financial ratio covenants related to the University's debt or a covenant limiting the issuance of additional debt.

Except to the extent additional indebtedness (other than the Bonds) is restricted by such covenants, the University could incur additional indebtedness in the future, and the additional payments of principal and interest required for such indebtedness could limit the funds available to pay the Loan Repayments and the payments of principal and interest required for the University's existing indebtedness.

Pro Forma Debt Service Coverage

Certain historical operating revenue for the University and computed pro forma debt service coverage is provided in Appendix I, "THE UNIVERSITY – Maximum Annual Debt Service and Pro Forma Coverage Statement." The pro forma coverage is a mathematical computation as reflected in the applicable table, and constitutes no assurance as to the future sufficiency of University revenues to satisfy University operations and Bond and other debt service requirements.

Derivative Products

The University may enter into interest rate swaps or other similar arrangements in the future. Under certain market conditions, termination of an interest rate swap agreement prior to its expiration may require the University to pay a termination fee to the counterparty to the agreement and such payment could be material to the University. The University has no interest rate swap agreements in place at the current time.

Endowment Portfolio Risk

Market conditions that negatively affect the University's investments may adversely affect debt service coverage and endowment spending. The University's Board of Trustees has approved an investment policy which gives specific guidance about portfolio investments. The University's investment policy defines a diversified investment portfolio utilizing external money managers. The operating budget of the University includes an annual contribution from permanent endowment funds for Fiscal Year 2021 of 4.5% and for Fiscal Year 2020 of 4.5% of the endowment's prior three-year moving average. See also Appendix I, "THE UNIVERSITY – Endowment Funds."

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 University 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 have been 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 decrease, the Bonds may lack liquidity in the secondary market. See "RATING" in this Official Statement.

Potential Impact of COVID-19

In March 2020, the World Health Organization declared the spread of Coronavirus Disease ("COVID-19") a worldwide pandemic. Due to COVID-19, in mid-March 2020, the University sent students home to finish the Spring semester remotely via online instruction. Nearly all campus events for the remainder of the 2019-20 academic year were canceled or postponed through July 2020, including the University's Spring 2020 commencement. As a result of sending the students home, the University refunded $3,375,000 to students for a portion of their room, board, and other charges in Spring 2020. To help offset a portion of this lost revenue, the University implemented cost cutting measures, and pursuant to the federal Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") also received a Department of Education grant in the amount of $1,357,136, of which one-half, or $678,568, was required to be disbursed to students, and the other half was retained by the University.

The University implemented COVID-19 protocols per Minnesota Department of Health standards, and has operated the 2020-21 academic year with students living on campus. The University had COVID-19 testing protocols in place for students to quickly identify infected or at risk students to mitigate spread on campus. Community testing events were also held before and after major holiday travel. For the Fall 2020 semester, the University utilized a hybrid delivery learning model with a block schedule, with a portion of students attending class in-person and others attending remotely from other locations on campus in order to manage student interaction within the classroom. The Fall 2020 semester began with residence halls at 94% occupancy. After the Thanksgiving holiday, the University allowed students the option of completing the Fall 2020 semester from home and refunded $872,000 to students who chose to do so for a portion of their room and board. Similar to the Fall 2020 academic term, the Spring 2021 semester has been held on campus with a primarily block schedule and hybrid learning. There has been no evidence of direct transmission of cases in classrooms, and there has been no suspension of in-class learning in the 2020-21 academic year. The University expects to hold its Spring 2021 commencement in person on May 16, 2021.

Beginning with the Fall 2021 semester, the University expects to return to a traditional semester schedule. The University expects to offer its 4-credit courses throughout the span of the semester, meaning students will routinely enroll and participate in four 4-credit courses at the same time for the duration of the semester. Additionally, the University expects Athletics events, intramural, and extramural activities to return to normal operations in Fall 2021.

The Governor of Minnesota declared that beginning March 30, 2021 all Minnesota residents 16 years of age and older were eligible to be vaccinated. This may accelerate the return to a more normal state of operations for companies, non-profits, and governments within the State. The University continues to monitor and follow guidance from federal, state and local health officials and governmental authorities on how to safely protect faculty, staff, students, patients and visitors on campus.

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 University finances and operations. The full impact of COVID-19 and the scope of any adverse impact on University finances and operations cannot be fully determined at this time.

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 University 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 University has a security program that includes measures to enable secure processing, transmission, and storage of confidential and other sensitive information. This program also includes end-user risk management strategies such as two-factor authentication, yearly security trainings, and a monthly phishing educational program. The University also has detection systems and processes in place to identify if breaches occur, as well as plans and processes to assist in the remediation of incidents if they occur. Information Systems security breaches could create disruption or shutdown of the University's information systems and services. They could also facilitate unauthorized access to or disclosure of confidential or restricted information.

Despite implementing, monitoring, and regularly updating information system security measures, the University may remain vulnerable to disruption 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 University's information systems could interrupt the University's operations, damage its reputation, and create additional costs, liability claims or regulatory penalties. It could have a material adverse effect on the operation and financial condition of the University.

The University has a cybersecurity insurance policy to assist in providing funding to remediate incidents if they were to occur.

Environmental Matters

Colleges and universities are subject to a wide variety of federal, state and local environmental and occupational health and safety laws and regulations. These typically include: air and water quality control; waste management; hazardous materials and wastes; and other requirements. Typical operations include, to some extent and in various combinations, the handling, use, storage, transportation, disposal and discharge of infectious, toxic, flammable and other hazardous materials, wastes, pollutants or contaminants. Because of this, operations of the University are susceptible to financial and legal risks associated with compliance with applicable laws and regulations.

The University has covenanted in the Loan Agreement to comply with all applicable environmental laws. No environmental studies have been performed with respect to the Project Facilities. The University is not aware of any environmental condition at the Project Facilities or any of the University's other property that requires any present remedial action. The discovery of such a condition with respect to any of the other property of the University could adversely impact the University, resulting in damages to individuals, property, or the environment or may result in penalties or other government agency actions. There can be no assurance that the University will not encounter such risks and such risks may result in adverse material consequences to the operations or financial condition of the University.

Environmental and climate-related risks may result in indeterminate and unpredictable consequences for the University. Natural disasters such as tornados, windstorms, snow events and other naturally occurring phenomena cannot be predicted with certainty. There can be no assurance that the University will not encounter such risks in the future or that such risks will not have an adverse effect on the operations or financial condition of the University.

Other Possible Risk Factors

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

(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) Changes in management, changes in key management personnel could affect the capability of the management of the University.

(3) Adoption of federal, State or local legislation or regulations, such as limitations on tuition increases, having an adverse effect on the future operating or financial performance of the University.

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

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

See also "TAX CONSIDERATIONS – Related Federal Tax Considerations," "TAX CONSIDERATIONS – Minnesota Tax Considerations," and "TAX CONSIDERATIONS – Changes in Federal and State Tax Law" herein.

USE OF PROCEEDS

The Plan of Finance

The proceeds of the Bonds will be loaned to the University by the Authority and will be used to finance:

1. the acquisition, construction and equipping of a new 96-bed townhouse style student residence facility;
2. renovation and upgrades to Peter Engel Science Center;
3. renovation of the first floor and third floor of Wimmer Hall;
4. construction of a pedestrian bridge connecting the lower campus and upper campus across Stumpf Lake;

5. capital improvement and renovation projects, including a student center (Sexton Commons) and student residence facilities (Saint Thomas Aquinas Hall and Saint Mary Hall) (along with items (1) (2) (3) and (4) above, is the "Project"); and
6. pay certain issuance costs.

The Project

On the Issue Date, a portion of the Bond proceeds will be deposited into the Construction Account established under the Indenture to be used to fund the Project, including the following:

(a) Third- and fourth- year student residence called Flynntown Townhomes: construction of a residence hall comprised of two buildings, each with two stories and a basement level, totaling approximately 45,395 square-feet of space. The estimated cost is $12,000,000, including associated site work such as landscaping, utilities, infrastructure, and the provision of furniture, fixtures and equipment. Flynntown Townhomes will be located in the University's lower campus and will replace the current Seton apartments that are slated to be torn down. Flynntown Townhomes will provide 96 beds, which is an increase of 15 more beds than Seton apartments. The University has entered into a guaranteed maximum price contract with LS Black Constructors for this portion of the Project. Work will commence in May of 2021 and is scheduled for completion in August of 2022, with expected occupancy in August of 2022 concurrent with the start of the 2022-2023 school year.

(b) Peter Engel Science Center renovations and upgrades: renovation of and upgrades to the University's Peter Engel Science Center at an estimated cost of $5,200,000, including utilities, infrastructure, and the provision of furniture, fixtures and equipment. The Peter Engel Science Center is located on the upper campus. New Features of the Peter Engel Science Center include updated classrooms, laboratory space, and lighting. Work was completed in two phases, commencing in May of 2019 and completed in October of 2020, pursuant to a declaration of intent adopted November 16, 2018.

(c) Wimmer Hall renovations: renovation of two floors of the University's Wimmer Hall at an estimated cost of $3,200,000. New features of Wimmer Hall will include space for use by a new marketing department, as well as a meeting room space for conferences and meetings to service the entire campus. Work will commence in May of 2021 and is scheduled for completion in December of 2022.

(d) Construction of a pedestrian bridge connecting the lower campus and upper campus: construct a ten-foot wide steel pedestrian bridge with a concrete deck across Stumpf Lake connecting the University's lower campus and upper campus. The University has entered into a guaranteed maximum price contract with LS Black Constructors for this portion of the Project. The total cost of the pedestrian bridge is estimated to be $1,500,000. Construction will commence in May of 2021 with an estimated completion date in August of 2022.

(e) The University also plans to undertake up to $3,100,000 in capital improvements and renovation projects, including a student center (Sexton Commons) and student residence facilities (Saint Thomas Aquinas Hall and Saint Mary Hall) from May of 2022 through April of 2023.

The total estimated cost of the Project is $25,000,000, which the University will finance from Bond proceeds.

SOURCES AND USES OF FUNDS

Sources	
Par amount of the Bonds	$21,560,000.00
Original Issue Premium	3,708,882.75
Total Sources:	$25,268,882.75
Uses	
Cost of the Project	$25,000,000.00
Costs of Issuance*	264,084.00
Bond and Interest Sinking Fund Account	4,798.75
Total Uses:	$25,268,882.75

* *Includes, without limitation, Underwriter's discount, legal and advisory fees, Authority fees, printing costs and other costs associated with the issuance of the Bonds. In the event Bond issuance costs, including Underwriters' discount, exceed 2% of the Bond proceeds, such excess shall be paid by the University from sources other than Bond proceeds.*

SOURCE OF PAYMENT FOR THE BONDS

General

The Bonds will be special obligations of the Authority payable solely from Loan Repayments made by the University 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 University, and other funds the Trustee holds under the Indenture. The University will agree pursuant to the terms of the Loan Agreement and the Indenture 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 University agrees to make such payments out of its operating funds or any other moneys legally available.

The University covenants and agrees to charge tuition fees, other fees, rentals and charges which, together with the 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 University as they become due.

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.

Negative Pledge

As further security for the payments required to be made under the Loan Agreement, the University will covenant that except for Permitted Encumbrances, and as otherwise permitted by the Loan Agreement, the University 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 the Negative Pledge Property, which consists of the Flynntown Townhomes and Peter Engel Science Center, as further described in the Loan Agreement.

ACCOUNTS

Summary

The Indenture will provide for the creation of certain trust accounts into which certain proceeds from the sale of the Bonds and revenues received as Loan Repayments 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. Following Bond Closing, amounts received by the Trustee from the University as Loan Repayments are to be deposited into the Bond and Interest Sinking Fund Account and the Redemption Account as required by the Loan Agreement and used, to the extent needed, to redeem or pay the principal of and interest on the Bonds.

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 University 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 University 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.

There shall be deposited into the Construction Account the amount specified in the Indenture to be applied to the costs, fees and expenses incurred in connection with the issuance of the Bonds. The Trustee shall disburse funds from this account upon presentation to the Trustee of an invoice approved by the Authorized Institution Representative or the Authorized Authority Representative. The University will agree in the Loan Agreement to pay out of available general funds all costs of issuance of the Bonds (including underwriting discount) in excess of 2.00% of the proceeds of the Bonds (principal adjusted for net original issue discount or net original issue premium according to the reoffering scale). Any funds remaining in the Construction Account after completion of the Project shall be transferred to the Redemption Account.

Bond and Interest Sinking Fund Account

Initially there shall be deposited into the Bond and Interest Sinking Fund Account any amount of Bond proceeds representing accrued interest, if any, or rounding amount. Deposits shall be made to the Bond and Interest Sinking Fund Account from transfers of amounts in other accounts, as permitted by the Indenture, and from Loan Repayments made by the University. Deposits into the Bond and Interest Sinking Fund Account shall be made at least five (5) Business Days prior to each Interest Payment Date in an amount sufficient, together with other amounts on deposit in such account, to pay interest and principal, if any, coming 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, for the redemption of outstanding Bonds at the request or direction of the University and 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 in its discretion 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 University 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 only in investments as authorized by the Act, as limited by the additional restrictions set forth in the Indenture. The Indenture sets forth specific parameters as to type, credit quality, and maturity of investments. See Appendix V, "SUMMARY OF DOCUMENTS – The Indenture – Authorized Investments."

FUTURE FINANCINGS

The University regularly improves, expands and changes its physical plant and incurs long-term financing as needed for these purposes. The University does not anticipate financing additional projects with debt within the next 12 months. The University also monitors its existing debt for refunding opportunities. Refunding existing debt and replacing it with new debt may alter the University's overall debt service payments.

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 known as 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 $3.1 billion, of which approximately $964 million of Authority issued debt is outstanding as of May 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 TO THE AUTHORITY

The Authority has retained Baker Tilly Municipal Advisors, LLC as municipal advisor in connection with certain aspects of the issuance of Bonds (the “Municipal Advisor” or “BTMA”). BTMA is a registered municipal advisor and controlled subsidiary of Baker Tilly US, LLP (“BTUS”), an accounting firm and has been retained by the Authority to provide certain financial advisory services including, among other things, preparation of the deemed “nearly final” Preliminary Official Statement and the Final Official Statement (the “Official Statements”). The information contained in the Official Statements has been compiled from records and other materials provided by Authority and University officials and other sources deemed to be reliable. The Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements. The Municipal Advisor’s duties, responsibilities and fees arise solely as Municipal Advisor to the Authority and they have no secondary obligations or other responsibility.

Municipal Advisor Registration:

BTMA is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, BTMA is providing certain specific municipal advisory services to the Authority, but is neither a placement agent to the Authority nor a broker/dealer and cannot participate in the underwriting of the Bonds.

The offer and sale of the Bonds shall be made by the Authority, in the sole discretion of the Authority, and under its control and supervision. The Authority has agreed that BTMA does not undertake to sell or attempt to sell the Bonds, and will take no part in the sale thereof.

Other Financial Industry Activities and Affiliations:

BTUS is an advisory, tax and assurance firm headquartered in Chicago, Illinois. BTUS and its affiliated entities, have operations in North America, South America, Europe, Asia and Australia. BTUS is an independent member of Baker Tilly International, a worldwide network of independent accounting and business advisory firms in 47 territories, with 33,600 professionals.

Baker Tilly Investment Services, LLC ("BTIS") is registered as an investment adviser with the Securities and Exchange Commission ("SEC") under the Federal Investment Advisers Act of 1940. BTIS provides discretionary and non-discretionary investment management services to government and municipal entities. BTIS may provide advisory services to the clients of BTMA.

Baker Tilly Capital, LLC ("BTC"), a wholly owned subsidiary of BTUS, is a limited purpose broker/dealer registered with the SEC and member of the Financial Industry Regulatory Authority. BTC provides merger & acquisition, capital sourcing and corporate finance advisory services. BTC may provide transaction advisory services to clients of BTMA.

Baker Tilly Financial, LLC ("BTF"), a wholly owned subsidiary of BTUS, is an investment adviser registered with the SEC. BTF provides both discretionary and non-discretionary portfolio management, consulting and retirement plan management services to individuals and retirement plans. BTF may provide advisory services to the clients of BTMA.

