OFFICIAL STATEMENT DATED MARCH 13, 2024

NEW ISSUE | **Moody's Rating: A2**
NOT BANK QUALIFIED | **See "RATING" Herein**

In the opinion of Taft Stettinius & Hollister LLP, as Bond Counsel, according to present State of Minnesota and federal laws, regulations and rulings, and assuming the accuracy of certain representations of the Authority and the University and compliance by the Authority and the University with all requirements of the Internal Revenue Code of 1986, as amended, and certain covenants, the interest on the 2024A Bonds and the interest on the 2024B Bonds during their Initial Term Rate Periods is not includable in gross income for federal income tax purposes and, to the same extent, is not includable in taxable net income of individuals, estates and trusts for State of Minnesota income tax purposes. Interest on the 2024A Bonds and 2024B Bonds is not an item of tax preference in determining federal alternative minimum tax, or Minnesota alternative minimum tax applicable to individuals, estates or trusts; however, interest on the 2024A Bonds and 2024B Bonds is taken into account in determining "annual adjusted financial statement income" for the purpose of computing the federal alternative minimum tax imposed on certain corporations for tax years beginning after December 31, 2022. Such interest is included in taxable income for purposes of the Minnesota franchise tax on corporations and financial institutions. Interest on the 2024C Bonds is not excludable from gross income and is subject to both federal and Minnesota state income taxation. 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.")

$159,390,000
Minnesota Higher Education Facilities Authority

$94,440,000
Revenue Bonds, Series 2024A
(University of St. Thomas)

$50,000,000
Revenue Bonds, Series 2024B
(University of St. Thomas) (GREEN BONDS)
$25,000,000 Subseries 2024B-1
$25,000,000 Subseries 2024B-2

$14,950,000
Taxable Revenue Bonds, Series 2024C
(University of St. Thomas) (GREEN BONDS)

(all issues DTC Book Entry Only)

Dated Date: Date of Delivery

Interest Due: April 1 and October 1, Commencing October 1, 2024

The Minnesota Higher Education Facilities Authority (the "Authority") is issuing its Revenue Bonds, Series 2024A (University of St. Thomas) (the "2024A Bonds"), Revenue Bonds, Series 2024B (University of St. Thomas) (Green Bonds) (the "2024B Bonds"), and Taxable Revenue Bonds, Series 2024C (University of St. Thomas) (Green Bonds) (the "2024C Bonds") (the three series of bonds collectively referred to as the "Bonds"). Capitalized terms used on this front cover not defined herein shall have the meanings as set forth in Appendix IV, "DEFINITIONS OF CERTAIN TERMS."

Interest on the Bonds is payable on October 1, 2024 and thereafter on each April 1 and October 1. The Bonds mature on October 1 as described on the pages immediately inside this front cover.

The 2024B Bonds are issued in two subseries designated 2024B-1 and 2024B-2 and are subject to mandatory tender. If the 2024B Bonds are not previously redeemed at the option of the University (as hereinafter defined) or converted to a new Term Rate Period or to another Mode on or after the applicable First Par Call Date set forth inside this front cover, they are subject to tender for mandatory purchase on the respective Initial Scheduled Mandatory Purchase Dates set forth inside this front cover. If not purchased on the applicable Initial Scheduled Mandatory Purchase Dates, the 2024B Bonds are subject to the Initial Delayed Remarketing Rate. This Official Statement describes the 2024B Bonds only during the Initial Term Rate Periods commencing the date of delivery and ending on the applicable Initial Scheduled Mandatory Purchase Dates. No credit facility or liquidity facility secures payment of the purchase price of 2024B Bonds that are tendered or deemed tendered for purchase and not remarketed. See "THE BONDS – Special Provisions Relating to the 2024B Bonds."

The Bonds will be subject to redemption at the option of the Authority, at the direction of the University of St. Thomas, a Minnesota non-profit corporation (the "University") as described herein. The Bonds are subject to extraordinary optional redemption in whole or in part in certain cases of damage to or destruction or condemnation of Project Facilities and the 2024A Bonds and 2024B Bonds are subject to extraordinary optional redemption in the event of a Determination of Taxability, described in the Loan Agreement and the Indenture for the Bonds. The 2024A Term Bonds are subject to mandatory redemption in installments as described herein. See "THE BONDS – Redemption."

The Bonds will be issued as fully registered Bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases may be made in book entry form only, in the principal amount of $5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. See "THE BONDS – Book Entry System." U.S. Bank Trust Company, National Association, Saint Paul, Minnesota will serve as Trustee, Registrar and Paying Agent (the "Trustee") and will serve as tender agent (the "Tender Agent") with respect to the 2024B Bonds.

The 2024B Bonds and 2024C Bonds have been designated as "Green Bonds." Kestrel has provided an independent external review and opinion that said bonds conform with the four core components of the International Capital Market Association Green Bond Principles, and therefore qualify for Green Bonds designation. See "DESIGNATION OF BONDS AS GREEN BONDS" herein.

The Bonds are special obligations of the Authority payable solely from Loan Repayments made by or on behalf of 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") OR THE AUTHORITY, 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 of the Bonds and tax exemption of the 2024A Bonds and 2024B Bonds by Taft Stettinius & Hollister LLP, Minneapolis, Minnesota, Bond Counsel. Certain legal matters will be passed upon for the University by Vantage Law Group, PLLC, Minneapolis, Minnesota and for the Underwriter by Dorsey & Whitney LLP, Minneapolis, Minnesota. The Bonds are expected to be available for delivery to the Underwriter through the facilities of DTC on or about March 26, 2024.

RBC Capital Markets

$94,440,000
Minnesota Higher Education Facilities Authority
Revenue Bonds, Series 2024A
(University of St. Thomas)

Maturity Date: October 1	**Amount**	**Rate**	**Yield**	**Price**	**CUSIP 60416J**
2035	$1,630,000	5.000%	2.990%	115.009†	HP8
2036	$3,280,000	5.000%	3.080%	114.282†	HQ6
2037	$3,445,000	5.000%	3.230%	113.083†	HR4
2038	$3,620,000	5.000%	3.260%	112.844†	HS2
2039	$3,810,000	5.000%	3.380%	111.898†	HT0
2040	$4,005,000	5.000%	3.530%	110.728†	HU7
2041	$4,210,000	5.000%	3.640%	109.879†	HV5
2042	$4,425,000	5.000%	3.700%	109.419†	HW3
2043	$4,650,000	5.000%	3.760%	108.962†	HX1
2044	$4,890,000	5.000%	3.810%	108.582†	HY9

$28,480,000 5.000% Term Bond due October 1, 2049 Yield 3.980% Price 107.304† CUSIP 60416J HZ6

$27,995,000 4.125% Term Bond due October 1, 2053 Yield 4.310% Price 96.926 CUSIP 60416J JA9

† *Priced to the first par call date of October 1, 2032*

$50,000,000
Minnesota Higher Education Facilities Authority
Revenue Bonds, Series 2024B
(University of St. Thomas) (Green Bonds)

	Subseries 2024B-1	Subseries 2024B-2
Principal:	$25,000,000	$25,000,000
Price:	105.249††	108.373†††
Yield:	3.160%	3.180%
Initial Term Rate:	5.000%	5.000%
Initial Delayed Remarketing Rate:	8.000%	8.000%
First Interest Payment Date:	October 1, 2024	October 1, 2024
Maturity Date:	October 1, 2053	October 1, 2053
Initial Scheduled Mandatory Purchase Date:	October 1, 2027	October 1, 2029
First Par Call Date:	April 1, 2027	April 1, 2029
CUSIP:	60416J JB7	60416J JC5

†† *Priced to the first optional call date of April 1, 2027*
††† *Priced to the first optional call date of April 1, 2029*

$14,950,000
Minnesota Higher Education Facilities Authority
Taxable Revenue Bonds, Series 2024C
(University of St. Thomas) (Green Bonds)

Maturity Date: October 1	Amount	Rate	Yield	Price	CUSIP 60416J
2030	$2,435,000	4.872%	4.872%	100.000	JD3
2031	$2,560,000	4.872%	4.872%	100.000	JE1
2032	$2,685,000	4.902%	4.902%	100.000	JF8
2033	$2,820,000	4.932%	4.932%	100.000	JG6
2034	$2,965,000	4.992%	4.992%	100.000	JH4
2035	$1,485,000	5.082%	5.082%	100.000	JJ0

CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. 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.

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 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 regarding the tax-exempt status of the 2024A Bonds and 2024B 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, the Securities and Exchange Commission Rule 15c2-12.

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

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

The 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.

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.

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

For purposes of compliance with the Securities and Exchange Commission Rule 15c2-12, as amended, and in effect on the date hereof, this Official Statement constitutes an official statement of the Authority that has been deemed final by the Authority as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

MEMBERS

David D. Rowland, Chair	Executive Vice President and Co-Chief Investment Officer, The Travelers Companies, Inc. Resident of Edina, Minnesota
Nancy Sampair, Vice Chair	Retired Banker Resident of Saint Paul, Minnesota
Bonnie M. Anderson Rons, Secretary	Retired Banker, Resident of Rosemount, Minnesota
Gary D. Benson	Director of Project Planning & Development Kraus-Anderson Construction Company Resident of New Brighton, Minnesota
Mikeya Griffin	Executive Director, Rondo Community Land Trust Resident of Saint Paul, Minnesota
Mary F. Ives	Real Estate Agent and Business Owner/Operator of Hospitality Properties Resident of Grand Rapids, Minnesota
Mary Yang Thao	Associate Vice President, Finance, Minneapolis College of Art and Design Resident of Circle Pines, Minnesota
Raymond VinZant, Jr.	Founder, Midway Vo-Tech, Saint Paul Resident of Wyoming, Minnesota

EX OFFICIO MEMBERS

Paul Cerkvenik (Ex Officio)	President, Minnesota Private College Council Saint Paul, Minnesota
Poawit Yang (Ex Officio)	Chief Financial Officer, Minnesota Office of Higher Education Saint Paul, Minnesota

EXECUTIVE DIRECTOR

Barry W. Fick

Bond Counsel
Taft Stettinius & Hollister LLP

Municipal Advisor to the Authority
North Slope Capital Advisors

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MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
REVENUE BONDS, SERIES 2024A
(UNIVERSITY OF ST. THOMAS)

$50,000,000
MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
REVENUE BONDS, SERIES 2024B
(UNIVERSITY OF ST. THOMAS) (GREEN BONDS)
$25,000,000 Subseries 2024B-1
$25,000,000 Subseries 2024B-2

$14,950,000
MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
TAXABLE REVENUE BONDS, SERIES 2024C
(UNIVERSITY OF ST. THOMAS) (GREEN BONDS)

(all issues DTC Book Entry Only)

INTRODUCTORY STATEMENT

This Official Statement provides information concerning the Minnesota Higher Education Facilities Authority (the "Authority") and the University of St. Thomas, a Minnesota nonprofit corporation (the "University"), owner and operator of an institution of higher education with its main campus located in the City of Saint Paul, Minnesota and campuses in other locations including Minneapolis, Minnesota, in connection with the issuance of the Authority's $94,440,000 Revenue Bonds, Series 2024A (University of St. Thomas) (the "2024A Bonds"), $50,000,000 Revenue Bonds, Series 2024B (University of St. Thomas) (Green Bonds), initially consisting of $25,000,000 Subseries 2024B-1 and $25,000,000 Subseries 2024B-2 (the "2024B Bonds"), and $14,950,000 Taxable Revenue Bonds, Series 2024C (University of St. Thomas) (Green Bonds) (the "2024C Bonds"). The three series of bonds described in this paragraph are collectively referred to as 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 a Trust Indenture dated as of March 1, 2024 (the "Indenture") between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The Trustee will serve as the registrar and paying agent for the Bonds. The Trustee will also serve as tender agent (the "Tender Agent") with respect to the 2024B Bonds.

Pursuant to a Loan Agreement dated as of March 1, 2024 (the "Loan Agreement") 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 in amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due.

Proceeds from the Bonds will be applied to:

1. Pay the costs of site planning, design, and demolition in preparation for, and construction, furnishing and equipping of, a new multi-purpose arena and related higher education facilities located on the University's Saint Paul campus, including facilities for hockey, basketball, other athletics, and other institution operations (the "Project");
2. Other permissible capital projects on the University's Saint Paul campus;
3. Fund certain capitalized interest on the Bonds during or following the construction period for the Project; and
4. Pay certain issuance costs.

See "USE OF PROCEEDS" herein.

The Bonds are secured by a pledge of the Loan Repayments, the payment of which is a general obligation of the University. Under the Loan Agreement, the University will agree to make timely payment of the Loan Repayments.

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

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

THE BONDS

General

The Bonds will be dated as of the date of delivery. The Bonds will mature as set forth on the pages inside the front cover hereof. 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 shall accrue on the basis of a 360-day year of twelve 30-day months and will be payable on April 1 and October 1 of each year, commencing October 1, 2024 (each an "Interest Payment Date").

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 information on DTC, see Appendix VI, "THE DEPOSITORY TRUST COMPANY" herein.

Special Provisions Relating to the 2024B Bonds

This Official Statement describes the 2024B Bonds only during their respective Initial Term Rate Periods commencing the date of delivery and ending on the applicable Initial Scheduled Mandatory Purchase Dates as set forth inside the front cover hereof.

Interest at the Term Rate. The 2024B Bonds, initially consisting of Subseries 2024B-1 and Subseries 2024B-2, are to be issued in Term Rate Modes, bearing interest at the Initial Term Rates, as set forth inside the front cover hereof. If not purchased on an applicable Initial Scheduled Mandatory Purchase Date, the applicable 2024B Bonds are subject to the applicable Initial Delayed Remarketing Rate as set forth inside the front cover hereof, and described under the heading “Delayed Remarketing Period” below.

Interest on the 2024B Bonds shall be payable on each Interest Payment Date and, with respect to any subsequent Term Rate Period or any Fixed Rate Period, each semi-annual payment date specified in writing by the Authority at the written request of the University in connection with the Conversion of such Bonds to such Term Rate Period or Fixed Rate Period, and if such date is not a Business Day, the next succeeding Business Day, each Purchase Date, and each date on which all or a portion of the Bonds are redeemed and the first Business Day succeeding the last day of each Interest Rate Period. The Initial Term Rate Periods commence on the Delivery Date and end on the Initial Scheduled Mandatory Purchase Dates set forth inside the front cover hereof, unless such 2024B Bonds are earlier converted or redeemed. In the event that a 2024B Bond becomes a Delayed Remarketing Bond, the Initial Term Rate Period shall include any immediately succeeding Delayed Remarketing Period.

The Interest Rate Period for a Series or Subseries of the 2024B Bonds may not be adjusted except on a Purchase Date and except for a Conversion of all outstanding 2024B Bonds of such Series or Subseries. Upon Conversion and remarketing the 2024B Bonds may accrue interest in the same or a different interest rate Mode. Under the Indenture, the permitted interest rate Modes are the Term Rate Mode and the Fixed Rate Mode.

Mandatory Purchase on Purchase Dates. The 2024B Bonds are subject to mandatory tender for purchase at the Purchase Price on the following Purchase Dates (without duplication): (i) on any Scheduled Mandatory Purchase Date, including the Initial Scheduled Mandatory Purchase Dates set forth inside the front cover hereof; (ii) on each proposed redemption date or Conversion Date on or after the applicable First Par Call Date for which notice of mandatory tender has been given to the Registered Owners; and (iii) at any time during a Delayed Remarketing Period, upon notice given by the Remarketing Agent to the Tender Agent of a successful remarketing and the availability of funds sufficient to pay the Purchase Price for all such 2024B Bonds (in Authorized Denominations), without regard to any notice requirements.

In connection with any mandatory tender for purchase of a Series or Subseries of the 2024B Bonds, the Tender Agent shall give notice to the Registered Owners of the affected 2024B Bonds (at their addresses as they appear on the Bond Register as of the date of such notice) not less than 20 days prior to the Purchase Date. 2024B Bonds tendered for purchase shall be purchased on the Purchase Date specified in the applicable notice by payment of the Purchase Price made by the Tender Agent, payable in immediately available funds to the Registered Owner (and not to any Participant) by 3:00 p.m., New York time, on the Purchase Date, or as soon as practicable thereafter upon the receipt by the Tender Agent of the Purchase Price in the Bond Purchase Fund.

Delayed Remarketing Period; Delayed Remarketing Rate. During the Initial Term Rate Period or any subsequent Term Rate Period, if the entire Purchase Price for any Series or Subseries of the 2024B Bonds subject to mandatory tender for purchase is not paid on the applicable Purchase Date, then the Bonds of such Series or Subseries of 2024B Bonds will not be purchased and will become Delayed Remarketing Bonds, but such failure of payment or non-purchase shall not be a Default or Event of Default under the Indenture or Loan Agreement. A Delayed Remarketing Period will commence on the Purchase Date with respect to such Series or Subseries of Bonds. During a Delayed Remarketing Period, the Delayed Remarketing Bonds will bear interest at the Delayed Remarketing Rate set forth inside the front cover hereof. Interest shall continue to be due and payable on each Interest Payment Date and also shall be payable on the last day of the Delayed Remarketing Period for the Delayed Remarketing Bonds. The Remarketing Agent will continue to be obligated to remarket such 2024B Bonds. The Delayed Remarketing Bonds will continue to be subject to optional redemption by the University as described under the heading “Optional Redemption” below. The University may elect to effect a Conversion of the Delayed Remarketing Bonds. If and when the Delayed Remarketing Bonds are successfully remarketed, the Registered Owners of the Delayed Remarketing Bonds will be obligated to tender their 2024B Bonds for purchase.

No credit facility or liquidity facility secures payment of the Purchase Price of any 2024B Bonds and a failure of the University to pay the Purchase Price is not a default under the Indenture. Any 2024B Bonds that are not purchased when tendered are subject to the applicable Delayed Remarketing Rate.

Conversion of Interest Rate Mode. The 2024B Bonds may be converted to a new Mode on or after the applicable First Par Call Date, upon notice provided by the Tender Agent not less than 20 days prior to the proposed Conversion Date.

Conditions to Conversion. No Conversion shall take effect unless each of the following conditions, to the extent applicable, has been satisfied:

- The University must obtain a favorable opinion of Bond Counsel with respect to such Conversion dated as of the Conversion Date;

- Except with respect to Delayed Remarketing Bonds, the Tender Agent must have sufficient funds on hand from remarketing or refunding proceeds, or other funds made available by the University, to pay the Purchase Price of the Series or Subseries of the 2024B Bonds on the Conversion Date;

- If the University exercises its option to cause a Series of the 2024B Bonds to be remarketed at a net discount, the University agrees to deliver and submit evidence satisfactory to the Tender Agent that it will be able to deliver funds to the Tender Agent in an amount equal to the difference between the proceeds from the remarketing of such Series of 2024B Bonds and the Purchase Price of such Series of 2024B Bonds before the Purchase Price of such Series of 2024B Bonds is due to the persons from whom such series of Series of 2024B Bonds are to be purchased; and

- If a Series or Subseries of 2024B Bonds is remarketed at a net discount, the University shall deliver funds to the Tender Agent in an amount equal to the difference between the proceeds from the remarketing of such Series of 2024B Bonds and the Purchase Price for such Series of 2024B Bonds before the Purchase Price of such Series of 2024B Bonds is due to the persons from whom such Series or Subseries of 2024B Bonds are to be purchased. The Tender Agent shall deposit such funds into the Remarketing Account of the Bond Purchase Fund and such moneys shall be used to pay the Purchase Price of such Series of 2024B Bonds.

Rescission of Election to Convert. The University may rescind any Election to effect a Conversion by delivering to the Trustee, the Authority, the Tender Agent and the Remarketing Agent (if any), on or prior to 10:00 a.m., New York time, on the second Business Day preceding a proposed Conversion Date, a notice to the effect that the University has determined to rescind its Election to effect such Conversion.

Redemption

<u>Optional Redemption</u>

All maturities of the 2024A Bonds and the 2024C Bonds maturing on or after October 1, 2033 are subject to optional redemption at the University's written direction on October 1, 2032 and on any day thereafter at a price of par plus accrued interest to the redemption date. Redemption may be in whole or in part in integral intervals of $5,000.

The 2024B-1 Bonds are subject to optional redemption at the University's written direction on April 1, 2027 and on any day thereafter at a price of par plus accrued interest to the redemption date. The 2024B-2 Bonds are subject to optional redemption at the University's written direction on April 1, 2029 and on any day thereafter at a price of par plus accrued interest to the redemption date. Redemption may be in whole or in part in integral multiples of $5,000. During any Delayed Remarketing Period, the Par Call Date for any Delayed Remarketing 2024B Bonds shall mean any Business Day.

See "THE BONDS – Redemption – Partial Redemption" below.

In certain circumstances described in the Indenture, the University may request that the notice of redemption be conditional and subject to rescission or cancellation by the University up to five Business Days prior to the redemption date. See “THE BONDS – Conditional Redemption” below.

Mandatory Sinking Fund Redemption – 2024A Bonds

Portions of the 2024A Bonds maturing on October 1 in the years 2049 and 2053 (the “2024A Term Bonds”) shall be called for redemption on October 1 in the years and in the principal amounts set forth immediately below, without premium, plus accrued interest to the date fixed for redemption, from moneys in the 2024A Bond and Interest Sinking Fund Account.

2024A Term Bonds Due October 1, 2049		2024A Term Bonds Due October 1, 2053	
Year	Amount	Year	Amount
2045	$5,140,000	2050	$6,570,000
2046	$5,405,000	2051	$6,850,000
2047	$5,680,000	2052	$7,135,000
2048	$5,975,000	2053†	$7,440,000
2049†	$6,280,000		

†*Stated maturity.*

The 2024A Term Bonds to be so redeemed shall be selected by the Trustee randomly.

The 2024A Term Bonds to be redeemed pursuant to the mandatory redemption provisions set forth above may, at the University’s option, be reduced by the principal amount of any Bonds of such maturity which at least 45 days prior to such redemption:

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

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

Extraordinary Optional Redemption

The Bonds will be subject to optional redemption at price of par plus accrued interest in integral multiples of $5,000, as a whole or in part, in certain cases of damage to or destruction or condemnation of certain Project Facilities. The 2024A Bonds and the 2024B Bonds will be subject to optional redemption 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 of the Bonds are called for redemption, the University may direct the order of maturity or the order of sinking fund installments within a Term Bond, including the particular amounts within maturities or sinking fund installments to be prepaid.

If fewer than all Bonds of a maturity or of a sinking fund installment within a Term Bond are called for redemption, the Authority will notify DTC of the particular amount of such maturity or sinking fund installment to be prepaid. DTC will determine by lot the amount of each participant’s interest in such series and maturity or sinking fund installment to be redeemed and each participant will then select by lot the beneficial ownership interests in such series and maturity or sinking fund installment to be redeemed. See Appendix VI, “THE DEPOSITORY TRUST COMPANY.”

In the case of Bonds of denominations greater than $5,000, if less than the full principal amount of such Bonds then outstanding is to be called for redemption, then for all purposes in connection with redemption, each $5,000 of principal amount shall be treated as though it were a separate Bond of the denomination of $5,000 bearing the number borne by such fully registered Bond and a subnumber assigned by the Trustee.

Interest shall cease to accrue on the portion of the principal amount of such Bond represented by such $5,000 unit or units of principal amount on and after the date fixed for redemption provided that funds sufficient for payment of the redemption price shall have been deposited with the Trustee and available for the redemption of said $5,000 unit or units on the date fixed for redemption and, in such event, such Bond shall not be entitled to the benefit or security of the Indenture or the Loan Agreement to the extent of the portion of its principal amount (and accrued interest to the date fixed for redemption and applicable premium, if any) represented by such $5,000 unit or units of principal amount, nor shall new Bonds be thereafter issued corresponding to said unit or units.

Notice of Redemption

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

Conditional Redemption

In case of an optional redemption to be funded in full or part from proceeds from a refunding financing, the University may elect to provide a certificate providing details of the proposed financing as outlined in the Indenture and stating the redemption is conditioned upon providing the Trustee with funds sufficient to effect the refunding prior to the redemption date or that the University has the right to rescind the redemption notice prior to the redemption date (a "Conditional Redemption"). The University may deliver to the Trustee a certificate prior to the redemption date instructing the Trustee to rescind the redemption notice. If the Trustee does not receive sufficient funds prior to the redemption date the Trustee shall give prompt notice to DTC or affected holders that the redemption did not occur. Such rescission of the redemption notice is not an event of default and the Bonds conditionally called for redemption and not so paid shall remain outstanding.

Determination of Taxability

If a Determination of Taxability is made that the interest payable on any of the 2024A Bonds or 2024B 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, such 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 such 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, "DEFINITIONS OF CERTAIN TERMS."

The University will have the option to prepay such Bonds 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 equal to par plus accrued interest (including additional interest from the Date of Taxability) and without a premium.

DESIGNATION OF 2024B BONDS AND 2024C BONDS AS GREEN BONDS

The information under the subcaptions "Green Bonds Designation" and "Independent Second Party Opinion on Green Bonds Designation and Disclaimer" below has been provided by Kestrel. None of the Authority, the University, the Underwriter, Taft Stettinius & Hollister LLP, or Dorsey & Whitney LLP has independently confirmed or verified the information below or assumed any obligation to ensure that any of such Bonds comply with any legal or other standards or principles that may be related to Green Bonds. The designation of the 2024B Bonds and the 2024C Bonds as Green Bonds does not entitle the Owner of any of such Bonds to any benefit under the Internal Revenue Code, nor to any additional terms or security to those as described under the heading "SOURCE OF PAYMENT FOR THE BONDS."

Green Bonds Designation

Per the International Capital Market Association ("ICMA"), Green Bonds are any type of bond instrument where the proceeds will be exclusively applied to finance or re-finance, in part or in full, new and/or existing eligible Green Projects and which are aligned with the four core components of the Green Bond Principles. The four core components are: (1) Use of Proceeds; (2) Process for Project Evaluation and Selection; (3) Management of Proceeds; and (4) Reporting.

Kestrel has determined that the 2024B Bonds and the 2024C Bonds are in conformance with the four core components of the ICMA Green Bond Principles, as described in Kestrel's "Second Party Opinion," which is attached hereto as Appendix VIII.

Independent Second Party Opinion on Green Bonds Designation and Disclaimer

For over 20 years, Kestrel has been consulting in sustainable finance. Kestrel is an Approved Verifier accredited by the Climate Bonds Initiative and an Observer for the ICMA Green Bond Principles and Social Bond Principles. Kestrel reviews transactions in all asset classes worldwide for alignment with ICMA Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines and the Climate Bonds Initiative Standards and Criteria.

The Second Party Opinion issued by Kestrel does not and is not intended to make any representation or give any assurance with respect to any other matter relating to the 2024B Bonds or the 2024C Bonds. Second Party Opinions provided by Kestrel are not a recommendation to any person to purchase, hold, or sell said bonds and designations do not address the market price or suitability of said bonds for a particular investor and do not and are not in any way intended to address the likelihood of timely payment of interest or principal when due.

In issuing the Second Party Opinion, Kestrel has assumed and relied upon the accuracy and completeness of the information made publicly available by the University or that was otherwise made available to Kestrel.

USE OF PROCEEDS

The Plan of Finance

Proceeds from the Bonds will be applied to:

1. Fund site planning, design, and demolition in preparation for, and construction, furnishing and equipping of the Project, as further described below;
2. Fund other permissible capital projects on the University's Saint Paul campus;
3. Fund certain capitalized interest on the Bonds; and
4. Pay certain issuance costs.

The Project

The multipurpose arena will be a redevelopment of an approximately 6-acre site located on the University's South Campus in Saint Paul, Minnesota. This new facility, of approximately 242,000 square feet, will be known as the Lee and Penny Anderson Arena. The arena will include a multi-purpose competition venue for the University's hockey and basketball programs with a capacity for approximately 4,000 to 5,500 spectators. The arena will also include practice facilities, coaching offices, locker rooms, and student athlete support services and will host other University events such as commencement ceremonies, academic convocations, speakers, career fairs, and other events for the University. The new facility will be designed to meet a LEED Silver rating. Three existing campus buildings with adjacent surface parking lots will be demolished to create the Project Site. Project site preparation began in January of 2024 and the University estimates construction will be substantially complete, and the building will open, in the fall of 2025. To minimize the impact of inflation on construction as well as limit cost overruns, the University has entered or will enter into a guaranteed maximum price contract for the arena. The total construction cost of the Project is estimated at $184 million.

Other undertakings funded by Bond proceeds may include facilities related to the Project and other permissible capital projects on the University's Saint Paul campus.