BTMA has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

UNDERWRITING

The Bonds are being purchased by RBC Capital Markets, LLC (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a purchase price of $25,184,798.75 (representing the aggregate principal amount of the Bonds less an underwriter's discount of $84,084.00 plus original issue premium of $3,708,882.75).

The Underwriter intends to offer the Bonds to the public initially at the offering prices which result in the yields 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 University 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.

The Underwriter has provided the following information for inclusion in this Official Statement: The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Authority and/or the University. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Authority and/or the University. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future.

THE TRUSTEE

The University has appointed U.S. Bank National Association, a national banking association organized under the laws of the United States of America, to serve as Trustee. The Trustee is a national banking association organized and existing under the laws of the United States of America, having all of the powers of a bank, including fiduciary powers, and is a member of the Federal Deposit Insurance Corporation and the Federal Reserve System. The Trustee is only responsible to carry out those specific duties assigned to it under the Indenture. Except for the contents of this section, the Trustee has not participated in the preparation of this Official Statement or any other disclosure documents relating to the Bonds. Except for information under the heading "The Trustee," the Trustee has or assumes no responsibility as to the accuracy or completeness of any information contained in this Official Statement or any other such disclosure documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the University of any of the Bonds authenticated or delivered pursuant to the Indenture. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

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 long-term rating of "A2" to the Bonds. This rating reflects only the view of such rating agency. Further information concerning such rating is available from Moody's.

Generally, a rating agency bases its ratings on the information and materials furnished it and on investigations, studies and assumptions by the rating agency. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by the rating agency if in its 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 University 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 University 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. of 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 University by Lathrop GPM LLP, Minneapolis, Minnesota; and for the Underwriter by Dorsey &Whitney LLP, Minneapolis, Minnesota.

TAX CONSIDERATIONS

Federal Tax-Exempt Interest

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excludable from gross income under Section 103 of the Code. These requirements include, but are not limited to, (1) provisions relating to the expenditure of Bond proceeds, (2) provisions which prescribe yield and other limits relative to the investment of the proceeds of the Bonds and other amounts, (3) provisions which require that certain investment earnings be rebated periodically to the Federal government and (4) provisions relating to the ownership or leasehold interest 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 University, 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 Appendix V, "SUMMARY OF DOCUMENTS – The Loan Agreement – Determination of Taxability"). 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 not includable in 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 of deduction.

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 taxable net 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 proposals from the President or Administration, 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 whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds 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, 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

The Bonds were sold to the public at an amount in excess of their stated redemption price at maturity (the "Premium Bonds"). Such excess of the purchase price of a Bond over its stated redemption price at maturity constitutes premium on such Bond. A purchaser of a 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 any Bonds at a premium, 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 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 Internal Revenue Code of 1986 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.

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THE UNIVERSITY

General

Saint John's University (the "University"), located in Collegeville, Minnesota, was founded in 1857 by the Order of St. Benedict ("OSB"), a Benedictine Monastery in Collegeville, Minnesota. It is one of the oldest institutions of higher learning in the Midwest.

Prior to July 1, 2012, the University was an operating division of the OSB. On July 1, 2012, St. John's University began operations as a new separate civil corporation. On that date OSB relinquished the management and direction of the University to the University Board of Trustees and gifted all assets and liabilities previously held by the University operating division to the new University civil corporation. The University has two classes of corporate members, both of which consist of members of Saint John's Abbey. The corporate members have certain reserved rights such as the right to elect five members of the University's Board of Trustees and the right to approve certain corporate actions initiated by the Board of Trustees including, but not limited to, the election of new Trustees and the appointment of the President of the University. The University has a land lease agreement with OSB for all of the land that the University's campus encompasses. The land lease is for a term of 50 years with a five-year renewal option subject to negotiation every five years. The University finalized the first five-year renewal in June 2017. In addition, the University leases several OSB buildings used for University operations. The University and OSB share certain administrative and facility costs, which are allocated between the two entities. For more detail, see Appendix VII, "Saint John's University, Collegeville, Minnesota, Financial Statements, Years Ended June 30, 2020 and 2019," Note 1.

The University offers four-year undergraduate degrees in the College of Arts and Sciences and graduate degrees in the School of Theology. Enrollment in the College of Arts and Sciences is limited to men; however, the School of Theology admits both men and women.

Although the University continues to enroll only undergraduate men, it also educates undergraduate women through its cooperation with the College of Saint Benedict, a four-year undergraduate college for women, which is four miles from the University. The University does not own or control the College of Saint Benedict, but the two schools cooperate in virtually all aspects of college life. They share a common academic calendar, maintain a single registrar's and admissions office, and operate a combined library system and joint academic and administrative computing services. Requirements for most major programs are the same for students from both colleges. Students may generally attend classes on either campus.

Accreditation

The University is accredited by the North Central Association of Colleges and Secondary Schools as well as by appropriate professional organizations. The University is also registered with the Minnesota Office of Higher Education in accordance with Minnesota Statutes.

The University admits qualified students without regard to race, color, age, religion or veteran status in accordance with the requirements of federal and State law.

Saint John's University Board of Trustees

The Saint John's University Board of Trustees currently consists of 32 members. The Board may have up to 35 lay members, five monastic members, one faculty Trustee, one student Trustee, and one Trustee elected by the alumni association. A term on the Board of Trustees consists of three years. Trustees may be re-elected for up to three terms. After nine years of service, a Trustee must roll off the Board for at least one year before he or she can be re-nominated to serve a new term.

Members of the University's Board of Trustees direct and control the University in their oversight of institutional affairs in accord with the Statutes and Bylaws of the University and as implemented through periodic statements of mission and purpose and institutional plans. The following are the current members of the Board:

Board Member	Occupation and/or Location
Bennett Morgan ’85	Retired President and Chief Operating Officer, Polaris Industries, Excelsior, Minnesota
Joe Mucha ’66	Retired Vice President, General Mills, Golden Valley, Minnesota
Thomas Nicol ’91	Managing Partner, Excelsior Benefits, LLC, Excelsior, Minnesota
Edgar C. “Chip” ’Ray 82	Senior Advisor, APTIM Corp., Wayzata, Minnesota
Anthony Ruff, OSB ’86	Associate Professor/Founding Director, National Catholic Youth Choir, Saint John’s University, Collegeville, Minnesota
Joyce Schlough	Retired, Park Industries, Inc., St. Cloud, Minnesota
Kelly Skalicky	CEO and President, Stearns Bank NA, St. Cloud, Minnesota
Gregory Soukup ’72	Chairman, Warrior Manufacturing, LLC., Hutchinson, Minnesota
Michael Urbanos ’72	General Counsel and Secretary, Space Center Inc., Roseville, Minnesota
Dan Whalen ’72	President, Whalen Family Foundation, Oakland, California

Administration

The Interim President and the Vice President for Finance and Administration are as follows:

Interim President. Dr. Eugene McAllister, Ph.D. began his appointment as Interim President of the University on August 1, 2019 and will step down as Interim President at the end of the 2020/2021 academic year. Dr. McAllister received his undergraduate degree in economics from Loyola University of Los Angeles, his master’s degree from the University of California (Davis), and his Ph.D. from Catholic University of America in Washington, D.C.

Previously, Dr. McAllister served as the president of the University of Great Falls, Montana (now called Providence University). Dr. McAllister was also the Vice President for Financial Affairs at Jacksonville University for four years and also worked as an Assistant Secretary for Economic and Business Affairs in the U.S. Department of State during President George H.W. Bush’s administration and served in various capacities on staff for President Ronald Reagan.

On April 15, 2021, the Board of Trustees announced the appointment of Dr. James Mullen as the Interim President commencing June 1, 2021. Recent positions in Dr. Mullen’s extensive, distinguished career in higher education include president of Allegheny College in Pennsylvania (2008-19), president in residence at Harvard Graduate School of Education (2019), past chair of the board of the American Council on Education and current chair of the board of Project Pericles. His tenure as transitional president is intended to extend through June 30, 2022

*Vice President for Finance and Administration***.** Richard Adamson became the Vice President for Finance and Administration in January of 2007. In this position, he is responsible to the President of the University, and serves as his chief advisor on all matters pertaining to the financial and business affairs of the University.

Mr. Adamson was the Controller at Augsburg College, Minneapolis from 1989-99, and was Augsburg’s vice president for finance and administration and chief financial officer from 1999 until coming to the University in 2007. Prior to his Augsburg tenure, he was a senior public accountant at Adrian Helgeson and Company in Minneapolis.

Mr. Adamson earned a bachelor's degree in accounting in 1983 from the University of St. Thomas, Saint Paul, Minnesota, where he graduated cum laude. He is a certified public accountant.

Executive Search Recruitment Process and Proposed Leadership Changes

Saint John's University and the College of Saint Benedict have applied to the Higher Learning Commission (HLC) for approval to be led by one president under a plan developed by the governing bodies of both institutions, providing for further strategic coordination between the two institutions that share an academic program. Planning for a single leader has been taking place while both institutions are led by interim presidents. The proposal requires governance and accreditor approvals. An HLC decision is expected in November 2021.

If the proposal is approved, the Boards of both institutions would conduct a national search for a single president. The two institutions would be governed by separate Boards with overlapping lay membership. Both institutions would remain separate Minnesota nonprofit corporations described in Section 501(c)(3) of the Internal Revenue Code, with safeguards in place to protect their individual assets. Neither institution would assume or guarantee any liabilities or obligations of the other.

University Facilities

The University has a land lease agreement with OSB for all of the land that the University's campus sits on. In addition, the University leases several OSB buildings needed for University operations. See Appendix VII, "Saint John's University, Collegeville, Minnesota, Financial Statements, Years Ended June 30, 2020 and 2019," Note 1 and Note 17.

There are currently thirteen academic buildings and 34 student residence facilities on the University campus. Eight of the academic buildings are on the National Register of Historic Places. The oldest building, the Quadrangle, was originally built in 1868. The Abbey and the University Church, the Alcuin Library, the Peter Engel Science Center and several residence halls were designed by Marcel Breuer, internationally known Bauhaus architect.

The Flynntown student apartments, a $4.5 million, 31,500 square foot facility, opened in August 2009. The building houses 58 students and contains 15 apartments, including two three-bedroom ADA units. Also completed in August 2009 was the McKeown Center, an approximately 12,000 square foot community center which serves the upperclassmen housed on campus. The building includes laundry facilities, study rooms, a community kitchen, and recreational space. The McKeown Center, which was constructed at a cost of $2.6 million, is the campus' first LEED certified building.

In 2013 and 2014, the campus' outdoor athletic fields were upgraded. A natural turf soccer field and dugouts were constructed in 2013 at a cost of approximately $560,000. A baseball field that includes a synthetic infield and outfield was also constructed that same year at a cost of approximately $2.2 million. Additional baseball complex enhancements include dugouts, batting cages, and a 500 seat grandstand, which were completed in 2014 at a cost of $1.1 million.

Between 2015 and 2017, several athletic capital projects were completed. Projects included; a concession building and plaza, lighting for the baseball field, golf center, six-court outdoor tennis facility, and a synthetic turf multi-sport field covered by a seasonal dome between October 15 and April 15 each year.

In addition, the renovation of the Alcuin Library was completed and reopened in February 2017. The construction of the Learning Commons, a two-story, approximately 23,000 square foot academic building adjacent to and with a direct link to the Alcuin Library, was completed in August 2017. The combined cost of these projects was approximately $26,000,000.

Academic Information

The University confers the Bachelor of Arts degree to undergraduates completing all departmental and University requirements. The School of Theology currently offers the Master of Arts degree in theology, pastoral ministry, liturgical studies and liturgical music and the Master of Divinity degree.

The University follows the early semester academic calendar of two semesters each consisting of 72 class days and 4 days of final examinations. A normal course load is considered four, 4-credit classes per semester. See "INVESTMENT CONSIDERATIONS - Potential Impact of COVID-19" herein for an explanation of how the University adapted its academic calendar in 2020 and 2021 due to COVID-19 pandemic.

The libraries at the College of Saint Benedict and Saint John's University serve the campus communities with a joint staff and coordinated programs and services. The libraries support the development of critical thinking, personal inquiry, and lifelong learning in addition to providing resources needed for assignments. Together, Clemens Library at Saint Benedict's and Alcuin Library at Saint John's hold over one million items, including over 650,000 print volumes, 600,000 electronic books, 200 active print periodical subscriptions, 88,000 electronic periodical titles, and 40,000 streaming media materials. The libraries' online catalog at http://csbsju.worldcat.org/ allows students to search the collections of both facilities, as well as thousands of libraries around the world. Users can borrow from the collections of the University of Minnesota, other Minnesota libraries (MINITEX), as well as libraries throughout the United States through an interlibrary lending service.

Strategic Plan – "Strategic Directions 2020"

The University's current Strategic Plan (the "Plan"), captioned "Strategic Directions 2020" is a joint plan with the College of Saint Benedict, and was implemented in May of 2015. The Plan was developed through extensive collaboration by a team of joint of faculty and staff from the University and the College of Saint Benedict, each institution's President, and respective Board of Trustees. The Plan includes four pillars to define the University's distinction in higher education and assuring that its curricular and co-curricular experience and practice adapts to the needs, expectations, and aspirations of a 21st century student body.

The four pillars as follows:

- Liberal Arts for Life;
- Holistic and Transformational Development of Women and Men;
- Inclusive and Engaging Catholic and Benedictine Experience; and
- Shared Future, Sustainable Future.

Each of the four pillars contain individual goals which are implemented by the University and the College of Saint Benedict's respective divisions and departments. The goals are measured through the Office of Institutional Planning and Research which reports to each institution's President and respective Board of Trustees. These groups oversee and assess the implementation of the four pillars. The Board took action to extend the 2020 plan two additional years. Additional information and further detail about the Plan can be found on the University's website at: https://www.csbsju.edu/strategic-directions-2020/sd-2020-coordinate.

Student Enrollment

The University's total historic enrollment for undergraduate and graduate students for the past five years is as follows:

Fiscal Year	Head Count	FTE
2015/16	1,869	1,804
2016/17	1,849	1,808
2017/18	1,815	1,779
2018/19	1,777	1,726
2019/20	1,727	1,679
2020/21	1,668	1,621

Of the 414 persons enrolled in the 2020/21 undergraduate freshman class, 333 or 80% are Minnesota residents.

Freshman Applications, Acceptances and Enrollments

	2016/17	2017/18	2018/19	2019/20	2020/21
Applications	1,457	1,461	1,421	1,746	1,595
Acceptances	1,279	1,315	1,241	1,367	1,286
Percent Accepted	88%	90%	87%	78%	81%
Enrolled	461	465	398	414	414
Percent Enrolled to Accepted	36%	35%	32%	30%	32%
Mean ACT Score	25	25	25	25	25
Mean SAT Verbal/ Math Scores	515/525	542/555	564/576	565/535	545/545

As of May 3, 2021 the University has accepted 1,325 freshman applications for the fall 2021 term, compared to 1,274 freshman applications accepted as of the same date in 2020. The University has received deposits of 373 for the fall 2021 term, compared to 307 as of the same date in 2020. The University's Fiscal Year 2022 budget is based on a freshman class of 420.

Student Retention

The University reports the following student retention percentages, based on tracking incoming freshmen through to graduation.

Fall	New	Percent of Students Returning				Percent of Graduates	
Semester	Freshmen	2nd Year	3rd Year	4th Year	5th Year	4 Years	By 5th Year
2016	461	87.9	80.7	77.9	4.6	69.0	*
2017	465	87.1	81.5	77.8			
2018	398	85.4	79.9				
2019	414	82.4					
2020	414						

* *Information is not yet available.*

The University experienced strong student retention between Fall 2020 and Spring 2021 with total enrollment exceeding budget by 9 students. Additionally, early registration for Fall 2021 is positive.

Tuition and Fees

The University meets the costs of its educational programs primarily through tuition and fees. The following table lists the tuition, room and board fees for the past five years, charged to a full-time, incoming freshman.

	2016/17	2017/18	2018/19	2019/20	2020/21
Tuition	$41,016	$42,574	$44,184	$45,730	$47,332
Room*	4,946	5,070	5,172	5,276	5,436
Board	4,946	5,046	5,148	5,252	5,926
Activity Fee	440	500	518	528	540
Technology Fee	276	282	288	288	294
Total	$51,624	$53,472	$55,310	$57,074	$59,528

* *Amounts represented above are average room charges; actual amounts may be more or less depending on the residence.*

Special fees may be charged for specific courses such as science labs, arts fees or music lessons.