SOURCES AND USES OF FUNDS

	2024A Bonds	2024B Bonds	2024C Bonds	Totals
Sources				
Par amount of the Bonds	$94,440,000.00	$50,000,000.00	$14,950,000.00	$159,390,000.00
Net Original Issue Premium	5,400,431.00	3,405,500.00		8,805,931.00
Total Sources:	$99,840,431.00	$53,405,500.00	$14,950,000.00	$168,195,931.00
Uses				
Deposit to Construction Accounts, including Capitalized Interest	$99,168,355.43	$53,036,837.26	$14,834,005.72	$167,039,198.41
Deposit to Bond and Interest Sinking Fund Accounts	3,632.98		3,099.61	6,732.59
Costs of issuance, including Underwriter's Discount	668,442.59	368,662.74	112,894.67	1,150,000.00
Total Uses:	$99,840,431.00	$53,405,500.00	$14,950,000.00	$168,195,931.00

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FISCAL YEAR ANNUAL DEBT SERVICE

The table below represents University debt service on a Fiscal Year basis.

Fiscal Year Ended June 30:	Existing Debt Service on Parity Obligations (1)	Series 2024A Debt Service (2)	Series 2024B Debt Service (3)	Series 2024C Debt Service (4)	Total Net Debt Service
2024	$ 20,578,161				$ 20,578,161
2025	$ 25,798,571				$ 25,798,571
2026	$ 26,422,564				$ 26,422,564
2027	$ 26,550,165	$ 4,477,044	$ 2,500,000	$ 737,538	$ 34,264,746
2028	$ 24,962,087	$ 4,477,044	$ 26,875,000	$ 737,538	$ 57,051,669
2029	$ 25,108,946	$ 4,477,044	$ 1,250,000	$ 737,538	$ 31,573,528
2030	$ 25,264,486	$ 4,477,044	$ 25,625,000	$ 737,538	$ 56,104,067
2031	$ 25,443,566	$ 4,477,044		$ 3,113,221	$ 33,033,831
2032	$ 22,892,040	$ 4,477,044		$ 3,116,543	$ 30,485,627
2033	$ 22,914,789	$ 4,477,044		$ 3,113,372	$ 30,505,205
2034	$ 22,254,769	$ 4,477,044		$ 3,113,022	$ 29,844,834
2035	$ 22,522,669	$ 4,477,044		$ 3,114,474	$ 30,114,187
2036	$ 22,519,644	$ 6,066,294		$ 1,522,734	$ 30,108,671
2037	$ 22,522,144	$ 7,593,544			$ 30,115,688
2038	$ 22,525,019	$ 7,590,419			$ 30,115,438
2039	$ 17,401,019	$ 7,588,794			$ 24,989,813
2040	$ 14,381,544	$ 7,593,044			$ 21,974,588
2041	$ 14,375,169	$ 7,592,669			$ 21,967,838
2042	$ 14,379,034	$ 7,592,294			$ 21,971,328
2043	$ 14,377,188	$ 7,591,419			$ 21,968,606
2044	$ 14,379,400	$ 7,589,544			$ 21,968,944
2045	$ 14,372,850	$ 7,591,044			$ 21,963,894
2046	$ 8,581,500	$ 7,590,294			$ 16,171,794
2047	$ 8,579,000	$ 7,591,669			$ 16,170,669
2048	$ 8,576,125	$ 7,589,544			$ 16,165,669
2049	$ 8,577,000	$ 7,593,169			$ 16,170,169
2050	$ 8,580,625	$ 7,591,794			$ 16,172,419
2051	$ 8,581,125	$ 7,589,288			$ 16,170,413
2052	$ 8,582,625	$ 7,592,500			$ 16,175,125
2053	$ 8,579,250	$ 7,589,059			$ 16,168,309
2054		$ 7,593,450			$ 7,593,450
	$ 530,583,070	$ 183,003,222	$ 56,250,000	$ 20,043,519	$ 789,879,810

(1) *Fiscal Year 2024 debt service is net of capitalized interest. Debt service does not include payments on the draw on the line of credit that was used to redeem the Series Seven-Z Note on March 1, 2024.*

(2) *Fiscal Years 2025 and 2026 debt service is net of capitalized interest in the amounts of $4,539,225 and $4,477,044, respectively.*

(3) *Fiscal Years 2025 and 2026 debt service is net of capitalized interest in the amounts of $2,534,722 and $2,500,000, respectively. Debt service reflects the assumption that the Subseries 2024B-1 and Subseries 2024B-2 bonds are redeemed on their respective Initial Scheduled Mandatory Purchase Dates.*

(4) *Fiscal Years 2025 and 2026 debt service is net of capitalized interest in the amounts of $747,782 and $737,538, respectively.*

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, if any, the Trustee holds under the Indenture. The University will agree pursuant to the terms of the Loan Agreement to make payments directly to the Trustee in such amounts and at such times as to assure that the Trustee has sufficient funds with which to pay the principal of and interest on the Bonds. The University will further agree to make such payments out of its operating funds or any other moneys legally available.

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

The Bonds shall not be legal or moral obligations of the State or the Authority, 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.

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 for each series of Bonds a Construction Account, a Bond and Interest Sinking Fund Account, a Costs of Issuance Account, and a Redemption Account. In addition, the Indenture will provide, as necessary, a Bond Purchase Fund and within such fund a separate account designated the Remarketing Account, relating to the remarketing of the 2024B Bonds.

Following Bond Closing, amounts received by the Trustee from the University as Loan Repayments are to be deposited into the respective Bond and Interest Sinking Fund Accounts and the respective Redemption Accounts as required by the Loan Agreement and used, to the extent needed, to redeem or pay the principal of and interest on the applicable Bonds.

Trust accounts described immediately following will be created separately as applicable for each of the series of Bonds and will be administered for each series as described.

Construction Accounts

There shall be deposited initially into the respective Construction Accounts certain Bond proceeds, except as otherwise required to be deposited into the respective Bond and Interest Sinking Fund Accounts or the respective Costs of Issuance Accounts. Amounts deposited to the Construction Accounts consist of monies for construction of the Project and related or other permissible facilities and certain capitalized interest to be used to pay interest on the Bonds during or following construction of the Project. 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 respective Redemption Accounts or the Bond and Interest Sinking Fund Accounts under certain conditions.

Bond and Interest Sinking Fund Accounts

There shall be deposited into the respective Bond and Interest Sinking Fund Accounts the amount of Bond proceeds representing accrued interest, if any, and additional proceeds, if any. Deposits shall be made to the Bond and Interest Sinking Fund Accounts 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 Accounts shall be made at least one (1) Business Day prior to each Interest Payment Date in an amount sufficient, together with other amounts on deposit in such accounts, 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 Accounts will be irrevocably pledged to and shall be used by the Trustee, from time to time, to the extent required, for the payment of applicable principal of and interest on the Bonds as and when such principal and interest shall become due and payable and for that purpose only.

Costs of Issuance Accounts

Initially there shall be deposited into the respective Costs of Issuance Accounts an amount of Bond proceeds specified in the Indenture. Such deposits to the Costs of Issuance Accounts for the 2024A Bonds and the 2024B Bonds shall not exceed two percent (2%) of their respective Bond proceeds. The University will agree in the Loan Agreement to pay costs of issuance that exceed such 2% limitation. The University may present invoices to the Trustee representing costs incurred in connection with the issuance of the Bonds which the Trustee shall pay from the Costs of Issuance Accounts. Any moneys remaining in the Costs of Issuance Accounts after six months following the Bonds' delivery date shall be transferred to the respective Construction Accounts.

Redemption Accounts

There shall be deposited into the respective Redemption Accounts 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 Accounts shall be used, first, to make up deficiencies in the respective Bond and Interest Sinking Fund Accounts, and second, for the redemption of outstanding Bonds of the applicable Series at the request or direction of the University and for the purchase of outstanding Bonds of the applicable Series 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 Accounts to pay the amount of any rebate due the United States in respect of tax-exempt 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.

Bond Purchase Fund and Remarketing Account

In conjunction with any remarketing of a series of the 2024B Bonds, the Trustee shall create the Bond Purchase Fund and within such fund the Remarketing Account. The Trustee shall deposit proceeds of such remarketing into the Remarketing Account and may establish subaccounts within the Remarketing Account for such series or subseries of 2024B Bonds for the deposit of certain other funds as provided in the Indenture.

Authorized Investments

Moneys on deposit to the credit of the Construction Accounts, the Bond and Interest Sinking Fund Accounts, the Costs of Issuance Accounts, and the Redemption Accounts shall be invested by the Trustee only in investments as authorized by Minnesota law from time to time. 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."

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

The Bonds are not secured by a bond insurance policy, letter of credit or any other form of financial guarantee. The University has various other series of bonds and notes issued by the Authority or otherwise on behalf of the University (the "Parity Obligations") which are outstanding under other indentures or agreements and funds held or pledged under those documents are not pledged to or available to pay the Bonds. The Parity Obligations are also general obligations of the University.

General Obligation of the University; No Mortgage

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 real or personal property or by any other collateral.

No Debt Service Reserve Fund

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

Adequacy of Revenues

Payment of principal of, premium, if any, 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.

Reliance on Tuition and Fees

The adequacy of the University's revenues will be largely dependent 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.

Competition

Higher education institutions face an increasingly competitive landscape for 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 these factors, the University's enrollment 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 unrestricted net assets.

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.

The State of Minnesota has enacted legislation which provides for circumstances where individuals may attend a public college or university within the State of Minnesota at no tuition cost. The program, the North Star Promise Scholarship ("NSPS") program, will commence in fall of 2024. NSPS places certain financial and status conditions to be eligible for scholarships. The legislation could adversely affect enrollment at the University.

Financial Aid

Approximately 99% of the University's four-year undergraduate students currently receive some form of financial aid through scholarships, grants, loans, work study, etc., from federal, state, University or private sources covering at least a portion of tuition and fees and living expenses. See Appendix I, "THE UNIVERSITY – Financial Aid" herein. No assurance can be given that federal and state financial aid 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 could cause a decline in enrollment, which could in turn have an adverse effect on the University's revenues.

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 or Destruction

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 – 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. 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

The Authority's outstanding debt obligations on behalf of the University do not contain any direct limitation on the University incurring additional long-term or short-term indebtedness, and the Loan Agreement also does not contain any such limitations.

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.

Except for limitations on certain liens on the Project Facilities, the Loan Agreement does not contain limitations on the University's ability to place liens on its property. Pursuant to the Authority's Series 2017B Note, the Series 2020A Note, and the Series 2020B Note, and subject to certain exceptions contained therein, the University may not transfer or place liens on certain University properties, including those known as the Center for Well-Being, John Ireland Hall, McNeely Hall, Morrison Hall, and Albertus Magnus Hall, which are located on the University's Saint Paul campus. In addition, the Series 2017B Note Documents restrict the amount of liens on certain of the University's unrestricted funds as of June 30 of each year. Unless the extension or refunding of these Notes continue such lien restrictions or other agreements entered into by the University to subsequently restrict the rights of the University to encumber its property, the University may grant a mortgage or security interest in any of its property to secure existing or future indebtedness and the holders of such secured indebtedness would have a claim on that property that is senior to the unsecured claim of the Bondholders.

University Debt Obligations with Possible Tenders

Certain of the University's outstanding debt includes scheduled mandatory tenders:

- The Series 2020A Note, which has a fixed interest rate of 1.84% to its scheduled mandatory tender date of July 1, 2027 when a principal balance of approximately $4,970,000 is scheduled to be outstanding.
- The Series 2020B Note, which has a fixed interest rate of 1.79% to its scheduled mandatory tender date of July 1, 2027 when a principal balance of approximately $3,845,000 is scheduled to be outstanding.

See Appendix I, "THE UNIVERSITY – Long-Term Debt" herein and the description of the Series 2020A Note and the Series 2020B Note. In the event the University does not refinance any or all of said Notes on or before their respective mandatory tender dates or amend the terms of such obligations to extend the respective mandatory tender dates to later dates, the University's obligation to purchase said Notes pursuant to a mandatory tender may limit funds available to make Loan Repayments on the Bonds and other University obligations, including the Other Authority Obligations.

Derivative Products

The University has entered into interest rate swap agreements in the past in connection with a debt issuance. See Note 7 – "Derivative Instruments" of the University's Financial Statements for the fiscal year ended June 30, 2023, included as Appendix VII hereto. The University may enter into other interest rate swap or similar arrangements in the future. Under certain market conditions, including current market conditions, termination of an interest rate swap agreement prior to its expiration may require the University to pay a termination fee to a swap counterparty and such payment could be material to the University. See also Appendix I, "THE UNIVERSITY – Investment Management."

Line of Credit

In February 2024, the University extended and increased the capacity of its revolving line of credit with U.S. Bank National Association from $10 million to $25 million, and subsequently drew on such line of credit to pay the outstanding principal balance of $11,706,593 and all accrued interest on the University's Series Seven-Z Note on its mandatory tender date of March 1, 2024.

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 statement (the "IP") which gives specific guidance about portfolio investments. The IP defines a diversified investment portfolio utilizing a broad selection of external money managers. The contribution from endowment spending was between 6% and 8% of the University's operating expenses for the fiscal years ended June 30, 2023 and 2022. The University's withdrawal formula is based upon a percentage of the 12-quarter rolling average market value. The University's withdrawal formula approximated 4.5% of the 12-quarter rolling average market value in 2023 and 2022.

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 hereof. If Moody's changes the rating on any series of the Bonds, said bonds' liquidity in the secondary market may be affected. See "RATING" in this Official Statement.

Cybersecurity Risks

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

The University employs a full-time Chief Information Security Officer who has a dedicated team of six employees who oversee a comprehensive cybersecurity program. The University conducts monthly internal reviews of its cybersecurity program, including its overall vulnerability. The University also has external reviews of its cybersecurity program. The most recent annual external penetration tests were completed in June 2023. The Audit Finance Committee of the Board of Trustees received an update regarding cybersecurity topics in November 2023 and will continue to receive annual updates on the University's information security program going forward.

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

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

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.

In connection with the Project, the University completed an environmental assessment worksheet, which the City of Saint Paul approved. That approval is being challenged by a nonprofit organization. See "Litigation" in this Official Statement.

The University is not aware of any other recognized 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. The University has covenanted in the Loan Agreement to comply with all applicable environmental laws.

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 Investment Considerations

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

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

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

See also "TAX CONSIDERATIONS" herein.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with SEC Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC"), pursuant to the Securities Exchange Act of 1934, as amended, 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 to the Municipal Securities Rulemaking Board (the "MSRB") as provided at http://www.emma.msrb.org. The specific nature of the Certificate, as well as the information to be contained in the annual report or the notices of material events is set forth in the Certificate to be executed by the University at the time the Bonds are delivered, a copy of which is available from the University or the Trustee. Appendix III, "FORM OF CONTINUING DISCLOSURE CERTIFICATE," contains a summary of the financial information and operating data to be provided annually and the material events to be disclosed.