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Comprehensive Charges for 2020/21 at Minnesota's Private Colleges

College or University	Tuition and Fees	Room and Board	Comprehensive Charges[(a)]
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[(c)]	$47,383	$11,903	$59,286
Hamline University[(b)(d)]	$45,145	$10,810	$55,955
St. Catherine University[(b)]	$45,374	$9,300	$54,674
Concordia College (Moorhead)	$43,266	$8,890	$52,156
Augsburg University[(b)]	$40,005	$10,885	$50,890
Minneapolis College of Art and Design	$41,794	$ 8,380	$50,174
Bethel University[(b)]	$39,030	$10,960	$49,990
The College of St. Scholastica[(b)]	$39,410	$10,340	$49,750
Saint Mary's University of Minnesota[(b)]	$38,200	$9,710	$47,910
Bethany Lutheran College	$28,510	$ 8,150	$36,660
Concordia University, St. Paul[(b)]	$23,400	$9,600	$33,000
Minnesota Private College Averages	$43,906	$10,703	$54,610

Source: Survey data provided by Minnesota Private Colleges.

(a) *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.*

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

(c) *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.*

(d) *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 98% of the student body annually receives some form of financial aid. The following table is a five-year summary of financial assistance received from both University and non-University sources.

	2016/17	2017/18	2018/19	2019/20	2020/21*
Loans:					
Federal	$ 9,229,689	$ 8,966,794	$ 8,235,439	$7,823,892	$6,928,340
Private	5,242,791	4,587,612	4,816,677	5,151,587	4,187,336
Total Loans	14,472,480	13,554,406	13,052,116	$12,975,479	$11,115,676
Student Employment (All Sources)	3,109,164	3,137,753	3,038,007	2,227,085	1,827,649
Gift Aid:					
Federal/State	3,817,776	4,363,917	4,586,805	4,269,428	4,152,452
University	38,250,301	39,055,305	39,811,623	40,804,931	42,191,530
Private	541,349	225,497	457,418	632,302	568,587
Total Gift Aid	42,609,426	43,644,719	44,855,846	45,706,661	46,912,569
Total:	$60,191,070	$60,336,878	$60,945,969	$60,909,225	$59,855,894

* *Preliminary unaudited figures as of April 2021.*

Athletics

The mission of the University's athletics program is to empower student-athletes and encourage them toward lives marked by high academic, athletic and social achievement, personal accountability, and public contribution while holistically developing each individual within the academic community.

The University is an NCAA Division III school and a member of the intensely competitive Minnesota Intercollegiate Athletic Conference ("MIAC"). The MIAC was founded in 1920 and strives to guide, govern and support fair and equitable athletic competition and promote student-athlete well-being among its members. The MIAC recognizes and celebrates the important contribution competitive athletics can make to the quality of an education experienced in a context in which the academic program is paramount.

The University currently offers men the opportunity to compete in 11 varsity sports and seven athletic club teams. Men's Varsity Sports offered at the University include: Baseball, Basketball, Cross Country, Football, Golf, Ice Hockey, Soccer, Swimming & Diving, Tennis, Indoor and Outdoor Track & Field, and Wrestling. Athletic club teams include Rugby, Lacrosse, Volleyball, Ultimate, Hockey, Soccer, and Bowling. Crew, Nordic Skiing, and Water Polo are co-sponsored in cooperation with the College of Saint Benedict. More than 500 undergraduate students participate in intercollegiate varsity or club competitions annually. Also, nearly 1,200 students participate in the intramural sports programs on campus.

As a result of COVID-19, the University postponed the Fall sports of Cross Country, Football, Golf, and Soccer until spring. The MIAC winter sports of Basketball, Hockey, Indoor Track and Field, and Swimming and Diving participated in regular-season competition. The MIAC did not host winter-sport playoffs nor conference postseason championship meets; and there were no NCAA championships for winter sport teams or individuals.

The MIAC is proceeding with a full spring-sport season, including conference championships for Baseball, Tennis, Golf, and Outdoor Track and Field. For postponed fall sports competing in the spring, Soccer is participating in a condensed schedule, while Cross Country and Football teams were given the autonomy to schedule up to four contests as each institution saw fit. There will not be conference championships for fall sports this spring, other than Golf. MIAC institutions retained the ultimate authority over whether or not to participate in intercollegiate athletics or MIAC schedules this spring. The University's football team will not play games against outside competition this spring and will instead focus on preparing for the fall season.

The University expects athletic events and intramural and extramural activities to return to normal operations in Fall 2021.

Faculty

The student-faculty ratio is approximately 12 to 1. There are no religious or denominational prerequisites or any participatory religious requirements for faculty membership. The University subscribes to the 1940 Statement of Principles on Academic Freedom of the American Association of University Professors and the Association of American Colleges.

For the 2020/21 Fiscal Year, the University has 133 full-time and 19 part-time faculty.

61% of the full-time faculty are tenured.

Retirement Plan

The University has a defined contribution retirement plan covering substantially all of its fulltime lay employees. For employees beginning full-time benefit eligible employment prior to July 1, 2017, the University contributes 9% of the covered employee's salary and the employee contributes 2%. For employees beginning full-time benefit eligible employment after July 1, 2017, the University contributes a graduated amount for the first four years until reaching 9% in year five and then after, and the employee contributes 3%. Total retirement plan contributions by the University for the years ended June 30, 2020 and 2019 was $1,953,585 and $1,960,981, respectively.

University Investments

The University has adopted investment guidelines that describe the investment program and provide a framework for the ongoing management of assets and facilitation of an annual review of investment program guidelines. Within these guidelines investment goals and objectives are identified; asset allocation strategy recorded; and approved classes of types of investments where assets can be invested identified. These guidelines also record risk tolerance, include social investment guidelines, and spending and rebalancing policies.

University funds as of June 30, 2020 were invested approximately 59.4% in equity securities, 4.8% in short-term investments, 10.2% in debt securities, and 25.6% in other investments.

As of March 31, 2021 (unaudited), the University investment performance was approximately 23.5% with growth in assets of $52,000,000, net of new gifts, operational draws and investment return. The portfolio is highly liquid with over 78% of the assets available within one week.

Capital Campaign

The University's Capital Campaign, "Forward Ever Forward," completed on June 30, 2017. The campaign goal was $160 million and as the campaign's conclusion on October 16, 2017, the University received $188 million in gifts and pledges.

Endowment Funds

The following table lists the University's endowment fund balances available for the Fiscal Years ended June 30, 2016 through 2020.

Fiscal Year Ended June 30	With Donor Restriction	Without Donor Restriction	Totals
2016	$108,508,018	$50,795,638	$159,303,656
2017	$125,213,671	$54,533,333	$179,747,004
2018	$137,047,811	$59,718,094	$196,765,905
2019	$143,779,589	$64,958,058	$208,737,647
2020	$142,901,115	$63,096,217	$205,997,332

As of April 1, 2021, the unaudited market value of the University's endowment funds was $252,200,000.

Financial Statements

Appendix VII sets forth the financial statements of the University for the fiscal years ended June 30, 2020 and 2019, audited by CliftonLarsonAllen 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 (Without Donor Restriction) for Fiscal Years 2016 through 2020

The following table sets forth the statement of activities (showing the portion without donor restriction only) prepared in accordance with GAAP for the fiscal years 2016 through 2020 from the University's audited financial statements. For more complete financial information of the University for the Fiscal Years ended June 30, 2020 and 2019, see Appendix VII of this Official Statement.

SAINT JOHN'S UNIVERSITY
STATEMENT OF ACTIVITIES WITHOUT DONOR RESTRICTIONS
YEARS ENDED JUNE 30,

	2016	2017	2018	2019	2020
OPERATING ACTIVITIES					
OPERATING REVENUES					
Tuition and fees	$ 70,783,343	$ 74,302,698	$ 74,837,007	$ 76,156,722	$ 75,641,035
Funded scholarships and grants - restricted funds	(3,551,404)	(3,657,984)	(3,794,799)	(4,312,449)	(7,894,171)
Less: Funded scholarships and grants-quasi endowments	(1,084,308)	(1,093,833)	(1,081,197)	(1,235,324)	(1,308,718)
Less: Unfunded scholarships and grants	(32,350,627)	(34,568,597)	(35,237,990)	(35,406,899)	(32,709,259)
Net tuition and fees	33,797,004	34,982,284	34,723,021	35,202,050	33,728,887
Government grants:					
Federal grants	708,538	713,975	715,264	638,724	638,739
State grants	169,950	137,693	132,859	279,401	185,437
Private gifts and grants	6,725,580	5,207,948	5,920,225	8,258,874	4,911,346
Other investment income	482,142	335,086	357,609	326,378	283,315
Investment return allocated for operations (draw)	8,037,396	7,986,764	7,968,218	7,838,650	8,971,928
Other sources	2,344,985	2,363,821	2,304,299	2,739,613	1,904,160
Sales and services of auxiliary enterprises:					
Residence halls	8,252,493	8,502,763	8,483,063	8,304,732	6,354,023
Food services	9,091,553	9,158,102	9,101,272	9,092,034	6,970,886
Other auxiliaries	3,983,903	3,760,879	3,841,899	3,389,187	3,071,542
	73,593,544	73,149,315	73,547,729	76,069,643	67,020,263
Net assets released from restrictions	4,008,330	3,512,292	3,692,580	4,641,713	4,491,982
Total Operating Revenues, Gains and Other Support	77,601,874	76,661,607	77,240,309	80,711,356	71,512,245
OPERATING EXPENSES					
Program expenses					
Instruction	25,614,714	25,447,537	26,876,743	26,302,294	24,802,215
Academic support	8,807,624	8,761,451	9,103,004	10,270,128	8,934,671
Student services	9,884,734	9,607,954	10,248,264	10,429,703	10,316,099
Auxiliary enterprises					
Residence halls	4,266,644	4,251,326	4,179,547	4,220,819	4,011,508
Food services	7,433,580	7,340,532	7,310,270	7,535,319	6,494,758
Other auxiliaries	4,199,073	3,360,917	3,150,758	3,034,158	2,885,621
Support expenses					
Institutional support	10,949,602	11,729,262	12,105,726	11,125,449	12,717,908
Other					
Sponsored programs	2,416,133	2,324,880	2,350,265	2,467,694	2,439,950
Total Operating Expenses	73,572,104	72,823,859	75,324,577	75,385,564	72,602,730
Increase (Decrease) in Net Assets from Operating Activities	4,029,770	3,837,748	1,915,732	5,325,792	(1,090,485)
NONOPERATING ACTIVITIES					
Long-term investment activities					
Endowment income	(1,274,631)	10,838,008	7,944,336	6,292,929	1,024,005
Less: investment return allocated for operations (draw)	(3,335,700)	(3,222,069)	(3,062,912)	(2,570,394)	(3,327,954)
	(4,610,331)	7,615,939	4,881,424	3,722,535	(2,303,949)
Private gifts and grants	73,801	461,778	426,917	34,595	12,406
Other investment income	8,620	2,123	2,446	2,347	239
Change in contributions	(1,162,085)	(120,752)	(117,281)	(107,321)	(63,939)
Annuity and unitrust net gifts	8,834	18,948	84,136	124,168	68,371
Adjustment of actuarial liability	(297,143)	(189,841)	(326,258)	(603,211)	(174,625)
Gain (Loss) on extinguishment of debt	-	-	(469,339)	39,640	-
Reclassification of net assets	(25,483)	(48)	-	-	441
	(1,393,456)	172,208	(399,379)	(509,782)	(157,107)
Net assets released from restrictions	3,598,107	7,357,567	4,735,205	1,697,539	1,595,982
Increase (Decrease) in Net Assets from Nonoperating Activities	(2,405,680)	15,145,714	9,217,250	4,910,292	(865,074)
Increase (Decrease) in Net Assets	1,624,090	18,983,462	11,132,982	10,236,084	(1,955,559)
Net Assets - Beginning of Year	174,701,907	176,325,997	195,309,459	206,442,441	216,678,525
NET ASSETS - END OF YEAR	$ 176,325,997	$ 195,309,459	$ 206,442,441	$ 216,678,525	$ 214,722,966

Source: audited financial statements of the University.

Fiscal Year 2021 Operations

The University has successfully operated and managed fiscal year 2021 within the pandemic environment. The University attributed its ability to remain open throughout the year, with its students on campus, to strong pro-active COVID-19 planning and mitigation efforts to ensure campus safety. A significant investment in classroom technology enabled the school to move to a hybrid delivery system using the block system to meet the state-mandated restrictions and manage student interaction within the classroom. Although certain revenue streams experienced decline, expense control along with Federal stimulus awards are expected to result in a projected surplus for the fiscal year ending June 30, 2021. Stimulus awards received in fiscal year 2021 include a grant for $1,933,994 from the Department of Education Coronavirus Response and Relief Supplemental Appropriations ("CRRSA") Act, of which $1,255,426 was retained by the University to offset expenses related to COVID-19, and $678,568 was disbursed to students. In March 2021, the federal American Rescue Plan ("ARP") Act was passed and signed into law. Based on the allocation formula set forth in the ARP Act, the University expects to receive approximately $3.5 million, of which half would be dedicated to direct student assistance and half for reimbursement of the University's COVID-19 related expenses. However, no ARP Act amounts have been awarded to the University at this time and these funds have not been incorporated into the University's fiscal year 2021 results. In addition, the University's balance sheet and liquidity position remain strong. As of March 31, 2021 (unaudited), the market value of the University's endowment funds was $252,200,000, and the University's investment portfolio is highly liquid with over 78% of the assets available within one week. See "INVESTMENT CONSIDERATIONS – Potential Impact of COVID-19" for additional information regarding the University's response to the COVID-19 pandemic.

Long-Term Debt of the University

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

1) $13,815,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Eight-H, dated August 31, 2015, remaining interest rate of 5.00%, final maturity is October 1, 2026; $5,375,000 is outstanding. The full faith and credit of the University secures the bonds.

2) $18,275,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Eight-I, dated December 3, 2015, remaining interest rates range from 3.00% to 5.00%, final maturity is October 1, 2035; $13,380,000 is outstanding. The full faith and credit of the University secures the bonds.

3) $7,595,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series 2017, dated September 20, 2017, remaining interest rates range from 3.00% to 5.00%, final maturity is October 1, 2033; $6,480,000 is outstanding. The full faith and credit of the University secures the bonds.

The University's outstanding debt totals $25,235,000. The University's total long-term debt will increase by the principal amount of the Bonds.

Fiscal Year Annual Debt Service*

Fiscal Year Ending June 30	Existing Debt Service	Series 2021 Bond Debt Service	Aggregate Debt Service
2021	$ 4,139,013		$ 4,139,013
2022	3,160,263	$ 661,944	3,822,207
2023	3,164,038	818,900	3,982,938
2024	2,463,788	1,642,100	4,105,888
2025	2,468,163	1,642,800	4,110,963
2026	2,471,413	1,642,100	4,113,513
2027	2,470,163	1,644,900	4,115,063
2028	1,966,863	1,641,200	3,608,063
2029	1,969,678	1,641,000	3,610,678
2030	1,976,731	1,644,100	3,620,831
2031	1,970,584	1,645,400	3,615,984
2032	1,965,925	1,644,900	3,610,825
2033	1,977,400	1,642,600	3,620,000
2034	1,970,400	1,643,400	3,613,800
2035	1,344,475	1,642,200	2,986,675
2036	1,343,925	1,643,900	2,987,825
2037		1,640,625	1,640,625
2038		1,642,800	1,642,800
2039		1,643,625	1,643,625
2040		1,640,300	1,640,300
2041		1,642,200	1,642,200
Total	$36,822,822	$31,050,994	$67,873,816

* *Excludes the Authority's annual fee and Trustee fees.*

Maximum Annual Debt Service and Pro Forma Coverage Statement

The following table sets forth the University's maximum annual debt service and compares that amount to Fiscal Year 2020 and Fiscal Year 2019 amounts available for debt service. Debt service is based on debt service on the Bonds and debt service on the University's currently outstanding long-term debt. Coverage represents the amount of University revenue that was available for debt service for the year ended June 30, 2020, and June 30, 2019, as further detailed in footnote (b) of the table, divided by maximum annual debt service.

The following table is intended merely to show the relationship of the University's Fiscal Year 2020 and Fiscal Year 2019 revenues available for the payment of debt service to a pro forma statement of the University's combined annual debt service after giving effect to the issuance of the Bonds based on an assumed interest rate schedule with respect to the Bonds. The table is not intended and should not be considered a projection of the University's future revenues, expenses, debt service or debt service coverage. There is no assurance that the University's future revenues, expenses, debt service and debt service coverage 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.

Maximum Annual Debt Service
and Pro Forma Coverage Statement

Fiscal Year	Maximum Annual Debt Service[(a)]	Amount Available for Debt Service[(b)]	Coverage
2020	$4,139,013	$ 5,805,324	1.40x
2019	$4,139,013	12,406,357	3.00x

(a) Maximum annual debt service is based on debt service on the Bonds and actual debt service on the University's outstanding debt.

(b) Net amounts available for debt service:

	Fiscal Year 2020	Fiscal Year 2019
Change in assets without donor restrictions from operating activities	$(1,090,485)	$5,325,792
Plus:		
Depreciation and amortization	5,621,996	5,677,602
Interest expense on funded debt	1,273,813	1,402,963
Net income available for debt service	$5,805,324	$12,406,357

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PROPOSED FORM OF LEGAL OPINION

FRYBERGER
LAW FIRM

$21,560,000
MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
REVENUE BONDS, SERIES 2021
(SAINT JOHN'S UNIVERSITY)

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 (Saint John's University), in the aggregate principal amount of $21,560,000 (the "Bonds"), dated June 10, 2021. The Bonds mature on October 1 in the years 2023 through 2040, 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 Saint John's University (the "University"), a Minnesota nonprofit corporation, located in Collegeville, Minnesota, in order to finance the costs of (i) the acquisition, construction and equipping of a new 96-bed townhouse style student residence facility; (ii) renovation and upgrades to Peter Engel Science Center; (iii) renovation of the first floor and third floor of Wimmer Hall; (iv) construction of a pedestrian bridge connecting the lower campus and upper campus; and (v) capital improvement and renovation projects, including a student center (Sexton Commons) and student residence facilities (Saint Thomas Aquinas Hall and Saint Mary Hall), as further described in the Loan Agreement. We have examined executed counterparts of the Loan Agreement (the "Loan Agreement") between the Authority and the University and the Trust Indenture (the "Indenture") between the Authority and U.S. Bank National Association, in St. Paul, Minnesota, as Trustee (the "Trustee") each dated as of June 1, 2021, one or more opinions of Lathrop GPM LLP and Quinlivan & Hughes, P.A., as counsels to the University, 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 University 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 University, as to the corporate organization, tax-exempt status, good standing and powers of the University, and we have relied on the opinion of Quinlivan & Hughes, P.A. as to title to the Project Site (as defined in the Loan Agreement and Indenture), all without examining the records of the University or original title records or abstracts of title.

Except as set forth in our opinion to RBC Capital Markets, LLC 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 University 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 University 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 Considerations” 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: June 10, 2021

Respectfully submitted,

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FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Saint John's University, a Minnesota nonprofit corporation (the "Corporation"), as owner and operator of Saint John's University, a Minnesota nonprofit institution of higher education having its main campus in Collegeville, Minnesota, in connection with the issuance by the Minnesota Higher Education Facilities Authority, an agency of the State of Minnesota (the "Issuer"), of its $21,560,000 Revenue Bonds, Series 2021 (Saint John's University) (the "Obligations"), issued pursuant to a Trust Indenture dated as of June 1, 2021 (the "Indenture") by and between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"). Proceeds of the Obligations are being loaned to the Corporation pursuant to a Loan Agreement dated as of June 1, 2021, between the Issuer and the Corporation (the "Loan Agreement").

The Corporation covenants and agrees as follows:

Section 1. (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 Obligations and in order to assist the Participating Underwriter in complying with the Rule (defined below). References in this Disclosure Certificate to holders of the Obligations shall include the beneficial owners of the Obligations. 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 herein) 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, 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 May 26, 2021, delivered in connection with the original issuance and sale of the Obligations, 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 Obligations required to comply with the Rule in connection with offering of the Obligations.

"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; provided that the Audited Financial Statements of the Corporation may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date; provided, however, unaudited financial information shall be provided by the Annual Report Date and the Audited Financial Statements will be submitted to the MSRB when available. 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 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 Issuer 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 Obligations, 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 Obligations. 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 Obligations 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 Issuer, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Obligations, and shall create no rights in any other person or entity.

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

[Signature Page follows]

Dated as of the date first written above.

SAINT JOHN'S UNIVERSITY

By ____
Its Vice President for Finance and Administration and Treasurer

EXHIBIT A
ANNUAL REPORT INFORMATION

The Annual Report Date will be the date that is 270 days after the fiscal year end, commencing with the fiscal year ended June 30, 2021.

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. 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
- Freshmen Applications, Acceptances and Enrollment
- Student Retention
- Tuition and Fees
- Financial Aid
- Faculty
- Retirement Plan
- University Investments
- Capital Campaign
- Endowment Funds
- Long-Term Debt of the University
- Maximum Annual Debt Service and Pro Forma Coverage Statement

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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 Articles IV or V of the Indenture.

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

Alternate Project Supervisor: The Alternate Project Supervisor appointed pursuant to Section 3.07 of the Loan Agreement and Section 4.09 of the Indenture.

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 University 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: (a) The Vice President for Finance and Administration and Treasurer and (b) the Controller of the University or any other person at the time designated to act on behalf of the University by written certificate furnished to the Authority and the Trustee, containing the specimen signature of such person and signed on behalf of the University by the Chair, any Vice Chair or the Secretary of its Board of Trustees or the President or the Vice President for Finance and Administration and Treasurer of the University. Such certificate may designate an alternate or alternates.

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 Trustees: The Board of Trustees of the University, 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 the tax-exempt financing.

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

Bond Resolution: The Series Resolution of the Authority adopted on April 21, 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 (Saint John's University).

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 University, Authority and Trustee, in any similar manner for which Beneficial Owners do not receive Bond certificates evidencing their beneficial ownership in any of the Bonds.

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

Building Equipment: Those items of goods, equipment, furnishings, furniture, inventory, machinery or other tangible personal property now or hereafter owned by the University 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 the State of 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.

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 the acquisition, construction, furnishing and equipping the Project and the Completion Date.

Continuing Disclosure Certificate: The Continuing Disclosure Certificate of the University, dated as of June 1, 2021.

Corporation or University: Saint John's University, a Minnesota nonprofit corporation, as owner and operator of the Institution, its successors and assigns.

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 University 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 Bonds directly or indirectly for the benefit of Beneficial Owners and approved by the Authority, University 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 University's fiscal year, and shall initially mean the 12-month period commencing on July 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 U.S. Bank National Association, as Trustee, to be dated as of June 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 University 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 University or the Institution as an officer, employee or member of the Authority, the University or the Institution or the Board of Trustees of the University.

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

Institution: Saint John's University, a Minnesota institution of higher education headquartered in the City of Collegeville, Minnesota, owned and operated by the Corporation. The Institution is also referred to as the "University" 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.

Leases: The Amended and Restated (2017) Ground Lease Agreement and Space Lease Agreement (Quadrangle Building), both by and between the Order of St. Benedict, as landlord, and the Corporation, as tenant, effective as of July 1, 2012.

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

Loan Repayments: Payments required to be made by the University to the Trustee pursuant to the Loan Agreement.

Negative Pledge Property: (i) The new 96-bed townhouse style student residence facility and (ii) the Peter Engel Science Center, located on the areas identified on Exhibit A-2 to the Loan Agreement.

Net Proceeds: When used with respect to proceeds of insurance or a condemnation award, moneys received or receivable by the University 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 University or Authority.

Order of St. Benedict: The Order of St. Benedict, a Minnesota nonprofit corporation, the former owner and operator of the Institution.

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 University) 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 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 University, (iv) those additional encumbrances set forth in Exhibit C to the Loan Agreement, and (v) liens granted by the University to secure the University's indebtedness, except as applied to the Negative Pledge Property.

Project: (i) The acquisition, construction and equipping of a new 96-bed townhouse style student residence facility; (ii) renovation and upgrades to Peter Engel Science Center; (iii) renovation of the first floor and third floor of Wimmer Hall; (iv) construction of a pedestrian bridge connecting the lower campus and upper campus; and (v) capital improvement and renovation projects, including a student center (Sexton Commons) and student residence facilities (Saint Thomas Aquinas Hall and Saint Mary Hall).

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

Project Costs: Shall have the meaning provided in Section 4.04 of the Indenture.

Project Equipment: All fixtures, equipment and other personal property of a capital nature acquired with proceeds of the Bonds, including investment earnings and generally described in Exhibit B to the Loan Agreement and in the Certificate of Project Supervisor furnished pursuant 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 the land or buildings located on the land described as "Property" on Exhibit A to the Loan Agreement, which are more particularly diagramed in the Leases and on which any Project Buildings are located.

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

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 in the discretion of the Trustee to pay rebate due to the United States under Section 148 of the Internal Revenue Code if the University or the Authority fails to provide for payment of any rebate.

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

Reorganization Documents: The Leases, and a Debt Assignment and Assumption Agreement, a Bill of Sale, an Assignment and Assumption Agreement, a Compensation Agreement, an Insurance Agreement, and a Dispute Resolution, Indemnification and Joint Defense Agreement, each of which are between the Order of St. Benedict and Saint John's University and effective as of July 1, 2012.

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 U.S. Bank National Association, St. Paul, Minnesota.

Underwriter: RBC Capital Markets, LLC, as original purchaser of the Bonds.

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SUMMARY OF DOCUMENTS

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 University represents that construction, acquisition and installation of the Project will be substantially completed by no later than May 30, 2023, subject only to “force majeure,” as provided in the Loan Agreement. The University 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 University, 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 University 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 University 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 University covenants to pay for the account of the Authority the following amounts:

(a) at least five Business Days prior to each April 1 and October 1, commencing October 1, 2021, the University 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 five Business Days prior to each October 1, commencing on October 1, 2023, 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 University 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 University 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 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 University 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 University 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 University 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 University 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 University agrees to use 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 University 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 University agrees that, so long as there are Bonds outstanding, and subject to certain exceptions, the University will keep the Project Facilities in good repair and good operating condition at its own cost. The University 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 University's judgment are desirable, subject to the same conditions. The University 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 University 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 University may demolish any Project Facilities which in the University's judgment are worn out, obsolete or require replacement, are no longer used, or the University, by resolution of the Board of Trustees, has determined in its judgment are no longer useful.

Operating Expenses and Liens; Negative Pledge

The University 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; provided that the University 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 University 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 University shall promptly pay and cause to be satisfied and discharged all such unpaid items.

The University covenants that except for Permitted Encumbrances, and except as otherwise permitted by the Loan Agreement, the University 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 the Negative Pledge Property.

Taxes and Other Governmental Charges

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

The University 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 University 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 taxes, assessments, license fees or charges shall be paid promptly.

Insurance

The University shall maintain, or cause to be maintained, at its costs and expense, insurance as follows:

(a) Insurance against loss and/or damage to the Project Buildings and the Project Equipment 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 the lesser of (i) the full insurable replacement value of the Project Buildings and the Project Equipment; or (ii) the principal amount of the Outstanding Bonds or (if greater) 80% of the full insurable replacement value of the Project Buildings and Project Equipment, but any such policy may have a deductible amount of not more than $500,000.

(b) Comprehensive general public liability insurance, including blanket contractual liability and personal injury liability and automobile insurance, including owned, non-owned and hired automobiles, against liability for injuries to persons in the minimum amount for each occurrence of $5,000,000 and aggregate for each year of $5,000,000, with a deductible amount of not more than $500,000 per occurrence, and against liability for injury to property in the minimum amount for each occurrence of $500,000.

(c) Workers' compensation insurance respecting all employees of the University in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Corporation may be self-insured with respect to all or any part of its liability for workers' compensation.

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

Upon the written request of the University, the Trustee shall permit modifications to such insurance requirements and deductible amounts, including permission for the University 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 University 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 University shall annually provide the Trustee with a certificate of insurance compliance on or before September 1 of each 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 University (i) 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 may be desired by the University and as will not impair the character or significance of the Project Facilities as educational facilities, and (ii) will apply for such purpose so much as may be necessary of any Net Proceeds of insurance policies resulting from claims for such losses not in excess of $1,000,000, or any additional moneys of the University necessary therefor. All Net Proceeds of insurance resulting from claims for losses up to such amounts shall be paid to the University.

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. The Bonds may be redeemed in part if (i) all or a portion of the Project Facilities have been damaged or destroyed, (ii) the University determines that the Project Facilities or portion thereof, as the case may be, is not needed in its operations and (iii) the University 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 prior to full payment of the Bonds (or the provision for payment thereof having been made in accordance with the provisions of the Indenture), title to any part of the Project Facilities shall be taken in any proceeding involving exercise of the right of eminent domain, the University 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

If no Default has occurred and is continuing, the University shall have the right to remove from the Project Facilities or elsewhere any Project Equipment and Building Equipment as follows:

(a) The University shall have the privilege from time to time of substituting equipment and related property for any Project Equipment and Building Equipment, provided that the effect of such substitution shall not be to materially impair the character or revenue producing significance or value of the Project Facilities; provided that if the depreciated book value of any item of Project Equipment so substituted is $100,000 or more, the University shall furnish to the Trustee a Certificate of an Authorized Institution Representative to such effect. Such substitution of any Building Equipment may be effected without a Certificate of an Authorized Institution Representative irrespective of its depreciated book value.

(b) The University shall also have the privilege of releasing any equipment from the definition of Project Equipment (with or without the physical removal thereof) without substitution therefor provided that the University pays a sum equal to the then value of said released equipment as determined by an Independent engineer selected by the University if and so long as any of the Bonds remain outstanding. The University shall pay such amounts to the Trustee for deposit in the Redemption Account and shall deliver to the Trustee a Certificate signed by said engineer setting forth the value of said Project Equipment and a Certificate signed by the Authorized Institution Representative stating that the release and, if applicable, the removal of such equipment will not impair the character or revenue producing significance or value of the Project Facilities, provided that if the depreciated book value on the records of the Corporation of any item of equipment so released is less than $100,000, such release without substitution and such deposit to the Redemption Account may be effected without such determination of value and Certificate by an Independent engineer or an Authorized Institution Representative.

(c) The University shall also have the privilege of removing any Building Equipment without substitution therefor, provided that such removal shall not materially impair the character or revenue producing significance or value of the Project Facilities and the University shall furnish to the Trustee a Certificate of an Authorized Institution Representative to such effect; provided that if the depreciated book value on the records of the Corporation of any item of Building Equipment so removed is less than $100,000, such removal may be effected without such certificate of an Authorized Institution Representative.

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 University 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 University agrees to hold the Authority, its members and employees, harmless against any claim, cause of action, suit or liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project Facilities and the use thereof, including that caused by any negligence of the Authority or anyone acting in its behalf; provided, that the indemnity in this sentence shall be effective only to the extent of any loss that may be sustained by the Authority in excess of the net proceeds received by the Authority from any insurance carried with respect to the loss sustained.

The University 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 University.

University to Maintain its Existence and Accreditation

The University agrees that so long as the Bonds are outstanding, it will maintain its existence as a nonprofit corporation and will maintain the Institution's existence as a nonprofit institution of higher education under the laws of Minnesota, accredited as such by recognized accrediting organizations; will not dissolve or otherwise dispose of all or substantially all of the assets of the University; 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 corporation or institution, as the case may be, is other than the University, such surviving, resulting or transferee corporation shall assume in writing all of the obligations of the University in the Loan Agreement, and shall 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 University shall furnish to the Trustee an Opinion of Counsel, who shall be Bond Counsel acceptable to the Authority, that such consolidation, merger or transfer shall not cause interest on the Bonds to be includable in gross income of the recipient for federal income tax purposes.