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

Although the University timely filed its disclosure information for the fiscal years ended June 30, 2018–2021, including its audited financial statements, certain required operating data was inadvertently omitted from the University's filings. The University posted the omitted data on EMMA. In addition, an event notice was not timely posted on EMMA in connection with the issuance of the University's Series 2020A Note and Series 2020B Note. The event notice has been posted on EMMA.

A failure by the University to comply with the Certificate will not constitute an event of default on the Bonds (although holders may have other remedies in the event of noncompliance). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure, or the information supplied by the University pursuant to the Certificate, may adversely affect the transferability and liquidity of the Bonds and their market price.

FUTURE FINANCING

The University regularly improves, expands and changes its physical plant and incurs long-term financing as needed for these purposes. The Board and administration continue to assess the optimal timing, structure and amount of borrowing necessary to complete the University's planned capital projects. The University also monitors its outstanding debt for refunding opportunities. See "INVESTMENT CONSIDERATIONS – Additional Indebtedness and Liens."

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. 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. Appointed Board members serve staggered four-year terms.

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 the Authority's Executive Director, Mr. Fick served for 28 years as a municipal advisor, focusing on higher education, healthcare and revenue-based financing projects. He also serves as a member of the Government Finance Officers Association Debt Committee, and is President of the National Association of Health and Education Facilities Finance Authority, an industry trade group.

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 approximately $3.39 billion, of which approximately $1.134 billion of Authority issued debt is outstanding as of February 1, 2024. Bonds issued by the Authority are payable only from the loan repayments, rentals, and other revenues and moneys pledged for their payment. The bonds of the Authority do not represent or constitute a debt or pledge of the full faith or credit or a moral obligation of the State.

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

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

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

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

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

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

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

THE TRUSTEE

The Authority has appointed U.S. Bank Trust Company, National Association, a non-depository trust company, to serve as Trustee and Tender Agent. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy, fairness or completeness of the information set forth in this Official Statement or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the Authority of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the Authority or the University. 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.

UNDERWRITING

The Bonds are being purchased by RBC Capital Markets, LLC (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at purchase prices as follows:

	2024A Bonds	2024B Bonds	2024C Bonds
Aggregate Principal Amount	$94,440,000	$50,000,000	$14,950,000
Underwriter's Discount	(377,760)	(200,000)	(59,800)
Net Original Issue Premium	5,400,431	3,405,500	-0-
Purchase Prices:	$99,462,671	$53,205,500	$14,890,200

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

The Underwriter 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 University. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. 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 University.

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.

RELATIONSHIPS

A member of the University's Board of Trustees (See Appendix I) has relationships involving the acquisition, design, construction and financing of the Project, namely:

Trustee	Relationship
Patrick G. Ryan	Chairman of Ryan Companies US, Inc. – Design/Builder for the Project

RBC Capital Markets, LLC, the Underwriter, is a subsidiary of the Royal Bank of Canada, which acts as a swap counterparty to the University.

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 on 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

Neither the University nor the Authority is aware of any litigation that is pending or overtly threatened in writing which would affect the validity of or the tax-exempt nature of the interest on the Bonds, the authority of any party to enter into the Bond-related documents or their ability to perform as described herein, or materially affect the finances of the University or the ability of the University to pay the principal of or interest on the Bonds as the same become due.

While at any given time the University is involved in disputes and litigation which normally occur in similar institutions of higher education and which often involve claims for money damages and attorney's fees, these pending cases are generally not considered unusual in number or amount and, based on past experiences in similar litigation, should not have a material adverse effect on the financial position of the University. Disputes in which the University is involved include the following:

1. On November 2, 2023, a nonprofit organization called Advocates for Responsible Development filed an appeal with the Minnesota Court of Appeals challenging the City of St. Paul's findings of fact and conclusions following preparation of an environmental assessment worksheet ("EAW") for the proposed arena that constitutes the bond-financed Project. The City determined that: (1) all requirements for environmental review have been met, (2) the EAW and permit development process generated sufficient information to determine whether the project has the potential for significant environmental effects, (3) where environmental effects have been identified, they can be addressed during the final design of the project through the incorporation of mitigation measures that have been or will be coordinated with state and federal agencies during the permit process, and (4) the project does not have the potential for significant environmental effects and an environmental impact statement is not required for the proposed project. The appellants contend that the City's decision was affected by errors of law, unsupported by substantial evidence, and was arbitrary and

capricious. Specifically, the appellants contend the (i) EAW improperly defines the proposed Project as only a sports arena, without considering the "cumulative potential effects" of the "connected actions" and "actions" which are a part of UST's South Campus redevelopment project; and (ii) the EAW does not adequately address the impact of the proposed Project on traffic patterns and congestion or on parking on campus or in the surrounding area.

The University denies the assertions made in the appeal and supports the City's findings of fact and conclusions. The parties to the appeal, including the University, will be submitting briefs by February 29, 2024, and an oral argument will be held in April. The Minnesota Court of Appeals is expected to issue a decision on the appeal in summer 2024. If the appellants were to prevail, the City may require additional environmental review, which may create project delays and associated costs. Unless the appellants request and are granted a stay, the project can proceed while the appeal is pending. The appellants may be required to post a bond if they request a stay. To date, the appellants have not requested a stay and St. Thomas is moving forward with its construction plans.

2. On or about November 17, 2019, the University received notice that a complaint had been filed with the U.S. Department of Education, Office of Civil Rights alleging sex discrimination in violation of Title IX, based on (1) the School of Engineering's operation of the STEPS camp, a one-day summer program only available to 6th and 8th grade girls, and (2) the past practice of the University advocates for Women and Equity ("UAWE") in making only women eligible for certain annual recognition awards. The University denies any unlawful discrimination. The STEPS camp is a limited program designed to correct the underrepresentation of women in engineering and is consistent with Title IX. The UAWE awards are non-monetary and UAWE has now opened the awards to community members of all genders. This OCR complaint remains open.

LEGALITY

The Bonds will be subject to the unqualified approving opinion as to validity of the Bonds and tax exemption of the 2024A Bonds and the 2024B Bonds by Taft Stettinius & Hollister LLP, Minneapolis, Minnesota, as Bond Counsel. A legal opinion in substantially the form set out in Appendix II herein will be delivered at Bond Closing.

Certain legal matters will be passed upon for the University by Vantage Law Group, PLLC, 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 2024A Bonds and the 2024B Bonds in order that interest on the 2024A Bonds and interest on the 2024B Bonds during the applicable Initial Term Rate Period (the "Tax-Exempt 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 Tax-Exempt Bond proceeds, (2) provisions which prescribe yield and other limits relative to the investment of the proceeds of the Tax-Exempt Bonds and other amounts, (3) provisions which require that certain investment earnings be rebated periodically to the Federal government and (4) provisions relating to the ownership and operation of the facilities financed or refinanced by the Tax-Exempt Bonds. Noncompliance with such requirements may cause interest on the Tax-Exempt 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 Tax-Exempt Bonds are subject to optional redemption without premium, and the Tax-Exempt Bonds shall bear additional interest at a rate of two percent (2%) per annum from the Date of Taxability until the respective dates on which the principal of the Bonds is paid. (See "SUMMARY OF DOCUMENTS – The Loan Agreement – Determination of Taxability" in Appendix V). A change of law as in effect on the date of issuance of the Tax-Exempt Bonds or a determination that interest on the Tax-Exempt Bonds is includable in the computation of the alternative minimum tax imposed on individuals under the Code is not a Determination of Taxability.

Assuming the University's and Authority's 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 existing State and federal laws, regulations, and rulings in effect on the date of delivery of the Tax-Exempt Bonds (which excludes pending legislation which may have a retroactive effect), interest on the Tax-Exempt Bonds is not includible 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; however, interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing federal alternative minimum tax imposed on certain corporations for tax years beginning after December 31, 2022. Interest on the 2024C Bonds is taxable as ordinary income for federal income tax purposes.

In expressing its opinion, Bond counsel will rely on an opinion of Vantage Law Group, PLLC, Minneapolis, Minnesota, as counsel to the University, to the effect that, among others things: (i) the University is a Minnesota nonprofit corporation and organization described in Section 501(c)(3) of the Code and exempt from federal income taxation under Section 501(a) of the Code; and (ii) based solely on certificates executed or to be executed by the University and its knowledge, without factual inquiry or investigation, use by the University of the Project Facilities as defined in the Loan Agreement in the manner required by the Loan Agreement for educational purposes of the University does not constitute an unrelated trade or business of the University within the meaning of Section 513(a) of the Code, as Section 513(a) of the Code exists on the date of this opinion.

Related Federal Tax Considerations

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

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

Minnesota Tax Considerations

Assuming compliance with the Tax Covenants and on the basis of the certifications to be furnished at Bond Closing, in the opinion of Bond Counsel, under present laws and rulings, interest on the Tax-Exempt Bonds is not includable in the net taxable income of individuals, estates and trusts for Minnesota income tax purposes. Interest on the Tax-Exempt 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.

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

Changes in Federal and State Tax Law

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

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

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, such as described above, as well as any pending or proposed regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Original Issue Premium

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

Original Issue Discount

All or certain maturities of the Bonds may be sold to the public at an amount less than their stated redemption price at maturity (the "Discount Bonds"). The difference between the initial public offering price of each such Discount Bond (assuming a substantial amount of the Discount Bonds is sold at such price) and its principal amount represents original issue discount. Under existing laws, regulations, rulings and decisions, Bond Counsel is of the opinion with respect to the Discount Bonds that the amount of original issue discount constitutes tax-exempt interest to the extent that it is deemed to accrue to an owner for federal and State of Minnesota income tax purposes (other than Minnesota corporate franchise taxes measured by income). Original issue discount is deemed to accrue for such purposes on the basis of a constant yield to maturity taking into account semiannual compounding. The amount of original issue discount that accrues during any accrual period to a holder of a Discount Bond who acquires the Discount Bond in this offering generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes to the same extent as stated interest and will increase the holder's tax basis in such Discount Bond. Any gain realized by a holder from a sale, exchange, payment or redemption of a Discount Bond would be treated as gain from the sale or exchange of such Discount Bond.

It is possible under the applicable provisions governing state and local income taxation in states other than Minnesota that interest on Discount Bonds may be taxable in the year of accrual, and may be deemed to accrue earlier than under federal law. Bondholders who acquire the Bonds at a discount should consult their tax advisors with respect to the state and local tax consequences of owning the Discount Bonds.

The foregoing is not intended to be an exhaustive discussion of tax consequences arising from ownership or disposition of the Bonds or receipt of interest on the 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.

Certain future events pursuant to the terms of the Indenture can result in a change in the interest rate on the 2024B Bonds. Bond Counsel expresses no opinion at this time with respect to the exclusion from gross income for federal income tax purposes or from net taxable income for Minnesota income tax purposes of interest on the 2024B Bonds, or with respect to any other tax matters, upon the conversion of such 2024B Bonds from the interest rate in effect during the applicable Initial Term Rate Period to any other interest rate.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

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

THE UNIVERSITY

The University of St. Thomas (the "University"), until 1990 known as the College of St. Thomas, a Minnesota not-for-profit corporation, was founded in 1885 by Archbishop John Ireland as St. Thomas Aquinas Seminary. The University became a four-year institution of higher education in 1908 and conferred its first baccalaureate degrees in 1910. The University currently offers a broad range of academic programs leading to undergraduate and graduate degrees. The University does not unlawfully discriminate on the basis of race, creed, color, national origin, gender, age, or physical disability in the employment of faculty or staff, the admission or treatment of students, or in the operation of its educational programs and activities.

The main campus of the University is located in the West Summit Avenue area of Saint Paul, Minnesota, between the downtown districts of Saint Paul and Minneapolis. The University began its downtown Minneapolis presence in 1987. The University's Minneapolis campus is comprised of four academic buildings. The University also owns and operates the Bernardi facility in Rome, Italy. The Projects are located on the main Saint Paul campus.

The University is accredited by the Higher Learning Commission and is registered with the Minnesota Office of Higher Education in accordance with Minnesota Statutes.

Governance

The University is governed by a Board of Trustees, currently composed of 40 members. The maximum number of trustees under the University's Bylaws is 42. The Board elects its own members. The Board maintains staggered terms with five classes of trustees. Each elected member, other than the alumni representative, serves a five-year term, except the Board can elect trustees for fewer than five years in order to maintain a balance across the staggering classes. The Bylaws do not limit the number of terms, but the Board has adopted Board Governance Guidelines that provide that trustees may serve a maximum of two consecutive five-year terms. Trustees who are elected for fewer than five years ("stub terms") to maintain balance across staggering classes may serve for the stub term followed by two consecutive five-year terms. The alumni representative serves for a two-year term.

Following is a list of the members of the Board of Trustees of the University and their business or professional affiliation, as of February 1, 2024:

Officers of the Board	Principal Activity and/or Location
Jodeen A. Kozlak, Chair	Founder and Chief Executive Officer, Kozlak Capital Partners, LLC, Truckee, California
James P. Kolar, Vice Chair	Former Managing Partner, PricewaterhouseCoopers LLP, Chicago, Illinois
Philip E. Soran, Vice Chair	Former Chief Executive Officer, Compellent Technologies, Wayzata, Minnesota

Trustees	Principal Activity and/or Location
John N. Allen	Chief Executive Officer, Industrial Equities, LLP Minneapolis, Minnesota
Lisa S. Anderson	Schoenecker Foundation, Eden Prairie, Minnesota
Ashley Bailey-Chang	Associate Attorney, DLA Piper LLP, Minneapolis, Minnesota
Archie C. Black	Executive Chair, SPS Commerce, Minneapolis, Minnesota

Trustees	Principal Activity and/or Location
Stephen P. Nachtsheim	Former Director and Past Chairman, Deluxe Corporation Alberton, California
Rory O'Neill	Chief Executive Officer and Managing Partner, Castlelake LP, Minneapolis, Minnesota
Patrick G. Ryan	Chairman, Ryan Companies US, Inc., Minneapolis, Minnesota
Debbra L. Schoneman	President and Managing Director, Piper Sandler Companies, Minneapolis, Minnesota
Rob Vischer	President, University of St. Thomas, Saint Paul, Minnesota
Ann Sempowski Ward	Chief Executive Officer, CURiO Brands, Minneapolis, Minnesota
Brian D. Wenger	Founder and Chief Executive Officer, Radius Living, Saint Paul, Minnesota
Dr. Ann L. Winblad	Former Managing Director and Founding Partner, Hummer Winblad Venture Partners (now Aspenwood Ventures), San Francisco, California
Carol Frey Wolfe	Director, Frey Foundation Board, Minneapolis, Minnesota
Honorable Wilhelmina M. Wright	U.S. District Judge, District of Minnesota, United States District Court, Saint Paul, Minnesota
Mark A. Zesbaugh	President, Entrepreneurial 180, Mendota Heights, Minnesota

Administration

The principal officers of the University are as follows:

President

Mr. Robert K. (Rob) Vischer became the University's 16th President on January 1, 2023 after serving as interim President beginning June 1, 2022. Prior to that time, Mr. Vischer was the dean of the University's School of Law for nearly 10 years and the Mengler Chair in Law.

Prior to joining the University, Mr. Vischer was associated with Kirkland & Ellis in Chicago, where he practiced corporate litigation. He clerked for three federal judges: Judge David Ebel of the Tenth Circuit Court of Appeals, Judge Joan Gottschall of the Northern District of Illinois, and Judge John Wiese of the Court of Federal Claims. He received his B.A. degree, summa cum laude, from the University of New Orleans, and his J.D., cum laude, from Harvard Law School, where he was an editor of the Harvard Law Review.

Executive Vice President and Provost

Dr. Eddy Rojas joined the University as executive vice president and provost in 2021. Prior to joining the University, Dr. Rojas served seven years as dean of the School of Engineering at the University of Dayton where he oversaw undergraduate, master's and doctoral programs. He also spent four years as director of the Durham School of Architectural Engineering and Construction at the University of Nebraska-Lincoln. He began his academic career at the University of Buffalo followed by the University of Washington.

A native of Costa Rica, Dr. Rojas holds a civil engineering undergraduate degree from the University of Costa Rica and M.S. and Ph.D. degrees in civil engineering from the University of Colorado Boulder. He also has an M.A. in economics from the University of Colorado Boulder, an M.Ed. in higher education from Penn State and an M.P.S. in the psychology of leadership from Penn State.

Vice President for Business Affairs and Chief Financial Officer

Mr. Mark Vangsgard was appointed Vice President for Business Affairs and Chief Financial Officer on March 31, 2006. Previously, Mr. Vangsgard was with Ecolab for 17 years, most recently in the position of Vice President and Treasurer. He received a bachelor's degree in business finance and economics from the University of St. Thomas (1980) and an M.B.A. from the University of St. Thomas (1990).

Facilities

The University's physical plant consists of the buildings and grounds of the main campus in Saint Paul, the buildings and grounds of the Minneapolis campus, and the Bernardi facility in Rome, Italy. As of June 30, 2023, the book value of all property and equipment, net of depreciation, was $486,771,193. Buildings and contents have an insured value of $1,079,860,473 for the policy year April 1, 2023 – March 31, 2024.

The University's physical facilities in Saint Paul consist of the buildings and grounds on a campus consisting of more than 70 acres. Ten residence halls, eleven University-owned houses, and six University-owned apartment buildings are currently configured for a capacity of 2,940 students.

The University's downtown Minneapolis campus spans three city blocks and consists of four buildings and a parking facility. The University also has an option to purchase additional land in downtown Minneapolis and has other developable space on land it owns in downtown Minneapolis adjacent to that campus.

Libraries

The University has four principal libraries, two on its Saint Paul campus and two on its Minneapolis campus. The University is a member of the Cooperating Libraries in Consortium, Inc., a Saint Paul-Minneapolis private college inter-library consortium; and MINITEX, which provides access to the holdings of the Universities of Minnesota and adjacent states, as well as to the public libraries of the Twin Cities.

Saint Paul Seminary Affiliation

Effective July 1, 1986, an affiliation between the University and The Saint Paul Seminary was finalized and the School of Divinity of the University was established. The School of Divinity's ministerial studies program, consisting of ministerial training, including classroom theological coursework and field education, is directed by the University. The School of Divinity's ministerial formation program, consisting of programs for spiritual and personal growth and the evaluation of readiness of candidates for ministry, is directed by The Saint Paul Seminary. Concurrent with the Project, the University will be completing certain improvements on or primarily serving property owned by The Saint Paul Seminary and adjacent to the Project Site. The cost of such improvements will be paid with University funds that exclude proceeds of the bonds.

Academic Information

The University follows the four-one-four academic calendar of two four-month semesters during the school year, separated by a one-month term in January. During each semester, the undergraduate student's normal course load is four courses; during the January term, concentration is on one course.

The University is comprised of the following eight schools and colleges offering an associate's degree, over 150 bachelor's degrees, over 55 master's degrees, one education specialist, one juris doctor, three doctorates, and several dozen certificates:

- Dougherty Family College
- College of Arts & Science

- Morrison Family College of Health
- Opus College of Business
- School of Education
- School of Engineering
- School of Law
- Saint Paul Seminary School of Divinity

The University also partners with the Associated Colleges of the Twin Cities (ACTC) to offer full-time degree-seeking students a cross-registration option through four local private colleges. Students may elect to take approved courses not offered at their home campus through the participating ACTC institutions for a full transferring credit.

The University is accredited by – and in good standing with – the Higher Learning Commission, an institutional accrediting agency recognized by the U.S. Department of Education. The University is registered with the Minnesota Office of Higher Education pursuant to Minnesota Statute sections 136A.61 to 136A.71. The University is also in good standing with all of its specialized (or program-specific) accreditation agencies.

The University's Strategic Plan – "St. Thomas 2025"

The University announced its five-year Strategic Plan (the "Plan"), captioned "St. Thomas 2025," on December 4, 2019. A University-wide strategic planning task force was appointed to work with campus partners to lead inclusive and interdisciplinary community conversations throughout the University. The Plan was unveiled in February of 2021 and includes six strategic themes:

- Ever press forward through innovation;
- Build belonging and promote equity;
- Ensure access, achievement and outcomes for all;
- Lean in to our Catholic mission;
- Widen the circle of impact; and
- Strengthen culture as we embrace change.

Six new and emerging priorities and 10 ongoing priorities emerged from the six themes itemized above and are led by the Strategic Planning Oversight Committee. This group oversees the implementation of the initiatives coming from both the task forces and from the President's Office. This project aligns with the "Build National Awareness and Advance Priorities through Athletics." The University's 10-year aspiration is to "advance to the level of excellence, impact and reputation that distinguishes the top 10 national Catholic universities". The Plan is available for review on the University's website at: https://www.stthomas.edu/about/strategic-plan-2025/index.html.

Faculty and Staff

The faculty-student ratio at the University is approximately 1 to 13. There is no religious or denominational prerequisite or any participatory religious requirement for faculty or staff membership except with respect to the School of Divinity. 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.

As of fall 2023, the University employed 432 full-time and 418 part-time faculty. Total FTE employees number approximately 1,741. The total payroll for the fiscal year ended June 30, 2023 was $152,468,551, not including contributed services of 38 religious employees.

The following table lists the highest degrees and professional designations held by the full-time faculty members for the 2023/24 academic year.

	Number
Doctorate, Juris Doctorate	378
Master of Arts, Certified Public Accountant	3
Bachelor of Arts, Other	51
Total	432

Enrollments

The following table sets forth the enrollment at the University for the five most recent academic years.

	As of Fall in the following years:				
	2019	2020	2021	2022	2023
Headcount					
Undergraduate	6,173	6,137	5,935	5,778	5,840
Two Year College	229	196	132	164	229
Graduate and Professional	3,469	3,459	3,280	3,119	3,077
Total	9,871	9,792	9,347	9,061	9,146
FTEs					
Undergraduate	6,051	6,030	5,830	5,676	5,762
Two Year College	229	196	132	164	229
Graduate and Professional	2,369	2,353	2,214	2,131	2,123
Total	8,649	8,579	8,176	7,971	8,114

Freshman Applications, Acceptances and Enrollments

	As of Fall in the following years:				
	2019	2020	2021	2022	2023
Applications	6,718	6,757	6,932	7,820	8,813
Acceptances	5,587	6,047	6,409	7,095	7,236
Percent Accepted	83%	89%	92%	91%	82%
Fall Enrolled	1,412	1,396	1,274	1,459	1,526
Percent Enrolled to Accepted	25%	23%	20%	21%	21%

The applications shown in the table above reflect completed applications. For Fall 2023 there were 9,545 submitted applications.

The University is currently seeing a year-over-year increase in applications, acceptances and other enrollment indicators when compared to the last four enrollment cycles.

Transfer Student Enrollment – Fall Semester – Undergraduate Day Program

2019/20	2020/21	2021/22	2022/23	2023/24
182	164	165	184	186

Graduation Rate for First Year Students Graduating in Four Years

Entering Year – Fall	4-year Graduation rate
2015/16	68.8%
2016/17	70.3%
2017/18	68.5%
2018/19	67.4%
2019/20	65.0%

Student Retention

For the past five academic years, retention from the first year to the second year has been as follows:

Fall 2018 to Fall 2019:	87.2%
Fall 2019 to Fall 2020:	87.0%
Fall 2020 to Fall 2021:	86.3%
Fall 2021 to Fall 2022:	85.6%
Fall 2022 to Fall 2023:	86.4%

Student Body

There is no religious or denominational prerequisite or any participating religious requirement for students of the University other than in the School of Divinity. The fall term enrollment at the University for the 2023/24 academic year is 9,146 with a full-time equivalent ("FTE") enrollment of 8,114. International students make up approximately 5% of the student population for the 2023/24 academic year, while approximately 78% of the undergraduate population are from within the State.

Athletics

Prior to academic year 2021/2022, the University was an NCAA Division III school and a member of the Minnesota Intercollegiate Athletic Conference ("MIAC"). In May of 2019, the MIAC voted to expel St. Thomas from the conference, citing a lack of competitive parity within the conference across many sports. In response to the expulsion, the University applied to the NCAA for reclassification to compete directly in NCAA Division I athletics. The NCAA granted the request. This was the first time a move from Division III to Division I was ever granted by the NCAA.

The University accepted invitations to join the Summit League for 16 of 19 sports, and joined the Pioneer Football League, the Western Collegiate Hockey Association, and the Central Collegiate Hockey Association. The 2021/2022 Academic year was the first year the University participated in intercollegiate athletics as a Division I school.

Women's Varsity Sports offered at the University include: Basketball, Cross Country, Golf, Hockey, Soccer, Softball, Swimming and Diving, Tennis, Track & Field, and Volleyball.

Men's Varsity Sports offered at the University include: Basketball, Baseball, Cross Country, Football, Golf, Hockey, Soccer, Swimming and Diving, Tennis, and Track & Field.

The University is seizing the opportunity to transition directly from Division III to Division I to engage a national audience and expand its enrollment footprint as it continues its journey toward becoming a leading national Catholic University. Along with mission critical investments in academics, access and affordability, the University is investing in new competition venues, top-notch coaching staff and scholarships for student athletes. The new Anderson Arena, to be funded with Series 2024 Bond proceeds, will serve as a vibrant campus hub and bring hockey on campus for the first time in the University's history. The Anderson Arena is only one in a number of critical strategic investments the University is making. The University is taking advantage of the opportunity presented by the Anderson Center to leverage athletics and build a more geographically diverse student body comprised of highly accomplished individuals. These new faces and voices will add value across campus and bring the University further in its journey to become a national Catholic University and making "The Tommies" a household name.

In recent years, developments have occurred that may impact revenues and expenses for collegiate athletics. Such developments include federal and state legislation and regulations regarding name, image and likeness ("NIL") for collegiate athletes; litigation, judicial action and legislation related to compensation of collegiate athletes; conference realignment and changes to multimedia rights and marketplace arrangements. Based on the current marketplace dynamics, University management anticipates that the impact of any NIL legislation, regulations, litigation, and other developments will not have a material effect on the finances and operations of the University.

Housing

In Fall 2021, the University implemented a policy requiring full-time, undergraduate first and second-year students to live on campus. Substantially all students residing in a University residence hall are also required to board on campus. As of fall 2023, the University has 27 student residences and two seminary student residences on the Saint Paul campus, which can house nearly 3,000 students. Approximately 49% of the fulltime undergraduate student population reside on the Saint Paul campus.

Tuition and Fees

The University meets the cost of educational programs primarily through tuition and fees. The following table lists the tuition charged full-time students in the University's major programs for the academic years listed:

	2019/20	2020/21	2021/22	2022/23	2023/24
Undergraduate (full-time) per academic year	$44,780	$46,348	$47,274	$48,930	$50,788
Graduate education, per credit	$ 1,000	$ 625	$ 660	$ 685	$ 685
School of Engineering	$ 1,140	$ 1,174	$ 1,197	$ 1,251	$ 1,275
Religious education, per credit	$ 625	$ 625	$ 625	$ 644	$ 644
Graduate School of Business, evening and part-time programs, per credit	$ 1,218	$ 1,255	$ 1,255	$ 1,304	$ 1,356
School of Law (full-time) per credit	$ 1,442	$ 1,486	$ 1,530	$ 1,576	$ 1,631

The Board of Trustees reserves the right to revise charges from time to time. Although the Board of Trustees anticipates that it will be able to raise current tuition and fees without adversely affecting future enrollment, there can be no assurance that it will be able to do so. Future economic and other conditions may affect the ability to increase tuition and fees while sustaining current levels of enrollment.

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2023/24 Undergraduate Rate Comparison of Selected Minnesota Private Colleges
(Ranked by Comprehensive Charges)

College / University	Tuition and Fees	Housing and Food*	Comprehensive Charges**
Carleton College	$65,457	$16,710	$82,167
Macalester College	$64,908	$14,982	$79,890
St. Olaf College	$56,970	$13,000	$69,970
Saint John's University	$53,942	$12,130	$66,072
University of St. Thomas	**$52,284**	**$13,764**	**$66,048**
College of Saint Benedict	$53,884	$12,160	$66,044
Gustavus Adolphus College	$54,310	$11,200	$65,510
St. Catherine University***	$49,758	$11,636	$61,394
Hamline University***	$49,268	$12,030	$61,298
Augsburg University***	$43,942	$16,418	$60,360
Bethel University***	$42,930	$12,090	$55,020
Minneapolis College of Art and Design	$43,824	$10,910	$54,734
Saint Mary's University of Minnesota***	$43,080	$10,800	$53,880
The College of St. Scholastica***	$40,454	$11,380	$51,834
University of Northwestern - St. Paul***	$36,830	$11,148	$47,978
Concordia College	$30,020	$11,880	$41,900
Bethany Lutheran College	$30,010	$ 8,270	$38,280
Concordia University, St. Paul***	$25,000	$10,800	$35,800
Averages:	**$46,493**	**$12,295**	**$58,788**

* *Per new federal regulations resulting from the FAFSA Simplification Act, "room and board" has been reclassified as "housing and food."*

** *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 housing, food, and program choices that students make.*

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

Source: The Minnesota Private College Council; survey data provided by Minnesota Private Colleges.