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

The University 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 University and all organizations under common management or control with the University (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 University 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 University or such other resulting entity, and all organizations under common management or control with the University or such resulting entity, within the meaning of Section 145 of the Internal Revenue Code.

Federal Income Tax Status

The University represents that it presently is, and covenants 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 federal income taxes under Section 501(a) of the Internal Revenue Code.

Institution to be Nonsectarian

Except for the School of Theology, which is separate from the general undergraduate programs of the Institution, 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 University 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 University agrees to indemnify the Authority from losses arising from certain representations made by the University 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 University 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 University shall fail to make any Loan Repayment when due and either (i) on a Bond principal or interest payment date or redemption date (established or required to be established), the available moneys on deposit in the Bond and Interest Sinking Fund Account and Redemption Account are insufficient to pay when due principal of 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 University that such payment has not been made; or

(b) If the University 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 University 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 University by the Authority or the Trustee; or

(e) If the University 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 University; or

(f) If a court of competent jurisdiction shall enter an order, judgment or decree against the University in any insolvency, bankruptcy, or reorganization proceeding, or appointing a trustee or receiver of the University or of the whole or any substantial part of the property of the University, 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 University or of the whole or any substantial part of the property of the University, and such custody or control shall not be terminated within 90 days from the date of assumption of such custody or control.

The Defaults described in paragraph (d) shall not become an Event of Default so long as force majeure prevails. The term "force majeure" as used above includes the following: acts of God; pandemics; 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; 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 University. 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 University 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 University shall diligently proceed to remedy such default and in accordance with any directions or limitations of time made by the Trustee. The University agrees, however, to use its best efforts to remedy with all reasonable dispatch any cause or causes preventing the University 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 or covenant 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 its advances, fees and expenses, and then to payment of the Bonds (interest, principal and premium, if any), as provided in Section 7.04 of the Indenture, and any excess to the University.

Amendments

Except as otherwise provided in the Loan Agreement or in the Indenture, subsequent to the issuance of the Bonds and prior to payment of the Bonds in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), the Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the Trustee.

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 all other sums to become due thereunder or any extension or renewal thereof, except the rights of the Authority relating to fees, expenses, indemnity and advances;

(b) a first lien on and pledge of (i) the moneys and investments in the Accounts covenanted to be paid and maintained under Article V of 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 hereafter by delivery or by writing of any kind conveyed, mortgaged, assigned or transferred, or in which a security interest is granted, by the Authority or the University or by anyone on behalf of them or with their written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same to the terms hereof.

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 default 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 University (giving the University 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 University, 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 University, 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 it 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 to enforce 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 University 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 University, provided that the Authority may, but is not required to remove the Trustee with or without the request of the University 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 University and their respective successors or assigns 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 hereof, 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 University 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 and the Arbitrage Regulations, then and in that case, at the request of the Authority or the University all the Trust Estate shall revert to the Authority and the University as their interests appear, and the entire estate, right, title and interest of the Trustee, and of the Owners of the Bonds in respect thereof, shall thereupon cease, determine and become void; unless otherwise expressly stated herein, rights granted by provisions relating to optional redemption of Bonds shall thereupon terminate; and the Trustee in such case, upon the cancellation of all 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 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 as a part of the Trust Estate.

When the Authority or the University 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, upon resolution, and the Trustee from time to time and at any time, subject to the conditions and restrictions in the Indenture contained, may enter into such indentures supplemental thereto as may or 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 or intended so to be, or to assign, convey, pledge or transfer and set over unto the Trustee, subject to such liens or other encumbrances as shall be therein specifically described, additional property or properties of the Authority or the University for the equal and proportional benefit and security of the Holders of all Bonds at any time issued and outstanding under the Indenture;

(b) to add to the covenants and agreements of the Authority in the Indenture contained other covenants and agreements thereafter to be observed, or to surrender any right or power therein reserved to or conferred upon the Authority or to or upon any successor;

(c) to evidence the succession or successive successions of any other department, agency, body or corporation to the Authority and the assumption by such successor of the covenants, agreements and obligations of the Authority in the Bonds hereby secured and in the Indenture and in any and every supplemental indenture contained;

(d) to cure any ambiguity or to correct or supplement any provision contained in the Indenture or in any supplemental indentures which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture, 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, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Trustee of such indenture or indentures supplemental thereto 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 contained in the Indenture or in any supplemental indenture; provided, however, that nothing contained in the Indenture shall permit or be construed as permitting without the consent of the Holders of all Bonds outstanding (a) an extension of the maturity of any Bond issued thereunder, 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 or Bonds over any other Bond or Bonds, 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 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 as provided in the preceding paragraph, neither the Authority nor the Trustee shall consent to or execute any other 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 provided, however, that no such amendment, change or modification shall ever affect the unconditional obligation of the Corporation to make Loan Repayments as they become due and payable. If the Holders of not less than 51% in aggregate principal amount of the Bonds outstanding hereunder at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution thereof as herein provided, no Holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or in the operation thereof, or in any manner to question the propriety of the execution thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee, the Authority or the Corporation from executing the same or from taking any action pursuant to the provisions thereof.

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"), New York, New York, will act as securities depository for the Obligations. The Obligations 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 Obligations, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC 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 securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & 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"). 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 Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each Obligation ("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 Obligations 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 Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations 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 Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Obligations 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. Beneficial Owners of Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligation documents. For example, Beneficial Owners of the Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices are required to be sent to DTC. If less than all of the Obligations 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 such other DTC nominee) will consent or vote with respect to the Obligations unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer or Bond Registrar 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 Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Obligations 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 the 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, Agent, the Bond Registrar, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Registrar, Issuer, or the Issuer's agent. 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.

A Beneficial Owner shall give notice to elect to have its Obligations purchased or tendered, through its Participant, to Agent, and shall effect delivery of such Obligations by causing the Direct Participant to transfer the Participant's interest in the Obligations, on DTC's records, to Agent. The requirement for physical delivery of Obligations in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Obligations are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Obligations to Trustee's DTC account.

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

SAINT JOHN'S UNIVERSITY
COLLEGEVILLE, MINNESOTA

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

Dr. Eugene McAllister, Interim President
Saint John's University
Collegeville, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of Saint John's University (the University), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saint John's University as of June 30, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Cloud, Minnesota
October 14, 2020

	2020	2019
ASSETS		
ASSETS		
Cash and cash equivalents	$ 11,323,578	$ 12,545,777
Student receivables, net	338,970	492,558
Contributions receivable, net	7,309,515	8,742,684
Unitrust, interest, and other receivables, net	2,916,773	3,074,342
Inventories and prepaid expenses	7,180,345	7,150,016
Student loans receivable, net	1,598,404	2,013,540
Investments	244,891,679	245,601,786
Property, plant, and equipment, net	149,032,584	149,002,180
Total Assets	424,591,848	428,622,883
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	8,303,955	5,602,697
Deferred revenue	784,665	1,496,231
Funds held for others	313,586	239,763
Other liabilities	1,676,307	1,724,165
Annuities and unitrusts payable	5,223,963	5,349,818
Notes and bonds payable	29,876,143	33,258,815
Government grants repayable - Federal Perkins loan program	2,061,533	2,327,188
Total Liabilities	48,240,152	49,998,677
NET ASSETS		
Without Donor Restriction:		
Reserves, program funds, and undesignated	29,835,027	33,421,594
Board designated endowment	63,096,217	64,958,058
Investment in property, plant and equipment	118,398,637	114,822,470
Annuities	3,307,307	3,326,686
Contributions receivable	85,778	149,717
Total Without Donor Restriction	214,722,966	216,678,525
With Donor Restriction:		
Purpose and time restrictions	7,172,943	5,022,248
Endowment	142,901,115	143,779,589
Unitrusts and life insurance	4,330,939	4,550,878
Contributions receivable	7,223,733	8,592,966
Total With Donor Restriction	161,628,730	161,945,681
Total Net Assets	376,351,696	378,624,206
TOTAL LIABILITIES AND NET ASSETS	$ 424,591,848	$ 428,622,883

	WITHOUT DONOR RESTRICTION	WITH DONOR RESTRICTION	TOTAL
OPERATING ACTIVITIES			
OPERATING REVENUES			
Tuition and fees	$ 75,641,035	$ -	$ 75,641,035
Less: Funded scholarships and grants - restricted funds	(7,894,171)	-	(7,894,171)
Less: Funded scholarships and grants - quasi-endowments	(1,308,718)	-	(1,308,718)
Less: Unfunded scholarships and grants	(32,709,259)	-	(32,709,259)
Net tuition and fees	33,728,887	-	33,728,887
Government grants:			
Federal grants	638,739	1,334,265	1,973,004
State grants	185,437	96,733	282,170
Private gifts and grants	4,911,346	5,251,863	10,163,209
Other investment income	283,315	3,793	287,108
Investment return allocated for operations (draw)	8,971,928	148,638	9,120,566
Other sources	1,904,160	-	1,904,160
Sales and services of auxiliary enterprises:			
Residence halls	6,354,023	-	6,354,023
Food services	6,970,886	-	6,970,886
Other auxiliaries	3,071,542	-	3,071,542
	67,020,263	6,835,292	73,855,555
Net assets released from restrictions (Note 8)	4,491,982	(4,491,982)	-
Total Operating Revenues, Gains and Other Support	71,512,245	2,343,310	73,855,555
OPERATING EXPENSES			
Program expenses:			
Instruction	24,802,215	-	24,802,215
Academic support	8,934,671	-	8,934,671
Student services	10,316,099	-	10,316,099
Auxiliary enterprises			
Residence halls	4,011,508	-	4,011,508
Food services	6,494,758	-	6,494,758
Other auxiliaries	2,885,621	-	2,885,621
Support expenses:			
Institutional support	12,717,908	-	12,717,908
Other:			
Sponsored programs	2,439,950	-	2,439,950
Total Operating Expenses	72,602,730	-	72,602,730
INCREASE (DECREASE) IN NET ASSETS FROM OPERATING ACTIVITIES	(1,090,485)	2,343,310	1,252,825
NONOPERATING ACTIVITIES			
Long-term investment activities			
Endowment income	1,024,005	1,395,506	2,419,511
Less: Investment return allocated for operations (draw)	(3,327,954)	(5,792,612)	(9,120,566)
	(2,303,949)	(4,397,106)	(6,701,055)
Private gifts and grants	12,406	4,914,585	4,926,991
Other investment income	239	(14,152)	(13,913)
Change in contributions	(63,939)	(1,369,233)	(1,433,172)
Annuity and unitrust net gifts	68,371	-	68,371
Adjustment of actuarial liability	(174,625)	(197,932)	(372,557)
Reclassification of net assets	441	(441)	-
	(157,107)	3,332,827	3,175,720
Net assets released from restrictions (Note 8)	1,595,982	(1,595,982)	-
	1,438,875	1,736,845	3,175,720
INCREASE (DECREASE) IN NET ASSETS FROM NONOPERATING ACTIVITIES	(865,074)	(2,660,261)	(3,525,335)
INCREASE (DECREASE) IN NET ASSETS	(1,955,559)	(316,951)	(2,272,510)
Net Assets - Beginning of Year	216,678,525	161,945,681	378,624,206
NET ASSETS - END OF YEAR	$ 214,722,966	$ 161,628,730	$ 376,351,696

	WITHOUT DONOR RESTRICTION	WITH DONOR RESTRICTION	TOTAL
OPERATING ACTIVITIES			
OPERATING REVENUES			
Tuition and fees	$ 76,156,722	$ -	$ 76,156,722
Less: Funded scholarships and grants - restricted funds	(4,312,449)	-	(4,312,449)
Less: Funded scholarships and grants - quasi-endowments	(1,235,324)	-	(1,235,324)
Less: Unfunded scholarships and grants	(35,406,899)	-	(35,406,899)
Net tuition and fees	35,202,050	-	35,202,050
Government grants:			
Federal grants	638,724	296,847	935,571
State grants	279,401	1,078,545	1,357,946
Private gifts and grants	8,258,874	2,377,088	10,635,962
Other investment income	326,378	6,753	333,131
Investment return allocated for operations (draw)	7,838,650	175,805	8,014,455
Other sources	2,739,613	-	2,739,613
Sales and services of auxiliary enterprises:			
Residence halls	8,304,732	-	8,304,732
Food services	9,092,034	-	9,092,034
Other auxiliaries	3,389,187	-	3,389,187
	76,069,643	3,935,038	80,004,681
Net assets released from restrictions (Note 8)	4,641,713	(4,641,713)	-
Total Operating Revenues, Gains and Other Support	80,711,356	(706,675)	80,004,681
OPERATING EXPENSES			
Program expenses:			
Instruction	26,302,294	-	26,302,294
Academic support	10,270,128	-	10,270,128
Student services	10,429,703	-	10,429,703
Auxiliary enterprises			
Residence halls	4,220,819	-	4,220,819
Food services	7,535,319	-	7,535,319
Other auxiliaries	3,034,158	-	3,034,158
Support expenses:			
Institutional support	11,125,449	-	11,125,449
Other:			
Sponsored programs	2,467,694	-	2,467,694
Total Operating Expenses	75,385,564	-	75,385,564
INCREASE (DECREASE) IN NET ASSETS FROM OPERATING ACTIVITIES	5,325,792	(706,675)	4,619,117
NONOPERATING ACTIVITIES			
Long-term investment activities			
Endowment income	6,292,929	9,734,453	16,027,382
Less: Investment return allocated for operations (draw)	(2,570,394)	(5,444,061)	(8,014,455)
	3,722,535	4,290,392	8,012,927
Private gifts and grants	34,595	4,936,183	4,970,778
Other investment income	2,347	41,772	44,119
Change in contributions	(107,321)	(4,482,619)	(4,589,940)
Annuity and unitrust net gifts	124,168	-	124,168
Adjustment of actuarial liability	(603,211)	899,458	296,247
Reclassification of net assets	39,640	(39,640)	-
	(509,782)	1,355,154	845,372
Net assets released from restrictions (Note 8)	1,697,539	(1,697,539)	-
	1,187,757	(342,385)	845,372
INCREASE (DECREASE) IN NET ASSETS FROM NONOPERATING ACTIVITIES	4,910,292	3,948,007	8,858,299
INCREASE (DECREASE) IN NET ASSETS	10,236,084	3,241,332	13,477,416
Net Assets - Beginning of Year	206,442,441	158,704,349	365,146,790
NET ASSETS - END OF YEAR	$ 216,678,525	$ 161,945,681	$ 378,624,206

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (2,272,510)	$ 13,477,416
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	5,621,996	5,677,602
Non-cash interest expense	(325,173)	(369,735)
Non-cash donation of fixed assets	(11,653)	(34,167)
Adjustment of actuarial liability	372,557	(296,247)
Change in annuity and unitrust liability	217,292	1,305,930
Realized (gains) losses on investments	(3,292,463)	(9,294,660)
Unrealized (gains) losses on investments	4,909,152	(2,262,621)
Contributions and income restricted for long-term investment	4,912,496	4,969,721
Change in total contributions receivable	1,433,169	4,589,942
Gain on sale of fixed assets	2,681	1,040
Change in current assets:		
Student receivables	568,724	221,162
Other receivables	99,454	(12,447)
Inventories	(117,357)	457,328
Prepaid expenses	87,028	50,167
Change in current liabilities:		
Accounts payable	2,582,404	(739,043)
Accrued payroll liabilities	(284,872)	(297,927)
Other liabilities	(47,858)	78,564
Deferred revenue	(711,566)	168,478
Funds held for others	73,823	40,096
Net Cash Provided (Used) by Operating Activities	13,817,324	17,730,599
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,239,702)	(3,198,011)
Proceeds from sales and maturities of investments	24,300,299	14,493,186
Purchases of investments	(25,206,881)	(19,577,758)
Net Cash Provided (Used) by Investing Activities	(6,146,284)	(8,282,583)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions and income restricted for long-term investment	(4,912,496)	(4,969,721)
Payment of principal on long-term debt	(3,057,499)	(2,992,643)
Change in government grants repayable - Federal Perkins loan program	(265,655)	(6,418)
Annuity and unitrust payments	(657,589)	(1,087,746)
Net Cash Provided (Used) by Financing Activities	(8,893,239)	(9,056,528)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,222,199)	391,488
Cash and Cash Equivalents - Beginning of Year	12,545,777	12,154,289
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 11,323,578	$ 12,545,777

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Saint John's University (University) is a Roman Catholic University located in Collegeville, Minnesota. Two schools make up Saint John's University: the College of Arts and Sciences and the graduate School of Theology. The College, an all-male institution, operates in coordination with the College of Saint Benedict, an all-female college; sharing academic programs, facilities and staff. The coeducational School of Theology educates and provides student development programs for priesthood candidates, candidates for other ministries, and persons interested in theological studies. The Hill Museum and Manuscript Library and Artist in Residence are part of the University programming.