Financial Aid

Approximately 99% of the University's four-year undergraduate students receive some form of financial aid including federal, state, University or private sources. Some of the federal and state financial aid programs apply to tuition and fees, whereas others provide aid for living expenses such as transportation, housing (on or off campus) and personal expenses.

Awards of financial aid, excluding competitive scholarships, are granted on the basis of need up to the maximum allowed by the various programs and can be substituted for each other in the establishment of a student's financial aid package. No assurance can be given that federal and state student financial aid will continue to be funded at current levels. If such student aid is curtailed, it may cause the enrollment of the University to decrease, which, in turn, may have an adverse effect on the University's revenues.

Retirement Benefits

Retirement benefits are provided for substantially all full-time employees through a 403(b) retirement plan. Under this plan the University makes contributions of a defined percentage of covered payroll. Contributions charged to operations for these benefits were $10,410 and $10,265 *(in thousands)* for the years ended June 30, 2023 and 2022, respectively. Please reference "Note 14 – Retirement Benefits" of the

University’s Financial Statements Fiscal Year Ended June 30, 2023, which is included as Appendix VII to this Official Statement.

Unions

The General Drivers, Helpers, and Truck Terminal Employees, an affiliation of the International Brotherhood of Teamsters Local 120, represents approximately 96 employees who are the Building Services Workers, Grounds Service Workers, Grounds Turf Technician, and Mechanic Staff of the University. The terms for Local 120 employees are covered under a three-year agreement with Teamsters Local 120. The agreement runs from March 1, 2021 through February 28, 2024.

The International Union of Operating Engineers Local 70, AFL-CIO, which represents approximately nine engineers, on January 9, 2024 ratified a new contract with an expiration date of December 31, 2026.

Adjunct faculty at the University considered a proposal to unionize in 2014. At that time, the Adjunct faculty voted not to form a union. The adjunct faculty remains non-union. The University has implemented additional representation of adjunct faculty on committees and increased benefits for certain adjunct faculty meeting certain teaching course loads.

Independent Accountants

The University’s financial statements as of June 30, 2023, included as Appendix VII herein, have been audited by CliftonLarsonAllen LLP, independent accountants, as stated in their report appearing therein.

Statement of Financial Activity for Fiscal Years 2019 through 2023

The table on the following page summarizes the University’s statements of activities without donor restrictions for the fiscal years ended June 30, 2019 through 2023. For more complete information of the University for the fiscal year ended June 30, 2023, see Appendix VII of this Official Statement.

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UNIVERSITY OF ST. THOMAS
Statements of Activities Without Donor Restrictions
For the Fiscal Years ended June 30,
(In thousands)

	2019	2020	2021	2022	2023
OPERATING REVENUES					
Tuition and Fees	$ 320,681	$ 334,991	$ 348,497	$ 343,113	$ 351,025
Less: Student Aid	(140,177)	(151,294)	(165,664)	(172,450)	(179,302)
Net Tuition and Fees	180,503	183,697	182,833	170,663	171,723
Sales and Services of Auxiliary Enterprises	41,962	30,154	30,500	35,602	44,504
Private Gifts and Grants	6,960	8,282	9,260	6,448	7,359
Grants and Contracts	5,233	8,445	14,607	21,192	7,866
Endowment Distributed to Operations	2,708	2,934	2,041	9,779	21,192
Other Ordinary Investment Income	2,498	1,142	1,318	1,137	4,459
Sales and Services of Educational Departments	4,398	3,120	2,181	1,815	974
Other Revenue	5,687	6,300	3,669	5,681	6,188
Net Assets Released from Restrictions	31,279	32,289	30,580	31,676	31,783
Total Operating Revenues	281,229	276,362	276,989	283,993	296,048
OPERATING EXPENDITURES					
Instruction and Other Services:					
Instruction	130,121	124,404	118,084	128,999	130,268
Auxiliary Enterprises	38,115	32,586	38,629	41,778	45,379
Student Activities and Services	33,554	33,534	33,780	43,573	49,009
Academic Support	15,289	15,242	15,045	16,074	16,039
Libraries	9,584	9,473	9,009	8,647	9,009
Public Service	3,386	3,125	3,103	3,430	3,661
Research	1,345	2,006	1,731	1,759	1,871
Total Instruction and Other Services	231,395	220,371	219,381	244,260	255,236
Management and General:					
General Administration and Support Services	34,330	33,932	28,232	37,603	29,914
Development	10,150	10,164	8,949	10,498	11,954
Total Management and General	44,480	44,096	37,181	48,101	41,868
Total Operating Expenditures	275,875	264,467	256,562	292,361	297,104
NET OPERATING INCOME	5,353	11,895	20,427	(8,368)	(1,056)
NONOPERATING ACTIVITIES					
Endowment Investment Earnings:					
Investment Ordinary Income	1,013	524	739	857	747
Net Capital (Loss) Gain on Investments	3,257	(2,359)	30,943	(1,971)	5,267
Less: Distributed to Operations	(2,708)	(2,934)	(2,041)	(9,779)	(21,192)
Net Nonoperating Endowment (Loss) Gain	1,562	(4,768)	29,641	(10,893)	(15,178)
Other Investment Capital (Loss) Gain	3,606	(2,211)	33,327	(3,510)	4,984
Gain (Loss) on Disposal of Property and Equipment	(815)	6	-	(35)	9
Net Unrealized Gain (Loss) on Interest Rate Exchange Agreement	(285)	(511)	469	826	342
Loss on Debt Refinancing	-	-	(47)	-	-
Donor Adjustments	26	-	-	-	-
Adjust Straight Line Rent Accrual	-	-	4,807	-	-
Net Nonoperating (Loss) Income	4,095	(7,485)	68,197	(13,612)	(9,843)
CHANGE IN NET ASSETS	9,448	4,411	88,624	(21,980)	(10,899)
Net Assets - Beginning of Year	437,415	446,863	451,274	539,898	517,918
NET ASSETS - END OF YEAR	$ 446,863	$ 451,274	$ 539,898	$ 517,918	$ 507,019

Source: University of St. Thomas Financial Statements

Management Discussion of Financial Performance

As the University seeks to “advance to the level of excellence, impact and reputation that distinguishes the top 10 national Catholic universities” the institution is guided by six themes developed within the comprehensive “St. Thomas 25” strategic plan. These themes have shaped the University’s operating budget and recent strategic investments as the University leverages its resources toward achieving its mission.

The University’s recent leadership transition is consistent with the strategic plan. While President Vischer's service as the University’s 16th President began on January 1, 2023, he has served in key leadership roles at the University over the prior 10 years. He has been at the forefront of the University’s strategic planning and has been instrumental in galvanizing university, community and philanthropic support for the University’s strategic initiatives. This leadership continuity at the highest levels supports the University’s commitment to its ambitious goals.

The University demonstrates its ongoing commitment of resources in support of the strategic plan, and acumen at executing strategic investments. Recent substantial investments in the College of Health, a unique STEAM (science, technology, engineering, arts, and math) facility and Division I Athletics highlight the University’s commitment to its strategic plan and its efforts to press forward toward its goal of becoming a comprehensive Catholic University of the highest tier. Through both recently completed and in process projects, these investments are beginning to demonstrate results both in enrollment and in national visibility.

The Fall of 2023 enrollment cycle was favorable to budget in both enrollment numbers and retention rates. The University welcomed the largest and most diverse incoming undergraduate class in its history. Looking to the future, the University is both encouraged by and committed to continued growth and diversification of both its undergraduate and graduate student populations, while carefully managing expenses, rigorously assessing the development of new academic programs, and sunsetting programs which are no longer viable.

To help support this growth, the University continues to advance its fundraising efforts. In Fiscal Year 2023 the University raised a record $130.6 million by engaging over 10,000 donors. These efforts unlocked 2,142 scholarships and provided direct funding approaching $25 million to the University’s colleges and schools. Specific to the new Arena, the University has raised nearly $120 million of its $131 million goal.

As part of the University’s commitment to serving both current and future students well, the University rigorously assesses strategic investments while managing maintain a balanced operating budget. To achieve these dual commitments, the University has developed near-term investment proformas, including net asset outlays, clear benchmarking, goal setting, and transparent community reporting. While categorical variances to budget exist, the University expects to end Fiscal Year 2024 in a balanced position.

Contributions Receivable

The University actively solicits and receives gifts and bequests from a variety of donors and also receives various grants from private foundations and from agencies of the federal government.

Major development programs, including efforts to raise capital funds and a variety of annual giving programs among alumni, parents of students, businesses and friends of the University, have been maintained for a number of years.

The University's contributions receivable for the past five fiscal years are shown in the following table. Unconditional promises are recognized at the estimated present value of the future cash flows net of allowances.

(in thousands)	2019	2020	2021	2022	2023
In one year or less	$ 31,480	$ 16,269	$ 15,812	$ 20,082	$ 30,261
Between one year and five years	66,416	61,987	50,845	63,077	83,716
More than five years	46,461	60,359	61,539	61,489	108,927
Total face value of pledges outstanding	$144,357	$138,614	$128,197	$144,648	$222,904
Discount (to present value)	(16,539)	(14,727)	(12,034)	(11,397)	(32,639)
Allowance for uncollectible pledges	(4,966)	(4,538)	(4,646)	(5,381)	(7,338)
Contributions receivable	$122,852	$119,349	$111,517	$127,870	$182,927

Capital Campaign

On May 13, 2021, the University's Board of Trustees approved a comprehensive campaign plan aimed to fund the priorities identified in the 2025 Strategic Plan. The campaign will run over a 10-year timeline and will publicly launch around fiscal year 2026. The arena project is included within this fundraising effort, with $119.5 million of funds raised to date. Funds raised for the arena project include a $75 million pledge from Lee R. Anderson and Katharine (Penny) Anderson.

Investment Management

The University's investment policy is established by the Investment Committee of the Board of Trustees. The Investment Committee is comprised of five members of the Board of Trustees and three non-Board of Trustee members. The Investment Committee is advised by Cambridge Associates and Mercer as the investment consultants. Two University staff members, led by the Chief Investment Officer, are responsible for the day-to-day management of the fund. The assets within the funds are managed/custodied by external asset managers with the exception of the Fixed Income allocation. There are a total of 52 different asset managers investing on behalf of the University.

The University's current long-term target allocations, along with allowable ranges are as follows:

- 40% Global Equity (35% Min. – 70% Max.)
- 30% Private Investments (0% Min. – 35% Max.)
- 15% Diversifiers (10% Min. – 25% Max.)
- 15% Reserves (5% Min. – 15% Max.)

The following table shows by market value the fiscal year end June 30, 2022 and 2023 allocation of investment assets and the percentage change of each component from fiscal year 2022 to fiscal year 2023.

(in thousands) Asset Class	2022	% of Total	2023	% of Total	% Change
Cash Equivalents	$ 73,892	8.45%	$112,291	12.84%	51.97%
Public Equities	327,786	37.50%	275,433	31.50%	-15.97%
Fixed Income	72,010	8.24%	122,781	14.04%	70.51%
Real Assets	51,258	5.86%	46,020	5.26%	-10.22%
Marketable Alternatives	109,610	12.54%	83,967	9.60%	-23.39%
Private Equity	239,650	27.41%	233,863	26.75%	-2.41%
Total Market Value	$874,206		$874,355		0.02%
Total Cost	$675,688		$649,336		

Long-Term Debt

The University had the following long-term debt outstanding as of March 2, 2024:

(a) $25,685,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Seven-U, dated March 28, 2013 at various rates of interest; principal outstanding is $10,860,000. The final maturity is April 1, 2027. The proceeds financed (1) the refunding of the University's then outstanding Series Five-L Bonds, which financed the construction of the University's School of Law Building and the refunding of the University's then outstanding Series Three-C Bonds, and (2) the refunding of the University's then outstanding Series Five-Z Variable Rate Demand Revenue Bonds, which financed the construction of Schulze Hall on the University's Minneapolis campus. The Series Seven-U Bonds are a general obligation of the University.

(b) $55,355,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Eight-L, dated March 9, 2016 at various rates of interest; principal outstanding is $42,880,000. The proceeds financed the refunding on an advance refunding basis of the University's outstanding Series Six-W and Series Six-X Bonds. The Series Eight-L Bonds are a general obligation of the University.

(c) $60,750,000 Minnesota Higher Education Facilities Authority Revenue Refunding Bonds, Series 2017A, dated December 28, 2017 at various rates of interest; principal outstanding is $49,310,000. The final maturity is October 1, 2037. The proceeds financed the refunding on an advance refunding basis of the University's outstanding Series Seven-A Bonds. The Series 2017A Bonds are a general obligation of the University.

(d) $8,220,000 Minnesota Higher Education Facilities Authority Revenue Refunding Note, Series 2017B, dated December 29, 2017. Interest is variable and reset quarterly; principal outstanding is $665,000. The final maturity is April 1, 2025. The proceeds financed the refunding of the University's Series Seven-O Bonds. The Series 2017B Note is a general obligation of the University.

(e) $80,525,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series 2019, dated May 30, 2019 at various rates of interest; principal outstanding is $76,840,000. The final maturity is October 1, 2044. The proceeds financed the construction of two residence halls on the University's Saint Paul campus. The Series 2019 Bonds are a general obligation of the University.

(f) $9,610,000 Minnesota Higher Education Facilities Authority Revenue Refunding Note, Series 2020A, dated July 17, 2020. Interest is fixed at 1.84% to the mandatory tender date of July 1, 2027; principal outstanding is $7,100,000. On the mandatory tender date, the Note is subject to tender and purchase unless the University pursues and is successful in obtaining a new, later tender date pursuant to the underlying documents and subject to the final maturity date of October 1, 2032. The proceeds financed the refunding of the University's outstanding Series 2017C Bonds. The Series 2020A Note is a general obligation of the University.

(g) $9,135,000 Minnesota Higher Education Facilities Authority Revenue Refunding Note, Series 2020B, dated July 17, 2020. Interest is fixed at 1.79% to the mandatory tender date of July 1, 2027; principal outstanding is $6,560,000. On the mandatory tender date, the Note is subject to tender and purchase unless the University pursues and is successful in obtaining a new, later tender date pursuant to the underlying documents and subject to the final maturity date of October 1, 2032. The proceeds financed renovations to the Center of Well Being and to Ireland Hall on the University's Saint Paul campus. The Series 2020B Note is a general obligation of the University.