Prior to July 1, 2012, the University was an operating division of the Order of Saint Benedict (OSB), which is a Benedictine Monastery in Collegeville, Minnesota. Starting on July 1, 2012, Saint John's University began operations as a new separate civil corporation. OSB relinquished control to the University Board, and gifted all assets and liabilities previously held by the University operating division, to the new University civil corporation as of July 1, 2012.

The University has a land lease agreement with OSB for all of the land that the campus sits on. In addition, the University leases several OSB buildings needed for University operations. The University and OSB share certain administrative and facility costs, which are allocated between the two entities. The University's statement of financial position includes a payable to OSB in the amount of $645,445 and $10,388 for the years ended June 30, 2020 and 2019, respectively.

Measure of Operations

In its statements of activities, the University includes in its definition of operations, all revenues and expenses that are an integral part of its programs and supporting activities. Non-operating activity consists primarily of investment income, including net realized and unrealized gains and losses earned in excess of the University's aggregate authorized spending amount, change in value of split-interest agreements, and endowment and capital contributions to non-operating activities or projects.

Basis of Presentation

Net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the University and changes therein are classified and reported as follows:

Net Assets Without Donor Restriction - Net assets that are not subject to donor-imposed restrictions. Net asset may be designated for specific purposes by action of the board of trustees.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Net Assets with Donor Restrictions – Net assets whose use by the University is subject to donor-imposed restrictions that can be fulfilled by actions of the University pursuant to those restrictions or that expire by the passage of time. Net assets may be subject to donor-imposed restrictions that they be maintained in perpetuity by the University. Generally, the donors of these assets permit the University to use the income earned on related investments for general or specific purposes.

Revenues are reported as increases in net assets without donor restrictions unless use of the revenue is restricted by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investment and other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is defined by donor-imposed restrictions.

Net assets with donor restrictions, which are met in the current period, are reclassified to net assets without donor restriction and reported as net assets released from restrictions.

Accrual Basis

The financial statements of the University have been prepared on the accrual basis of accounting.

Estimates and Assumptions

Management uses estimates and assumptions in preparing the financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from those estimates that were used.

Cash and Cash Equivalents

Cash and cash equivalents includes all cash and highly liquid investments with a maturity of three months or less. The University deposits its temporary cash investments in U.S. Bank. At times, cash investments at financial institutions may be in excess of the FDIC insurance limit.

Student and Other Receivables

Receivables are stated at net realizable value and are unsecured. The University provides an allowance for bad debts using the allowance method, which is based on management's judgment considering historical information. Accounts past due more than 90 days, are individually analyzed for collectability. Accounts continue to accrue finance charges until the account is paid in full. When all collection efforts have been exhausted, the accounts are written off against the related allowance. At June 30, 2020 and 2019, an allowance of $318,500 and $294,500, respectively, has been recorded.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions Receivable

Promises to give that are expected to be collected within one year are recorded at their net realizable value. Promises that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the promise is received. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Inventories

Inventories are valued at the lower of cost or net realizable value on a first-in, first-out basis. Inventories consist primarily of books and other educational materials held for resale through the University Bookstore, and costs associated with the Heritage Editions of the Saint John's Bible.

Investments

Debt and equity investments are carried at fair market value. Land is carried at the estimated fair market value. Private equity investments are investments in limited partnership interests and are carried at fair market value, based upon appraisals done within the individual partnerships.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. If donated, property, plant and equipment are recorded at fair value on the date received. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulation, contributions of property and equipment are recorded as without donor restriction.

The University capitalizes property, plant and equipment additions in excess of $5,000. Normal repair and maintenance expenses are charged to operations as incurred.

The University removes, from its accounting records, the cost and accumulated depreciation for fully depreciated assets that are either no longer in use, or under $50,000.

The University depreciates its assets on the straight-line basis over estimated useful lives as follows:

	Depreciation Period	2020	2019
Land Improvements	10-50 Years	$ 12,829,409	$ 12,902,811
Buildings	7-50 Years	128,522,402	127,835,304
Furniture and Equipment	3-40 Years	18,122,017	17,817,245
Library Books and Rare Books	0-20 Years	13,015,314	12,946,511
HMML Microfilm and Library Books	No Depreciation	8,254,395	7,988,721
Construction in Progress	No Depreciation	4,298,878	865,038
Total		185,042,415	180,355,630
Less: Accumulated Depreciation		36,009,831	31,353,450
Total Property, Plant and Equipment - net		$ 149,032,584	$ 149,002,180

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation expense for the years ended June 30, 2020 and 2019 was $5,621,996 and $5,677,602, respectively.

Construction in Progress

Construction in progress for the years ended June 30, 2020 and 2019 are the costs incurred to date on various construction projects not completed at June 30. Interest capitalized was $0 for the years ended June 30, 2020 and 2019. The estimated cost to complete the various projects in progress was $2,273,700 and $1,039,300 as of June 30, 2020 and 2019, respectively. There was $696,323 and $423,198 of construction related costs included in accounts payable as of June 30, 2020 and 2019, respectively.

Revenue Recognition

The University recognizes tuition and fees revenue within the fiscal year in which educational services are provided. The educational services are delivered in the fall and spring terms. There is not a standard summer term. Payments for the fall term tuition received prior to June 30 are recorded as deferred revenue until the performance obligations are met. Discounts in the form of scholarships and grants, including those funded by the endowment and gifts, are reported as a reduction of tuition and fees.

Auxiliary income for student housing and dining services is recognized as performance obligations are delivered over the academic terms. Consequently, associated revenues are earned and recognized during those terms.

Deferred revenue also includes Heritage Edition Bible sales and event tickets or registrations. Sales of the Bible Heritage Editions are deferred until the editions are delivered to the buyers, and event income is recognized in the period in which the event occurs.

A portion of the University's revenue is derived from cost-reimbursable contracts and grants. Amounts received are recognized as earned and are reported as revenue when the University has incurred expenditures in compliance with specific contract or grant provisions. Amounts received but not yet earned are reported as deferred revenue in the statements of financial position. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Conditions are met when the qualifying expenses based on specific criteria are incurred. The University was awarded cost-reimbursable grants of $2,803,281, for which qualifying expenditures have not yet been incurred and therefore have not been recognized. Unconditional promises to give due in subsequent years are recorded at their net realizable value.

Funds Held for Others

The University holds funds transferred to them from other organizations for investment management purposes. The funds are to be distributed back to these organizations as they request them. The University has recognized the funds as a liability in the accompanying statement of financial position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Annuities and Unitrusts

The University has received contributions under various annuity contracts and charitable remainder unitrust agreements, which generally provide for payments to the annuitant or grantor for life. Assets received under these agreements are recorded at their fair value. Contribution income is recognized for the difference between the asset and related liability. Liabilities related to future payments under these agreements have been recorded at their present value using life expectancy tables and the U.S. Treasury rate ranging from 1.2% to 6.0% to arrive at a calculated discount rate. Additionally, the charitable remainder unitrust agreements use an earnings rate of 4.6% to 8.2%. Liabilities related to annuities and split-interest agreements are recalculated annually, with the amortization of discounts and adjustments for changes in life expectancies recognized as actuarial liability adjustments on the statement of activities.

For the year ended June 30, 2020, adjustments to reflect the amortization of discounts and changes in life expectancies resulted in a decrease of $372,557 in net assets. Total contribution income recognized under annuity and charitable remainder unitrust agreements for the year ended June 30, 2020 was $68,371.

For the year ended June 30, 2019, adjustments to reflect the amortization of discounts and changes in life expectancies resulted in an increase of $296,247 in net assets. Total contribution income recognized under annuity and charitable remainder unitrust agreements for the year ended June 30, 2019 was $124,168.

Advertising Costs

Advertising costs are expensed as incurred. Total advertising costs during 2020 and 2019 totaled $301,842 and $220,309, respectively.

Retirement Plan

The University has a defined contribution retirement plan covering substantially all of its full-time lay employees. For employees beginning full-time benefit eligible employment prior to July 1, 2017, the University contributes 9% of the covered employee's salary and the employee contributes 2%. For employees beginning full-time benefit eligible employment on or after July 1, 2017, the University contributes a graduated amount for the first four years until reaching 9% in year five and then after, and the employee contributes 3%. Total retirement plan contributions by the University for the years ended June 30, 2020 and 2019 was $1,953,585 and $1,960,981, respectively.

Tax Exempt Status

The University is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from state income tax. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The University is subject to unrelated business income tax with respect to partnership investment income, advertising revenue, events revenue, and Bookstore website sales.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Exempt Status (Continued)

The University has adopted Accounting for Uncertainty in Income Taxes. This standard clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold 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. The implementation of this standard had no impact on the University's financial statements.

Subsequent Events

In preparing these financial statements, Saint John's University has evaluated events and transactions for potential recognition or disclosure through October 14, 2020, the date the financial statements were available to be issued.

NOTE 2 FAIR VALUE MEASUREMENTS

The University categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the University has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Subsequent to initial recognition, the University may re-measure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

NOTE 2 FAIR VALUE MEASUREMENTS (CONTINUED)

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. The University has not elected to measure any existing financial instruments at fair value. However, it may elect to measure newly acquired financial instruments at fair value in the future.

The following table presents financial instruments that are measured at fair value on a recurring basis by the fair value hierarchy as of June 30, 2020:

	Total	Level 1	Level 2	Level 3	NAV
ASSETS					
Unitrusts Receivable	$ 1,236,825	$ -	$ -	$ 1,236,825	$ -
Long-Term Investments:					
Equity Securities					
Common Stocks	67,604,671	67,604,671	-	-	-
Mutual Funds	63,461,285	63,461,285	-	-	-
Bonds*	46,535,094	30,342,986	-	-	16,192,108
Alternative Investments measured at NAV:*					
Private Equity	24,441,993	-	-	-	24,441,993
Venture Capital and Buyouts	10,487,267	-	-	-	10,487,267
Real Estate	20,660,851	-	-	-	20,660,851
Securities Held Outside	10,980,774	-	-	10,980,774	-
Beneficial Interests in Trusts	719,744	-	-	719,744	-
Subtotal - Long-Term Investments	244,891,679	161,408,942	-	11,700,518	71,782,219
Total	$ 246,128,504	$ 161,408,942	$ -	$ 12,937,343	$ 71,782,219

The following table presents financial instruments that are measured at fair value on a recurring basis by the fair value hierarchy as of June 30, 2019:

	Total	Level 1	Level 2	Level 3	NAV
ASSETS					
Unitrusts Receivable	$ 1,294,940	$ -	$ -	$ 1,294,940	$ -
Long-Term Investments:					
Equity Securities					
Common Stocks	68,690,046	68,690,046	-	-	-
Mutual Funds	64,944,881	64,944,881	-	-	-
Bonds*	47,616,697	31,185,690	-	-	16,431,007
Alternative Investments measured at NAV:*					
Private Equity	22,196,454	-	-	-	22,196,454
Venture Capital and Buyouts	10,386,371	-	-	-	10,386,371
Real Estate	19,760,497	-	-	-	19,760,497
Securities Held Outside	11,261,844	-	-	11,261,844	-
Beneficial Interests in Trusts	744,996	-	-	744,996	-
Subtotal - Long-Term Investments	245,601,786	164,820,617	-	12,006,840	68,774,329
Total	$ 246,896,726	$ 164,820,617	$ -	$ 13,301,780	$ 68,774,329

NOTE 2 FAIR VALUE MEASUREMENTS (CONTINUED)

* In accordance with Subtopic 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are not intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

The following methods and assumptions were used to estimate the fair value for each class of financial instruments measured at fair value:

Unitrusts Receivable – The University as remainder beneficiary in several irrevocable split interest agreements held or controlled by a third party are classified as Level 3 as the fair values are based on a combination of Level 2 inputs (interest rates and yield curves) and significant unobservable inputs (entity specific estimates of cash flows). The fair values are measured at the present value of the future distributions the University expects to receive over the term of the agreements.

Equity Securities – Investments in equity securities, including both common stocks and mutual funds, are measured at fair value using quoted market prices. They are classified as Level 1 as they are traded in an active market for which closing prices are readily available.

Bonds – Investments in fixed-income securities are measured at fair value using quoted market prices. They are classified as Level 1 as they are traded in an active market for which closing prices are readily available. Certain fixed-income securities are recorded at net asset value in accordance with the methodologies utilized for Alternative Investments as further described in this footnote.

Alternative Investments – Investments in certain fixed-income securities, private equity funds, venture capital and buyouts, real estate funds, and funds of funds for which there is no readily determinable fair value are recorded at net asset value per share, which has been calculated in accordance with the AICPA Audit and Accounting Guide, *Investment Companies.* The University has estimated its fair value by using the net asset value provided by the investee as of the last statement date, adjusted for cash receipts, cash disbursements, and significant known valuation changes in market values of publicly held securities contained in the portfolio through June 30, 2020 and 2019. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the funds will be liquidated at various times throughout the next 15 years. See redemption restrictions as further described in Note 2.

Securities Held Outside – The University's beneficial interest in annuities and trusts are administered by a third party and classified as Level 3 as the fair values are based on a combination of Level 2 inputs (interest rates and yield curves) and significant unobservable inputs (entity specific estimates of cash flows).

NOTE 2 FAIR VALUE MEASUREMENTS (CONTINUED)

Beneficial Interest in Trusts – The University's beneficial interest in perpetual trusts administered by a third party are classified as Level 3 as the fair values are based on a combination of Level 2 inputs (interest rates and yield curves) and significant unobservable inputs (entity specific estimates of cash flows). Since the University has an irrevocable right to receive the income earned from the trusts' assets, the fair value of the University's beneficial interest is estimated to approximate the fair value of the trusts' assets.

While the University 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 University values certain investment holdings at fair value using their net asset value and has the ability to redeem its investment with the investee at net asset value per share (or its equivalent) at the measurement date.

Fair value measurements of investments in certain entities that calculate net asset value per share (or its equivalent) as of June 30, 2020:

	Net Asset Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Bonds	$ 16,192,108	$ -	Weekly-Monthly	7-30 Days
Alternative Investments				
Private equity	24,441,993	21,971,588	Not Eligible	N/A
Venture capital and buyouts	10,487,267	1,386,949	Not Eligible	N/A
Real Estate	20,660,851	6,594,943	Not Eligible	N/A
Total	$ 71,782,219	$ 29,953,480		

Fair value measurements of investments in certain entities that calculate net asset value per share (or its equivalent) as of June 30, 2019:

	Net Asset Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Bonds	$ 16,431,007	$ -	Weekly-Monthly	7-30 Days
Alternative Investments				
Private equity	22,196,454	19,538,000	Not Eligible	N/A
Venture capital and buyouts	10,386,371	2,975,000	Not Eligible	N/A
Real Estate	19,760,497	8,200,000	Not Eligible	N/A
Total	$ 68,774,329	$ 30,713,000		

NOTE 2 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents a reconciliation of the statement of financial position amounts for financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2020:

Asset Category	Balance 6/30/2019	Total Investment Return	Purchases	Sales	Net Transfers In/Out of Level 3	Balance 6/30/2020
Unitrusts Receivable	$ 1,294,940	$ (58,115)	$ -	$ -	$ -	$ 1,236,825
Long-Term Investments:						
Securities Held Outside	11,261,844	206,290	170,231	(657,591)	-	10,980,774
Beneficial Interest in Trusts	744,996	12,014	-	(37,266)	-	719,744
	$13,301,780	$ 160,189	$ 170,231	$ (694,857)	$ -	$12,937,343

The following table presents a reconciliation of the statement of financial position amounts for financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2019:

Asset Category	Balance 6/30/2018	Total Investment Return	Purchases	Sales	Net Transfers In/Out of Level 3	Balance 6/30/2019
Unitrusts Receivable	$ 1,466,734	$ 131,402	$ -	$ (303,196)	$ -	$ 1,294,940
Long-Term Investments:						
Securities Held Outside	11,434,614	667,647	247,329	(1,087,746)	-	11,261,844
Beneficial Interest in Trusts	761,589	20,300	-	(36,893)	-	744,996
	$13,662,937	$ 819,349	$ 247,329	$(1,427,835)	$ -	$13,301,780

NOTE 3 CREDIT QUALITY OF STUDENT LOANS RECEIVABLE

Through September 30, 2017, the University issued uncollateralized loans to students based on financial need. Student loans are funded through Federal government loan programs. At June 30, 2020 and 2019, student loans represented 0.38% and 0.47% of total assets, respectively.

At June 30, 2020 and 2019, student loans consisted of the following:

	2020	2019
Federal government programs	$ 1,598,404	$ 2,013,540

The University participates in the Federal Perkins Loan Program, however, the federal government discontinued the Perkins Loan Program, and no new loans could be issued after September 30, 2017. Funds advanced by the Federal government of $2,061,533 and $2,327,188 at June 30, 2020 and 2019, respectively, are ultimately refundable to the government and are classified as liabilities in the statement of financial position.

NOTE 3 CREDIT QUALITY OF STUDENT LOANS RECEIVABLE (CONTINUED)

Outstanding loans cancelled under the program result in a reduction of the funds available for loan and a decrease in the liability to the government.

At June 30, 2020 and 2019, the following amounts were past due under the Perkins Loan Program:

	2020	2019
1-3 months past due	$ 16,491	$ 3,553
4-6 months past due	32,329	4,587
7-12 months past due	60,463	7,503
13-24 months past due	91,123	29,688
25+ months past due	172,257	70,142
Total	$ 372,663	$ 115,473

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. Amounts due under the Perkins Loan Program are guaranteed by the government and, therefore, no reserves are placed on any past due balances under the program.

NOTE 4 CONTRIBUTIONS RECEIVABLE

Contributions receivable consists of unconditional promises to give from various individuals and organizations. The present value was imputed at 1% for the year ended June 30, 2020 and 2% for the year ended June 30, 2019. This approximates the University's current incremental borrowing rate. The long-term contributions receivable are receivable within 2 to 12 years. The amount to be received in 2 to 5 years is $3,544,412. The amount to be received in 6 to 12 years is $301,881.

At June 30, 2020 and 2019, contributions receivable consisted of the following:

	2020	2019
Unconditional Promises to Give	$ 7,818,882	$ 9,427,619
Unamortized Discount	(124,655)	(224,794)
Allowance for Doubtful Pledges	(384,712)	(460,141)
Total	$ 7,309,515	$ 8,742,684
Net Contributions Receivable:		
Current	$ 3,463,221	$ 2,804,061
Long-Term	3,846,294	5,938,623
Total	$ 7,309,515	$ 8,742,684

NOTE 5 LONG-TERM INVESTMENTS

The investments include funds traditionally considered the endowment of the University (including quasi-endowment) as well as other assets. As of June 30, the carrying value of investments are as follows:

	2020	2019
Common Stock	$ 67,604,671	$ 68,690,046
Equity Funds	63,461,285	64,944,881
Bond Funds	46,535,094	47,616,697
Private Equity	24,441,993	22,196,454
Venture Capital and Buyout Funds	10,487,267	10,386,371
Real Estate Funds	20,660,851	19,760,497
Charitable Remainder Trusts *	6,066,835	6,332,941
Charitable Annuities *	4,913,939	4,928,903
Beneficial Interest in Trusts **	719,744	744,996
Total Long-Term Investments	$ 244,891,679	$ 245,601,786

* Assets held under Charitable Remainder Trusts and Charitable Annuities are held and administered by an outside fiscal agent. See Note 1 for additional information on such agreements.

** Beneficial interest in trusts are neither in the possession of nor under control of the University, but held and administered by an outside fiscal agent, with the University deriving annual income from such funds. See Note 2 for additional information.

The University invests in a variety of partnerships that include: real estate, private equity and international private equity, venture capital, and mezzanine funds. Under terms of certain limited partner agreements, the University is obligated to periodically advance additional funding for such investments. See Note 2 for additional information on the remaining commitments. The University anticipates that is will maintain sufficient liquidity in its investment portfolio to cover such calls.

The University invests in a variety of investment vehicles. In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for use.

NOTE 6 ENDOWMENT

The University's endowment consists of over 700 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as an endowment. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE 6 ENDOWMENT (CONTINUED)

Interpretation of Relevant Law

The Board of Trustees of the University has interpreted the Minnesota Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as perpetually restricted net assets the original value of the gifts to the permanent endowment and the value of subsequent gifts to the permanent endowment.

In accordance with UPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the University 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 University
(7) The investment policies of the University

Endowment net asset composition by type of fund as of June 30, 2020 is as follows:

	Without Donor Restriction	With Donor Restriction			Total
		Purpose	Perpetual	Total With Donor Restriction	
June 30, 2020					
Donor-Restricted Endowment Funds	$ -	$ 53,091,049	$ 89,810,066	$ 142,901,115	$ 142,901,115
Board-Designated Endowment Funds	63,096,217	-	-	-	63,096,217
Total Funds	$ 63,096,217	$ 53,091,049	$ 89,810,066	$ 142,901,115	$ 205,997,332

NOTE 6 ENDOWMENT (CONTINUED)

Changes in endowment net assets for the fiscal year ended June 30, 2020 are as follows:

	Without Donor Restriction	With Donor Restriction: Purpose	With Donor Restriction: Perpetual	With Donor Restriction: Total With Donor Restriction	Total
Endowment Net Assets, July 1, 2019	$ 64,958,058	$ 57,495,954	$ 86,283,635	$ 143,779,589	$ 208,737,647
Investment Return:					
Investment Income	1,116,142	2,521,003	-	2,521,003	3,637,145
Net Realized and Unrealized Gains	(500,646)	(1,130,795)	-	(1,130,795)	(1,631,441)
Total Investment Return	615,496	1,390,208	-	1,390,208	2,005,704
Contributions	18,174	-	3,516,074	3,516,074	3,534,248
Appropriations of Endowment Assets for Expenditure	(2,495,511)	(5,792,612)	-	(5,792,612)	(8,288,123)
Other Changes:					
Other Additions (Subtractions)	-	(2,501)	10,357	7,856	7,856
Investment Gains Transferred to Net Assets Without Restriction	-	-	-	-	-
Endowment Net Assets, June 30, 2020	$ 63,096,217	$ 53,091,049	$ 89,810,066	$ 142,901,115	$ 205,997,332

Endowment net asset composition by type of fund as of June 30, 2019 is as follows:

	Without Donor Restriction	With Donor Restriction: Purpose	With Donor Restriction: Perpetual	With Donor Restriction: Total With Donor Restriction	Total
June 30, 2019					
Donor-Restricted Endowment Funds	$ -	$ 57,495,954	$ 86,283,635	$ 143,779,589	$ 143,779,589
Board-Designated Endowment Funds	64,958,058	-	-	-	64,958,058
Total Funds	$ 64,958,058	$ 57,495,954	$ 86,283,635	$ 143,779,589	$ 208,737,647

NOTE 6 ENDOWMENT (CONTINUED)

Changes in endowment net assets for the fiscal year ended June 30, 2019 are as follows:

	Without Donor Restriction	With Donor Restriction: Purpose	With Donor Restriction: Perpetual	With Donor Restriction: Total With Donor Restriction	Total
Endowment Net Assets, July 1, 2018	$ 59,718,094	$ 53,451,252	$ 83,596,559	$ 137,047,811	$ 196,765,905
Investment Return:					
Investment Income	1,178,647	2,629,453	-	2,629,453	3,808,100
Net Realized and Unrealized Gains	3,183,482	7,102,055	-	7,102,055	10,285,537
Total Investment Return	4,362,129	9,731,508	-	9,731,508	14,093,637
Contributions	3,027,306	-	2,204,958	2,204,958	5,232,264
Appropriations of Endowment Assets for Expenditure	(2,205,518)	(5,444,061)	-	(5,444,061)	(7,649,579)
Other Changes:					
Other Additions (Subtractions)	56,047	(242,745)	482,118	239,373	295,420
Investment Gains Transferred to Net Assets Without Restriction	-	-	-	-	-
Endowment Net Assets, June 30, 2019	$ 64,958,058	$ 57,495,954	$ 86,283,635	$ 143,779,589	$ 208,737,647

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the University to retain as a fund of perpetual duration (underwater). As of June 30, 2020, funds with original gift values of $1,058,273, and fair values of $1,034,716, and deficiencies of $23,557 were reported in net assets with donor restriction. As of June 30, 2019, there were no endowments underwater. These deficiencies, which the University believes are temporary, resulted from unfavorable market fluctuations. Continued spending of appropriations are deemed prudent.

Investment Objectives and Strategies

The University has adopted an investment policy to provide guidelines for investing endowment assets. Under this policy, as approved by the Finance Committee of the Board of Trustees, the endowment assets are invested in a manner that is intended to maintain the purchasing power of the current assets and all future contributions, maximize return within reasonable and prudent levels of risk, and maintain an appropriate asset allocation based on a total return policy that is compatible with a flexible spending policy. To achieve these objectives, the University follows an asset diversification plan, sets performance benchmarks for investment managers, and has established various asset quality and limitations thresholds. The University expects its endowment funds, over time, to provide an average rate of return of 4.5% to 5.0% above the rate of inflation (inflation is defined as the consumer price index). Actual returns in any given year may vary from this amount.

NOTE 6 ENDOWMENT (CONTINUED)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the University 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 University targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending Policy

The University's endowment spending policy for the years ended June 30, 2020 and 2019 was to appropriate for distribution up to 4.50%, based on a three-year moving average of beginning endowment market values (except for the School of Theology, which expended up to 5.25% and 5.50% for the years ended June 30, 2020 and 2019, respectively). In establishing this policy, the University considered the long-term expected return on its endowment. Accordingly, over the long term, the University expects the current spending policy to allow its endowment to grow at or above the annual rate of inflation. This is consistent with the University's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 7 DEBT

The University had the following debt obligations at June 30:

	2020	2019
Notes Payable		
Unsecured note payable related to a term endowment.	$ 43,071	$ 40,569

NOTE 7 DEBT (CONTINUED)

Bonds Payable	2020	2019
Bond/8H; Secured by the Science Center, Athletic Complex, renovation of first floor Quadrangle, Dormitories, etc.; payable to the Minnesota Higher Education Facilities Authority, in eleven annual installments ranging from $415,000 to $1,875,000 commencing October 1, 2016 and the final payment due October 1, 2026. The principal amount of each installment is subject to a specific interest rate ranging from 2.0% to 5.0%. A current installment of $1,660,000 is due October 1, 2020.	7,035,000	8,615,000
Bond Premium/8H; Deferred bond premiums on the 8H issuance are being expensed using the effective interest method over the term of the bonds of 11 years beginning in fiscal year 2016 and ending in fiscal year 2027.	460,135	670,172
Bond Issuance/8H; Deferred bond costs on the 8H issuance are being expensed using the effective interest rate method over the term of the bonds of 11 years beginning in fiscal year 2016 and ending in fiscal year 2027.	(50,199)	(73,113)
Bond/8I; Secured by the Alcuin Library and the Learning Commons; payable to the Minnesota Higher Education Facilities Authority, in eighteen annual installments ranging from $300,000 to $1,400,000 commencing October 1, 2016 and the final payment due October 1, 2035. The principal amount of each installment is subject to a specific interest rate ranging from 2.0% to 5.0%. A current installment of $955,000 is due October 1, 2020.	14,335,000	15,445,000
Bond Premium/8I; Deferred bond premiums on the 8I issuance are being expensed using the effective interest method over the term of the bonds of 20 years beginning in fiscal year 2016 and ending in fiscal year 2036.	947,411	1,049,569
Bond Issuance/8I; Deferred bond costs on the 8I issuance are being expensed using the effective interest rate method over the term of the bonds of 20 years beginning in fiscal year 2016 and ending in fiscal year 2036.	(133,033)	(147,378)

NOTE 7 DEBT (CONTINUED)

Bonds Payable (Continued)	2020	2019
Bond/2017; Secured by housing and community center construction projects, also dining and Seton renovations, payable to the Minnesota Higher Education Facilities Authority over 16 years in semi-annual installments ranging from $365,000 to $620,000 commencing October 1, 2018 and the final payment is due October 1, 2033. The principal amount of each installment is subject to a specific interest rate ranging from 2.0% to 5.0%. A current installment of $380,000 is due October 1, 2020. `	6,860,000	7,230,000
Bond Premium/2017; Deferred bond premiums on the 2017 issuance are being expensed using the effective interest method over the term of the bonds of 17 years beginning in fiscal year 2018 and ending in fiscal year 2034.	499,510	565,764
Bond Issuance/2017; Deferred bond costs on the 2017 issuance are being expensed using the effective interest rate method over the term of the bonds of 17 years beginning in fiscal year 2018 and ending in fiscal year 2034.	(120,752)	(136,768)
Total Bonds Payable	29,833,072	33,218,246
Total Notes and Bonds Payable	29,876,143	33,258,815
Less: Current Portion	3,274,163	3,385,173
Total Long-Term	$ 26,601,980	$ 29,873,642

Debt maturity requirements in each of the next five years are as follows:

Year	Principal Amount	Premium/ Discount	Issuance Costs	Total Amount
2021	2,995,000	326,280	(47,117)	3,274,163
2022	2,130,000	275,051	(41,103)	2,363,948
2023	2,278,071	224,040	(35,136)	2,466,975
2024	1,615,000	188,793	(30,817)	1,772,976
2025	1,690,000	167,706	(27,781)	1,829,925
Later Years	17,565,000	725,186	(122,030)	18,168,156
Total	$ 28,273,071	$ 1,907,056	$ (303,984)	$ 29,876,143

Total interest expense for the year ended June 30, 2020 was $915,939 which included $53,275 of deferred bond issuance costs, and $(378,448) of deferred bond premium.

Total interest expense for the year ended June 30, 2019 was $1,001,353 which included $59,270 of deferred bond issuance costs, and $(429,004) of deferred bond premium.

NOTE 8 RESTRICTIONS AND LIMITATIONS ON NET ASSET BALANCES

As of June 30, the University's net assets with donor restrictions were recorded as follows:

	2020	2019
Donor-restricted net assets not invested in perpetuity		
Program and operations support	$ 6,878,347	$ 4,649,844
Capital asset acquisition	294,596	372,404
Accumulated earnings on endowment funds	53,091,049	57,495,954
Unitrusts	1,791,798	1,853,797
Life Insurance	226,629	238,698
Contributions receivable	5,978,874	7,071,770
Total Donor-Restricted Net Assets not Invested in Perpetuity	68,261,293	71,682,467
Donor-restricted net assets invested in perpetuity		
Endowment	89,810,066	86,283,635
Unitrusts	1,841,087	1,984,873
Life Insurance	471,425	473,510
Contributions receivable	1,244,859	1,521,196
Total Donor-Restricted Net Assets Invested in Perpetuity	93,367,437	90,263,214
Total Assets With Donor Restrictions	$ 161,628,730	$ 161,945,681

The source of net assets released from donor restrictions during the years ended June 30 by incurring expenses satisfying the restricted purpose or by occurrence of events specified by the donors were as follows:

	2020	2019
Scholarship and Program Support - Operating	$ 4,491,982	$ 4,641,713
Capital Projects - Nonoperating	1,595,982	1,697,539
Total Released	$ 6,087,964	$ 6,339,252

NOTE 9 CONTINGENCIES

The University sponsors a self-insurance plan for its employees' health insurance. The University is responsible for a maximum of $215,000 per year for each employee. Amounts in excess of the $215,000 cap are reimbursed through Specific Stop Loss coverage. Those amounts in excess of 125% of overall expected annual claims are also protected by Aggregate Stop Loss coverage.

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

The University has conditional promises to give from various individuals and organizations. The promises consist of private equity stock. Upon a public offering of the stock, the University will receive the promised shares in the company. A reasonable estimate of the fair value of the conditional promises to give could not be made because the private equity stocks are not readily salable.