(h) $60,720,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series 2022A (Green Bonds), dated June 2, 2022, at various rates of interest; principal outstanding is

$60,720,000. The final maturity is October 1, 2052. The proceeds financed construction of a Science, Technology, Engineering, Arts, and Math building on the University's Saint Paul campus and related demolition. The Series 2022A Bonds are a general obligation of the University.

(i) $70,280,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series 2022B, dated June 2, 2022, at various rates of interest; principal outstanding is $70,280,000. The final maturity is October 1, 2052. The proceeds financed improvements to several buildings; on the University's Saint Paul campus; acquisition of off-campus land for the location of athletic facilities and related site planning, site preparation, and facility design; site planning and facility design for the Project; and other permissible renovation and capital projects on the University's Saint Paul campus. The Series 2022B Bonds are a general obligation of the University.

If (i) the rating agency downgrades the rating of any long-term unenhanced debt of the University to below "Baa2" (or its equivalent), or suspends or withdraws its rating, or (ii) the University defaults on the payment of the principal of or interest on any of its debt obligations, an event of default will occur under the continuing covenant agreements associated with the Series 2017B Note, the Series 2020A Note, and the Series 2020B Note. The University redeemed the $24,210,000 Minnesota Higher Education Facilities Authority Revenue Note, Series Seven-Z, dated March 14, 2014, on the mandatory tender date therefor of March 1, 2024, using amounts available under its line of credit with U.S. Bank National Association to pay the outstanding principal balance of $11,706,593 and all accrued interest.

As of March 2, 2024, the University's total long-term debt outstanding was $325,215,000. The University's long-term debt will increase by the principal amount of the Bonds upon issuance.

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PROPOSED FORM OF BOND COUNSEL OPINION

2200 IDS Center, 80 South 8th Street
Minneapolis, MN 55402-2210
Tel: 612.977.8400 | Fax: 612.977.8650
taftlaw.com

Affirmative Action, Equal Opportunity Employer

_________, 2024

$94,440,000
Minnesota Higher Education Facilities Authority
Revenue Bonds, Series 2024A
(University of St. Thomas)

$50,000,000
Revenue Bonds, Series 2024B
(University of St. Thomas) (Green Bonds)
$25,000,000 Subseries 2024B-1 $25,000,000 Subseries 2024B-2

$14,950,000
Taxable Revenue Bonds, Series 2024C
(University of St. Thomas) (Green Bonds)

We have acted as bond counsel to the Minnesota Higher Education Facilities Authority (the "Authority") in connection with the issuance by the Authority of its fully registered revenue bonds in the aggregate principal amount of $159,390,000, consisting of $94,440,000 Revenue Bonds, Series 2024A (University of St. Thomas) (the "Series 2024A Bonds"), $50,000,000 Revenue Bonds, Series 2024B (University of St. Thomas) (Green Bonds), consisting of $25,000,000 Subseries 2024B-1 and $25,000,000 Subseries 2024B-2 (the "Series 2024B Bonds," and together with the Series 2024A Bonds, the "Tax-Exempt Bonds"), and $14,950,000 Taxable Revenue Bonds, Series 2024C (University of St. Thomas) (Green Bonds) (the "Series 2024C Bonds," and together with the Series 2024A Bonds and the Series 2024B Bonds, the "Bonds"), dated as of their date of delivery, and more fully described in and issued pursuant to the Indenture (defined below).

The Bonds are issued for the purpose of funding a loan from the Authority to University of St. Thomas, a Minnesota nonprofit corporation and institution of higher education (the "University"), in order to finance educational facilities owned or to be owned and operated by the University and located on its campus in the city of St. Paul, Minnesota. 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 Trust Company, National Association, in St. Paul, Minnesota, as Trustee (the "Trustee"), each dated as of March 1 , 2024; one or more opinions of Vantage Law Group, PLLC, as counsel 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 Vantage Law Group, PLLC, as to the Loan Agreement having been duly authorized and executed and being binding upon the University and as to the corporate organization, tax-exempt status and unrelated trade or business activities, good standing, and powers of the University. As to title to the Project Site (as defined in the Loan Agreement and Indenture), we have relied on information contained in owner and encumbrances reports, title insurance policies or commitments, or title opinions, provided to us by the University or by counsel engaged by it, and have not undertaken any examination of the records of the University or original title records or abstracts of title.

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 (except to the extent, if any, stated in the Official Statement), and we express no opinion relating thereto (except only matters set forth as our opinion 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 duly organized and existing under the laws 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 the loan repayments payable by the University under the Loan Agreement which have been assigned to the Trustee, and are further secured by the pledge of the funds and investments held by the Trustee under the Indenture and by the pledge of funds and rights to payments held by the Trustee, as assignee, under the Loan Agreement. The Bonds are not a general obligation or indebtedness of the Authority within the meaning of any constitutional or statutory limitation, and do not constitute or give rise to a pecuniary liability of the Authority or charge against its general credit, but are payable solely from amounts pledged thereto in accordance with the provisions of the Indenture.

4. Assuming compliance with the covenants in the Loan Agreement and Indenture, the interest on the Tax-Exempt Bonds is excludable from gross income for purposes of federal income taxation and is excludable, to the same extent, from net taxable income of individuals, estates and trusts for purposes of Minnesota income taxation under present laws and rulings. Interest on the Tax-Exempt Bonds is not an item of tax preference for purposes of the federal alternative minimum tax under Section 55 of the Internal Revenue Code of 1986, as amended (the "Code"), or Minnesota alternative minimum tax applicable to individuals, estates or trusts. We observe, however, that such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Interest on the Tax-Exempt Bonds is subject to the Minnesota franchise tax imposed upon corporations, including financial institutions, measured by taxable income and the alternative minimum tax base. The Tax-Exempt Bonds are not arbitrage bonds within the meaning of Section 148 of the Code. The Tax-Exempt 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. Ownership of the Tax-Exempt Bonds will result in disallowance of a deduction for a portion of the interest expense of a "financial institution" under Section 265(b) of the Code. The Authority has not designated the Tax-Exempt Bonds as "qualified tax-exempt obligations" within the meaning of Section 265 of the Code. The opinion set forth in this paragraph is subject to the conditions that the Authority, the Trustee and the University comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Tax-Exempt

Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Tax-exempt Bonds to be included in federal gross income or Minnesota taxable net income retroactive to the date of issuance of the Tax-Exempt Bonds. The Authority, the Trustee and the University have covenanted to comply with such requirements.

Certain future events pursuant to the terms of the Indenture can result in a change in the interest rate on the Series 2024B Bonds. No opinion is expressed at this time with respect to the exclusion from gross income for federal income tax purposes or from net taxable income for Minnesota income tax purposes of interest on the Series 2024B Bonds, or with respect to any other tax matters, upon the conversion of such Series 2024B Bonds from the interest rate in effect during the Initial Term Rate Period (as defined in the Indenture) to any other interest rate, as such opinion must be rendered in connection with such conversion and may be dependent upon the occurrence of certain events in the future.

The Authority has elected to issue the Series 2024C Bonds as taxable obligations and, accordingly, the interest on the Series 2024C Bonds is intended to be included in gross income for federal income taxation purposes and, to the same extent, in both gross income and taxable net income for state income taxation purposes.

We express no opinion regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership or disposition of the Bonds.

It is to be understood that 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, receivership proceedings, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in accordance with general principles of law.

Very Truly Yours,

Taft Stettinius & Hollister LLP

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FORM OF CONTINUING DISCLOSURE CERTIFICATE

March 1, 2024

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the University of St. Thomas, a Minnesota nonprofit corporation (the "University"), in connection with the issuance by the Minnesota Higher Education Facilities Authority, an agency of the State of Minnesota (the "Issuer"), of its $94,440,000 Revenue Bonds, Series 2024A (University of St. Thomas), $50,000,000 Revenue Bonds Series 2024B (University of St. Thomas) (Green Bonds), and $14,950,000 Taxable Revenue Bonds Series 2024C (University of St. Thomas) (Green Bonds) (said series collectively referred to as the "Obligations"), issued pursuant to a Trust Indenture, dated as of March 1, 2024 (the "Indenture"), by and between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). Proceeds of the Obligations are being loaned by the Issuer to the University pursuant to a Loan Agreement, dated as of March 1, 2024 (the "Loan Agreement"), between the Issuer and the University. The University covenants and agrees as follows:

Section 1. (a) Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the University for the benefit of the holders and beneficial owners of the Obligations and in order to assist the Participating Underwriter (defined below) in complying with the Rule (defined below). References in this Disclosure Certificate to holders of the Obligations shall include the beneficial owners of the Obligations. This Disclosure Certificate constitutes the written undertaking under the Rule.

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 University, a document or set of documents which contains (or includes by reference as provided in Section 3(a) hereof) the financial and operating data with respect to the University 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 University'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 University and which has filed with the University a written acceptance of such designation.

"Financial Obligation" means 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) a guarantee of (i) or (ii). 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.

"Final Official Statement" means the Official Statement, dated March 13, 2024 delivered in connection with the original issuance and sale of the Obligations, together with any preliminary official statement, amendments thereto or supplements thereof.

"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, its successors and assigns.

"Participating Underwriter" means any of the original underwriter(s) of the Obligations required to comply with the Rule in connection with the 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 University shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, provide to the MSRB, filed in accordance with Section 1(b) of this Disclosure Certificate, an Annual Report. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package. The University 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 University shall provide the Annual Report to the Dissemination Agent (if the University is not the Dissemination Agent).

(c) If the University is unable or fails to provide an Annual Report by the date required in subsection (a), the University 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 University shall deliver to the Issuer a copy of the Annual Report.

Section 4. Reporting of Significant Events. The University 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 (10) 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 University;

(xiii) consummation of a merger, consolidation, or acquisition involving the University or sale of all or substantially all of the assets of the University, 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 obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, 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 obligated person, any of which reflect financial difficulties.

Section 5. Termination of Reporting Obligation. The University'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 University 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 University and the transferee or resultant organization assumes such obligations of the University, the University shall first require such transferee or resultant organization to assume the obligations of the University hereunder.

Section 6. Dissemination Agent. The University 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 University pursuant to this Disclosure Certificate. If at any time there is not any other designated Dissemination Agent, the University shall be the Dissemination Agent.

Section 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the University 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 University 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 University 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 University 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 University 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 University 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 University 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 University, 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 University 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 University determines that such modification is required by the Rule or by a court of competent jurisdiction.

Section 12 Electronic Signatures**.** An electronic signature of the University to this Disclosure Certificate shall be as valid as an original signature and shall be effective to bind the University to this Disclosure Certificate. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message.

UNIVERSITY OF ST. THOMAS

By: ____
Its: President

By: ____
Its: Vice President for Business Affairs and Chief
Financial Officer

[University of St. Thomas signature page to Continuing Disclosure Certificate]

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, 2024.

1. Audited financial statements of the University for the most recent complete fiscal year and if audited financial statements are not available by the Annual Report Date then the Annual Report shall contain unaudited financial statements prepared by the University in a format similar to the financial statements contained in the Official Statement, and the audited financial statements of the University shall be filed in the same manner as the Annual Report when they become available.

2. The financial and operating data contained in Appendix I to the Final Official Statement itemized below. If not included in the University's audited financial statements, information as of the end of the most recent complete academic or fiscal year, as appropriate, of the matters covered by the Sections entitled:

    - Student Body
    - Freshman Applications, Acceptances and Enrollments
    - Graduation Rate for First Year Students Graduating in Four Years
    - Student Retention
    - Tuition and Fees
    - Financial Aid
    - Faculty and Staff
    - Retirement Benefits
    - Endowment
    - Long-Term Debt

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.

2024A Bond and Interest Sinking Fund Account: The 2024A Bond and Interest Sinking Fund Account established under the Indenture.

2024A Bonds: The Minnesota Higher Education Facilities Authority Revenue Bonds, 2024A (University of St. Thomas), as described in the Indenture.

2024A Construction Account: The 2024A Construction Account established under the Indenture.

2024A Costs of Issuance Account: The 2024A Costs of Issuance Account established under the Indenture.

2024A Redemption Account: The 2024A Redemption Account established under the Indenture.

2024A Term Bonds: 2024A Bonds maturing in the years 2049 and 2053.

2024B Bond and Interest Sinking Fund Account: The 2024B Bond and Interest Sinking Fund Account established under the Indenture.

2024B Bonds: The Minnesota Higher Education Facilities Authority Revenue Bonds, 2024B (University of St. Thomas) (Green Bonds), initially consisting of $25,000,000 Subseries 2024B-1 and $25,000,000 Subseries 2024B-2, as described in the Indenture.

2024B Construction Account: The 2024B Construction Account established under the Indenture.

2024B Costs of Issuance Account: The 2024B Costs of Issuance Account established under the Indenture.

2024B Redemption Account: The 2024B Redemption Account established under the Indenture.

2024B Term Bonds: 2024B Bonds maturing in the year 2053.

2024C Bond and Interest Sinking Fund Account: The 2024C Bond and Interest Sinking Fund Account established under the Indenture.

2024C Bonds: The Minnesota Higher Education Facilities Authority Taxable Revenue Bonds, 2024C (University of St. Thomas) (Green Bonds), as described in the Indenture.

2024C Construction Account: The 2024C Construction Account established under the Indenture.

2024C Costs of Issuance Account: The 2024C Costs of Issuance Account established under the Indenture.

2024C Redemption Account: The 2024C Redemption Account established under the Indenture.

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

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

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

Authority: The Minnesota Higher Education Facilities Authority, an agency of the State of Minnesota, in Eagan, Minnesota.

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

Authorized Corporation Representative: The President, the Vice President for Business Affairs and Chief Financial Officer, the Associate Vice President of Finance and Controller, or any other person at the time designated to act on behalf of the Corporation by written certificate furnished to the Authority and the Trustee, containing the specimen signature of such person and signed on behalf of the Corporation by the Chair, any Vice-Chair, or the Secretary of its Board of Trustees or the President or any Vice President of the Corporation. Such certificate may designate an alternate or alternates.

Authorized Investments: The investments described in the Indenture authorized for moneys in the Accounts created under 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 Corporation, and includes any Executive Committee or other committee authorized to act for such board.

Bond and Interest Sinking Fund Account: The 2024A Bond and Interest Sinking Fund Account, the 2024B Bond and Interest Sinking Fund Account, or the 2024C Bond and Interest Sinking Fund, as applicable.