For calendar year 2020, the University had received a conditional grant from the Katherine B. Andersen Fund of The Saint Paul Foundation for use in the Hill Museum and Manuscript Library. The grant is for $10,000, but is conditional on the University matching this grant in contributions for the Hill Museum and Manuscript Library. As of June 30, 2020, $3,170 has been raised in matching fund contributions.

Beginning in fiscal year 2019, the University received a conditional grant from Dan and Angie Bastain for endowed Cristo Rey scholarship funds. The grant is for $500,000, but was conditional on the University matching this grant in contributions for Cristo Rey scholarships. As of June 30, 2020 and 2019, $500,000 and $350,000 respectively has been raised in matching fund contributions.

NOTE 10 COORDINATE EFFORT

The University entered into an agreement with the College of Saint Benedict (an all-women’s college located five miles away) to provide a coordinate effort between the two institutions for academic and certain administrative, employment and student services. The coordinate effort was arranged to provide economic efficiencies when possible. The agreement provides for such services to be reimbursed between the two institutions. There was a receivable from the College for $117,708 as of June 30, 2020, and a payable to the College for $193,156 as of June 30, 2019.

NOTE 11 DONOR RECLASSIFICATION OF NET ASSETS

Periodically donor restrictions related to net assets may be clarified or changed. Such changes are reflected as reclassification of net assets at the time they are identified. During the years ended June 30, 2020 and 2019, the University made reclassifications to certain net assets to accommodate donor requests to change restrictions.

NOTE 12 EXPENSES BY FUNCTION AND NATURAL CLASSIFICATION

In its statement of activities, the University reports expenditures in categories reflecting core operational objectives for higher education, as defined by Integrated Postsecondary Education Data System (IPEDS). During the year, expenses are directly coded to program (instruction, academic support, student services, auxiliary services, and sponsored programs) or support services (institutional support) whenever possible. Expenses which are not directly identifiable by program or support service are allocated based on the best estimates of management.

Expenses reported by function on the statement of activities are summarized by natural classification for the year ended June 30, 2020.

	Program Activities	Support Activities	Total
EXPENSES			
Salary & Wages	$ 24,329,779	$ 6,149,674	$ 30,479,453
Fringe	6,059,271	1,555,408	7,614,679
Tuition Remission	2,602,557	312,352	2,914,909
Advertising & Promotion	358,394	369,927	728,321
Office Expense	844,759	682,583	1,527,342
Occupancy	8,371,647	661,493	9,033,140
Insurance	56,999	144,012	201,011
Information Technology	675,801	558,477	1,234,278
Student Programming	3,173,112	-	3,173,112
Royalties	37,992	-	37,992
Lobbying	-	140,715	140,715
Travel	1,460,316	186,750	1,647,066
Conferences, Conventions, Meetings	218,129	404,622	622,751
Interest	219,438	-	219,438
Services - Accounting	-	66,619	66,619
Services - Legal	-	598,608	598,608
Services - Professional Fundraising	-	35,000	35,000
Services - Other	1,386,953	873,005	2,259,958
Depreciation	4,722,587	571,062	5,293,649
Other Auxilaries	5,288,850	-	5,288,850
Allocations	-	(1,775,514)	(1,775,514)
Other	78,238	1,183,115	1,261,353
Total Expenses	$ 59,884,822	$ 12,717,908	$ 72,602,730

NOTE 12 EXPENSES BY FUNCTION AND NATURAL CLASSIFICATION (CONTINUED)

Expenses reported by function on the statement of activities are summarized by natural classification for the year ended June 30, 2019.

	Program Activities	Support Activities	Total
EXPENSES			
Salary & Wages	$ 25,265,109	$ 6,183,706	$ 31,448,815
Fringe	5,961,738	1,517,207	7,478,945
Tuition Remission	2,956,610	(15,832)	2,940,778
Advertising & Promotion	360,927	252,200	613,127
Office Expense	888,919	849,241	1,738,160
Occupancy	9,018,966	821,280	9,840,246
Insurance	70,463	140,411	210,874
Information Technology	574,735	472,487	1,047,222
Student Programming	3,251,994	-	3,251,994
Royalties	94,927	-	94,927
Lobbying	-	140,737	140,737
Travel	1,837,890	236,330	2,074,220
Conferences, Conventions, Meetings	328,518	589,056	917,574
Interest	235,659	-	235,659
Services - Accounting	-	70,252	70,252
Services - Legal	-	265,808	265,808
Services - Professional Fundraising	-	6,973	6,973
Services - Other	1,574,801	217,988	1,792,789
Depreciation	4,717,059	639,141	5,356,200
Other Auxilaries	6,049,654	-	6,049,654
Allocations	-	(1,884,529)	(1,884,529)
Other	1,072,146	622,993	1,695,139
Total Expenses	$ 64,260,115	$ 11,125,449	$ 75,385,564

Development expenses incurred by the University are charged to institutional support and included in support activities above. For the years ended June 30, 2020 and 2019, the University had development expenses of $3,691,069 and $3,587,877, respectively.

NOTE 13 RELATED PARTY

For the years ended June 30, 2020 and 2019, pledges totaling $423,979 and $425,907, respectively, from the Board of Trustees and Boards of Overseers are included in the statement of financial position as contributions receivable.

NOTE 14 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	2020	2019
Interest paid	$ 1,273,813	$ 1,402,963
Interest paid and capitalized through PPE	-	-
Noncash:		
Retirement of fully depreciated assets	968,296	427,655
Property, plant & equipment included in accounts payable	917,062	513,336
Proceeds from issuance of long-term debt	-	-
Donation of fixed assets	11,653	34,167

NOTE 15 SAINT JOHN'S BIBLE

In 1998, the University embarked on a project to create and produce a handwritten and illuminated Bible, which was based on the new Revised Standard Version. This Bible is made up of seven volumes, and was completed in June 2011.

Three hundred and ninety museum-quality reproduction sets have been made. Of these sets, which are referred to as Heritage Editions, three hundred and sixty of them will be sold to generate revenue for the University. A major objective of the Saint John's Bible is to increase national and international awareness of Saint John's University and to promote its position among expanded constituencies and recruitment markets. Through June 30, 2020, one hundred thirty four sets have been sold or gifted.

As of June 30, 2020, the University statement of financial position includes accounts receivable of $255,387, inventory of $6,275,840, accounts payable and accrued expenses of $395,493, and deferred revenue of $430,105, related to the Heritage Edition program.

As of June 30, 2019, the University statement of financial position includes accounts receivable of $420,844, inventory of $6,180,869, accounts payable and accrued expenses of $86,696, and deferred revenue of $680,401, related to the Heritage Edition program.

NOTE 16 ENVIRONMENTAL REMEDIATION

The University owns several buildings on campus that contain asbestos in various forms. At this time, the University has no plans to renovate or demolish the buildings over their estimated remaining useful lives. Management has estimated the cost of any potential obligation to remove asbestos. The University used a future value rate assumption of 3.00% and brought that estimate back to present value using risk-free rates of return of 5.15% to 5.31% in making this determination. The potential environmental remediation liability at June 30, 2020 and 2019 is $801,493 and $961,464, respectively.

NOTE 17 OPERATING LEASE

Effective July 1, 2012, the University entered into a ground lease agreement with the Order of Saint Benedict for all of the land that the campus sits on. The lease term is for 50 years. In addition, and at the same time, the University entered into leases for several Order of Saint Benedict buildings needed for University operations. These lease terms range from 2 to 50 years. The annual ground and building lease payment is calculated at 0.25% of the without donor restriction "Total Operating Revenues, Gains, and Other Support" as reported on the University's prior year's audited financial statement. This amounted to $201,778 and $193,102 for the years ended June 30, 2020 and 2019, respectively. The ground lease renews every 5 years, and at which time a $250,000 lease extension payment is due. The University accrues $50,000 per year for this. The lease was last renewed on July 1, 2017.

NOTE 18 REQUIRED ANNUAL REPORT INFORMATION FOR BONDS

The following information, which is required annual reporting, is in this footnote for easy reference. This information has not been subjected to any auditing procedures.

This information is provided as of the end of the most recent complete academic or fiscal year, as appropriate.

University Housing

The chart below shows historical occupancy levels at the University housing system.

St. John's University Undergraduate Student Housing Recap

Fiscal Year	Spaces Available	Total Housed On Campus*	Occupancy Rate	Total Fr. - Sr. Student Body*	Percent Housed On Campus
2015-16	1,529	1,470	96%	1,716	86%
2016-17	1,529	1,499	98%	1,739	86%
2017-18	1,536	1,483	97%	1,706	87%
2018-19	1,532	1,400	91%	1,650	85%
2019-20	1,499	1,358	91%	1,608	84%

*Fall enrollment figures

NOTE 18 REQUIRED ANNUAL REPORT INFORMATION FOR BONDS (CONTINUED)

Student Enrollment and Geographic Distribution of Entering Freshmen

The University's total historic enrollment for undergraduate and graduate students for the past five years and the estimated enrollment for fiscal year 2019/2020 are as follows:

Fiscal Year	Head Count	FTE
Actual:		
2015/16	1,869	1,804
2016/17	1,849	1,808
2017/18	1,815	1,779
2018/19	1,777	1,726
2019/20	1,727	1,679
Estimated:		
2020/21	1,668	1,621

Freshman Applications, Acceptances and Enrollments

	2015/16	2016/17	2017/18	2018/19	2019/20
Applications	1,334	1,457	1,461	1,421	1,746
Acceptances	1,191	1,279	1,315	1,241	1,367
Percent Accepted	89%	88%	90%	87%	78%
Enrolled	451	461	465	398	414
Percent Enrolled to Accepted	38%	36%	35%	32%	30%
Mean ACT Score	25	25	25	25	25
Mean SAT Verbal/ Math Scores*	518/525	518/525	542/555	564/576	565/535

All scores re-centered.

Of the 414 persons enrolled in the 2019/2020 freshman class, 327 or 79% are Minnesota residents.

NOTE 18 REQUIRED ANNUAL REPORT INFORMATION FOR BONDS (CONTINUED)

Student Retention

The University reports the following student retention percentages, based on tracking incoming freshmen through to graduation.

Fall Semester	New Freshmen	Percent of Students Returning				Percent of Graduates	
		2nd Year	3rd Year	4th Year	5th Year	4 Years	By 5th Year
2014	450	85.3	80.2	79.8	5.3	69	73
2015	451	88.7	80.9	80.7	4.2	73	77
2016	461	87.9	80.7	77.9			
2017	465	87.1	81.5				
2018	398	85.4					
2019	414						

Tuition and Fees

The University meets the costs of its educational programs primarily through tuition and fees. The following table lists the tuition, room and board fees for the past five years, charged to a full-time, incoming freshman.

	2015/16	2016/17	2017/18	2018/19	2019/20
Tuition	$ 39,530	$ 41,016	$ 42,574	$ 44,184	$ 45,730
Room*	4,802	4,946	5,070	5,172	5,276
Board	4,802	4,946	5,046	5,148	5,252
Activity Fee	428	440	500	518	528
Technology Fee	268	276	282	288	288
Total	$ 49,830	$ 51,624	$ 53,472	$ 55,310	$ 57,074

* *Amounts represented above are average room charges; actual amounts may be more or less depending on the residence.*

Special fees may be charged for specific courses such as science labs, arts fees or music lessons.

Faculty

The student-faculty ratio is approximately 11 to 1. There are no religious or denominational prerequisites or any participatory religious requirements for faculty membership. The University subscribes to the 1940 Statement of Principles on Academic Freedom of the American Association of University Professors and the Association of American Colleges.

NOTE 18 REQUIRED ANNUAL REPORT INFORMATION FOR BONDS (CONTINUED)

For the 2019/2020 fiscal year, the University has 131 full-time and 22 part-time faculty. The number and average salary by rank for full-time faculty during the 2019/2020 fiscal year were:

Rank	Head Count * Number	Average * Salary
Professor	44	$ 93,701
Associate Professor	41	75,001
Assistant Professor	14	64,941
Instructor/Lecturer	32	66,965

* Head count and average salary calculated per AAUP survey criteria.

The percentage of full-time tenured faculty is 66%.

Financial Aid

Approximately 98% of the student body annually receives some form of financial aid. The following table is a five-year summary of financial assistance received from both University and non-University sources.

	2015/16	2016/17	2017/18	2018/19	2019/20
Loans:					
Federal	$ 8,847,261	$ 9,229,689	$ 8,966,794	$ 8,235,439	$ 7,823,892
Private	5,024,975	5,242,791	4,587,612	4,816,677	5,151,587
Total Loans	13,872,236	14,472,480	13,554,406	13,052,116	12,975,479
Student Employment (All Sources)	3,208,022	3,109,163	3,137,753	3,038,007	2,227,085
Gift Aid:					
Federal/State	3,508,099	3,817,776	4,363,917	4,586,805	4,269,428
University	35,888,368	38,250,301	39,055,305	39,811,623	40,804,931
Private	377,148	541,349	225,497	457,418	632,302
Total Gift Aid	39,773,615	42,609,426	43,644,719	44,855,846	45,706,661
Total	$ 56,853,873	$ 60,191,069	$ 60,336,878	$ 60,945,969	$ 60,909,225

Capital Campaign

For fiscal year ended June 30, 2020, the University had raised $78,165 for facilities, $14,656,654 for endowment (scholarship and program endowment), and $11,522,722 for without donor restriction and with donor restriction annual gifts, and $3,393,021 to be designated, for a total of $29,650,562 through cash, pledges, and planned gifts.

NOTE 18 REQUIRED ANNUAL REPORT INFORMATION FOR BONDS (CONTINUED)

Maximum Annual Debt Service and Pro Forma Coverage Statement

Fiscal Year 2020		
Maximum Annual Debt Service (a)	Amount Available for Debt Service (b)	Estimated Coverage
$ 4,139,013	$ 5,805,324	1.40

a. Maximum annual debt service is based on actual service on the Bonds and on the University's outstanding debt.

b. Fiscal Year 2020 net amount available for debt service:

Change in Net Assets Without Restriction from Operations	$ (1,090,485)
Plus: Depreciation	5,621,996
Adjusted Increase (Decrease) in Net Assets Without Restriction	4,531,511
Plus: Interest Paid on Funded Debt	1,273,813
Net Income Available for Debt Service	$ 5,805,324

NOTE 19 LIQUIDITY

The University regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The University considers all expenditures related to its ongoing activities of teaching and public service as well as the conduct of services undertaken to support general institutional expenditures.

In addition to financial assets available to meet general expenditures, the University operates with a balanced operating budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

NOTE 19 LIQUIDITY (CONTINUED)

As of June 30, 2020, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

	2020	2019
Cash and Cash Equivalents	$ 5,094,579	$ 7,556,479
Student Receivables - Net	114,638	187,050
Contributions Receivable - Net	32,620	49,992
Unitrust, Interest, and Other Receivables	1,663,791	1,792,878
Donor Restricted Program Funds For Use Over the Next 12 Months	4,566,848	4,167,147
Endowment Payout For Use Over the Next 12 Months	6,800,000	6,400,000
Total	$ 18,272,476	$ 20,153,546

The majority of the University's liquidity is provided by cash and cash equivalents and endowment spending rate appropriations.

Board-designated endowment and reserve funds in the amounts of $86,244,004 and $87,308,300 as of June 30, 2020 and 2019, respectively, are included in the University's statement of financial position at June 30, 2020 and 2019. Although the University does not intend to spend from the corpus of these funds, these amounts could be made available if deemed necessary.

NOTE 20 COVID-19 PANDEMIC

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities.

Due to COVID-19, in Mid-March 2020, the University sent students home to finish the Spring semester remotely via online instruction. As a result of sending the students home, the University refunded $3,375,000 to students for a portion of their room, board, and other charges. To help offset a portion of this lost revenue, the University implemented cost cutting measures and also received a Department of Education CARES Act grant in the amount of $678,568.

COVID-19 may impact various parts of the University's fiscal year 2021 operations and financial results, including, but not limited to, declines in enrollment, loss of auxiliary revenues, additional bad debts, costs for increased use of technology, or potential shortages of personnel. Management believes the University is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing subsequent to fiscal year-end 2020.

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