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

Bond Counsel: Any firm of nationally recognized bond counsel experienced in matters relating to tax-exempt state and municipal bonds acceptable to the Authority.

Bond Purchase Agreement: The Bond Purchase Agreement dated March 6, 2024, among the Authority, the Underwriter and the Corporation, relating to the Bonds.

Bond Resolution: The Series Resolution of the Authority adopted on February 21, 2024, 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, 2024, 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 2024A Bonds, the 2024B Bonds, and the 2024C Bonds.

Book-Entry Form: The form of all the 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 Corporation, Authority and Trustee, in any similar manner for which Beneficial Owners do not receive Bond certificates evidencing their beneficial ownership in any of the Bonds.

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

Building Equipment: Those items of goods, equipment, furnishings, furniture, inventory, machinery or other tangible personal property owned by the Corporation 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 or any other day that the Depository or banks in the State are not open for business.

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

Completion Date: The date set forth in a Certificate of the Project Supervisor furnished pursuant to the Loan Agreement with respect to the Project.

Conditional Redemption: Conditional Redemption has the meaning ascribed to such term in the Indenture.

Construction Account: The 2024A Construction Account, the 2024B Construction Account, or the 2024C Construction Account, as applicable.

Construction Period: The period between the date of commencement of the acquisition, design, site preparation (including demolition of existing improvements), construction, improvement, furnishing, and equipping of the Project and the Completion Date of the Project.

Continuing Disclosure Certificate: The Continuing Disclosure Certificate delivered by the Corporation, dated as of March 1, 2024, relating to the Bonds.

Conversion: With respect to the 2024B Bonds, a conversion of a Series or Subseries of the 2024B Bonds from one Mode to another Mode (including the establishment of a new Term Rate Mode or the establishment of a Fixed Rate Mode). The imposition of a Delayed Remarketing Period as described in the Indenture shall not be deemed a Conversion.

Conversion Date: With respect to the 2024B Bonds, the effective date of a Conversion.

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

Costs of Issuance Account: The 2024A Costs of Issuance Account, the 2024B Costs of Issuance Account, or the 2024C Costs of Issuance Account, as applicable.

Date of Taxability: The date as of which the interest on the Tax-Exempt Bonds shall be so determined to be includable in the gross income of the Owners thereof; provided, that no Tax-Exempt 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 Tax-Exempt Bond.

Default: A default on the part of the Corporation 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.

Delayed Remarketing Bond: Any 2024B Bond (or principal portion of a 2024B Bond) that is not purchased when tendered for purchase and which becomes a Delayed Remarketing Bond pursuant to the Indenture.

Delayed Remarketing Period: With respect to the 2024B Bonds, a period which commences on the date any 2024B Bond becomes a Delayed Remarketing Bond pursuant to the Indenture, and ends on the date the Delayed Remarketing Bond is successfully remarketed, as described in the Indenture.

Delayed Remarketing Rate: With respect to the 2024B Bonds, for the Initial Term Rate Period, as set forth inside the front cover of this Official Statement, and for any other Term Rate Period, a per annum interest rate or rates or stepped per annum interest rate or rates set pursuant to the Indenture.

Depository: DTC or any other person who shall be a Holder of all the Bonds directly or indirectly for the benefit of Beneficial Owners and approved by the Authority, Corporation 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 on the Tax-Exempt Bonds is includable in gross income of the recipient under Section 103 of the Internal Revenue Code, related sections and regulations thereunder, as in effect on the date of issuance of the Tax-Exempt Bonds, as more fully provided in the Loan Agreement, provided that such event shall not be deemed a Determination of Taxability until after the period, if any, for contest or appeal of such Notice of Deficiency or decision by the Bondholders, the Authority or any other interested party has expired without any such contest or appeal having been properly instituted. A determination that interest on the Tax-Exempt 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 Loan Agreement or Indenture 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 Corporation's fiscal year, and shall initially mean the 12-month period commencing on July 1 in each year.

Fixed Rate: With respect to the 2024B Bonds, a fixed (non-variable) interest rate or rates established for a Series or Subseries of 2024B Bonds in the Fixed Rate Mode.

Fixed Rate Mode: With respect to the 2024B Bonds, the Mode in which a Series or Subseries of the 2024B Bonds bear interest at a Fixed Rate or Fixed Rates.

Fixed Rate Period: With respect to a Series or Subseries of 2024B Bonds in the Fixed Rate Mode, the period from the Conversion Date upon which the Series or Subseries of the 2024B Bonds were converted to the Fixed Rate Mode, to but not including the Maturity Date for such 2024B Bonds.

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 the Bonds, the terms mean the Beneficial Owner.

Indenture: The Trust Indenture between the Authority and U.S. Bank Trust Company, National Association, as Trustee, dated as of March 1, 2024, 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 Corporation 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 Corporation or the Institution as an officer, employee or member of the Authority, the Corporation or the Institution or the Board of Trustees of the Corporation.

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

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

Institution: University of St. Thomas, a Minnesota institution of higher education with its main campus located in the city of St. Paul, Minnesota, owned and operated by the Corporation. The Institution is also referred to as the "University" elsewhere in the Official Statement.

Initial Delayed Remarketing Rate: With respect to the 2024B Bonds, as set forth inside the front cover of this Official Statement.

Initial Scheduled Mandatory Purchase Date: With respect to the 2024B Bonds, as set forth inside the front cover of this Official Statement.

Initial Term Rate Period: With respect to the 2024B Bonds, a period commencing on the Issue Date, and ending on the applicable Initial Scheduled Mandatory Purchase Date, unless such Series or Subseries of 2024B Bonds is earlier purchased or redeemed in connection with a mandatory tender for purchase of such Series or Subseries of the Bonds pursuant to the Indenture. In the event that a 2024B Bond becomes a Delayed Remarketing Bond, the Initial Term Rate Period includes any immediately succeeding Delayed Remarketing Period.

Interest Accrual Date: With respect to the 2024B Bonds, for any Term Rate Period or Fixed Rate Period, the first day thereof and, thereafter, each Interest Payment Date during that Term Rate Period or Fixed Rate Period, other than the last such Interest Payment Date.

Interest Payment Date: For the 2024A Bonds and the 2024C Bonds, and for the 2024B Bonds in the Initial Term Rate Period, April 1 and October 1 of each year, commencing October 1, 2024, and any other date on which the principal of or interest on the Bonds will be due and payable in accordance with the Indenture.

Interest Rate: With respect to the 2024A Bonds and the 2024C Bonds, the interest rate per annum specified in the column entitled "Rate" for the 2024A Bonds or 2024C Bonds of the respective year of maturity set forth inside the front cover of this Official Statement. With respect to the 2024B Bonds, during the Initial Term Rate Period, the Initial Term Rates for the 2024B-1 Bonds and the 2024B-2 Bonds set forth inside the front cover of this Official Statement, and with respect to any subsequent Term Rate Period or Fixed Rate Period, the Term Rates or Fixed Rates, as established in accordance with the Indenture.

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

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

Loan Agreement: The Loan Agreement between the Authority and the Corporation, dated as of March 1, 2024, as from time to time amended or supplemented.

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

Net Proceeds: When used with respect to proceeds of insurance or a condemnation award, moneys received or receivable by the Corporation 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 Corporation or Authority, and to the extent required by the Indenture or the Loan Agreement, each Opinion of Counsel shall include the statements provided for in the Indenture or the Loan Agreement.

Par Call Date: With respect to the 2024B Bonds, (a) for the Initial Term Rate Period, the 2024B-1 First Par Call Date or the 2024B-2 First Par Call Date, as applicable, as set forth inside the front cover of this Official Statement, and (b) with respect to any subsequent Term Rate Period or Fixed Rate Period, the date established by the Authorized Authority Representative, as requested in writing by the Authorized Corporation Representative and set forth in the applicable Remarketing Agreement, and if none is established for a Term Rate Period, the first Business Day after the end of the Term Rate Period. Notwithstanding the foregoing, during any Delayed Remarketing Period, the Par Call Date for any Delayed Remarketing Bond shall mean any Business Day.

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

Participating Underwriter: Participating Underwriter has the meaning ascribed to such term in the Continuing Disclosure Certificate.

Principal Trust Office: For the Trustee originally appointed under the Indenture, the designated corporate trust office of the Trustee which at the date of the Indenture is that specified in the Loan Agreement, and for any successor Trustee, means its designated corporate trust office.

Project: The Project consists of the acquisition, design, site preparation (including demolition of existing improvements), construction, improvement, furnishing, and equipping of (i) an approximately 240,000 square-foot multi-purpose arena including facilities for NCAA Division I hockey and basketball, other athletics, and other institution operations, (ii) related higher-education facilities, and (iii) other permissible capital projects, all to be owned and operated by the Corporation, and located on the Institution's St. Paul campus.

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

Project Costs: The costs of site preparation, design, renovation, expansion, improvement, construction, furnishing, and equipping of the Project.

Project Equipment: All fixtures, equipment, and other personal property of a capital nature acquired with proceeds of the Bonds (except for any such fixtures, equipment, or other personal property of a capital nature to be removed in furtherance of the Project), including investment earnings and, with respect to such personal property acquired with proceeds of the Bonds, generally described in the Loan Agreement and described in any Certificate of the 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: The land or interests in land described in the Loan Agreement owned by the Corporation, but only that portion of land on which any Project Buildings or Project Equipment are or will be located or otherwise improved as part of the Project.

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

Purchase Date: With respect to the 2024B Bonds, each date on which a Series or Subseries of the 2024B Bonds may be or is required to be purchased pursuant to the Indenture.

Purchase Price: With respect to the 2024B Bonds, the purchase price to be paid to the Registered Owner(s) of the 2024B Bonds purchased pursuant to the Indenture, which shall be equal to the principal amount of the 2024B Bonds so tendered for purchase, without premium, plus accrued interest from the immediately preceding Interest Accrual Date to the Purchase Date (if such date is not an Interest Payment Date), plus any other accrued and unpaid interest.

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

Redemption Account: The 2024A Redemption Account, the 2024B Redemption Account, or the 2024C Redemption Account, as applicable.

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

Remarketing Agent: With respect to the 2024B Bonds, each remarketing firm qualified under the Indenture to act as Remarketing Agent for the 2024B Bonds, appointed by the Authorized Corporation Representative on behalf of the Corporation, and approved by the Authorized Authority Representative.

Remarketing Agreement: With respect to the 2024B Bonds, any remarketing agreement between the Corporation and the Remarketing Agent whereby the Remarketing Agent undertakes to perform the duties of the Remarketing Agent as provided in the Indenture.

Scheduled Mandatory Purchase Date: With respect to the 2024B Bonds, for the Initial Term Rate Periods, the Initial Scheduled Mandatory Purchase Dates set forth inside the front cover of this Official Statement. For any subsequent Term Rate Period, the date scheduled to be the last day of the Term Rate Period selected by the Authorized Corporation Representative and approved by the Authorized Authority Representative pursuant to the Indenture.

State: The State of Minnesota.

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

Tax-Exempt Bonds: The 2024A Bonds and the 2024B Bonds.

Tender Agent: With respect to the 2024B Bonds, the Tender Agent appointed in accordance with the Indenture (initially the Trustee), and any successor Tender Agent appointed under the Indenture.

Term Bonds: The 2024A Term Bonds, the 2024B Term Bonds, and the 2024C Term Bonds.

Term Rate: With respect to the 2024B Bonds, (a) during the Initial Term Rate Periods, the 2024B-1 Initial Term Rate and the 2024B-2 Initial Term Rate; (b) during any other Term Rate Period, a term, fixed (non-variable) interest rate or rates established for Series or Subseries of the 2024B Bonds in the Term Rate Mode in accordance with the Indenture.

Term Rate Mode: With respect to the 2024B Bonds, the Mode during which a Series or Subseries of 2024B Bonds bear interest at the Term Rate.

Term Rate Period: With respect to the 2024B Bonds or a Subseries thereof, each period during which a Term Rate is in effect.

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

Trustee: The trustee at the time serving as such under the Indenture, and initially the Trustee will be U.S. Bank Trust Company, National Association.

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

SUMMARY OF DOCUMENTS

THE LOAN AGREEMENT

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

Construction of Project

The Corporation represents that it reasonably expects construction, acquisition and installation of the Project will be substantially completed by September 30, 2025, and all amounts in the applicable Construction Account will be expended no later than March 26, 2026, delays subject to "force majeure," as provided in the Loan Agreement. The Corporation may apply to the Authority at any time to delete from the Project any building, system or equipment proposed to be renovated, expanded, acquired, constructed or improved as part of the Project, or to add any building, system or equipment to the Project, or both, and upon approval of the Authority, the description of the Project will accordingly be amended by a supplement to the Loan Agreement executed by the Authority and the Corporation, a copy of which will be furnished to the Trustee, provided that no such amendment of the description of the Project will 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 Tax-Exempt Bonds and an Opinion of Counsel who is Bond Counsel to the Authority to such effect is furnished to the Corporation, the Authority and the Trustee. The Corporation has agreed that it has previously paid or will itself pay all costs relating to the acquisition, construction, furnishing 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.

The Loan

The Authority agrees, upon the terms and conditions of the Loan Agreement, to lend to the Corporation the proceeds received by the Authority from the sale of the Bonds exclusive of any accrued interest received on the Issue Date (the "Loan") but including the underwriter's discount and original issue premium or original issue discount (if any), to be deposited in the applicable Accounts established with the Trustee, as provided in the Loan Agreement and in the Indenture. Such proceeds will thereafter be invested and disbursed by the Trustee in accordance with the provisions of the Loan Agreement and the Indenture.

Loan Repayments

Under the Loan Agreement, the Corporation 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 Corporation covenants to pay for the account of the Authority the following amounts:

(a) At least one (1) Business Day prior to each April 1 and October 1, commencing October 1, 2024, the Corporation will deposit into the applicable Bond and Interest Sinking Fund Account, a sum which will be equal to the amount payable as interest on, and, as applicable, principal (whether at maturity or mandatory sinking fund redemption) of the applicable Bonds on such Interest Payment Date; provided however, that there shall be credited against such obligations (1) the net amount of funds and investments then on deposit to the credit of the applicable Bond and Interest Sinking Fund Account (including amounts transferred from the applicable Construction Account pursuant to the Indenture), and (2) any credits permitted by the Indenture; and

(b) On or prior to a date established for the optional redemption or mandatory redemption and prepayment of any Bonds pursuant to the terms set forth in the Loan Agreement, the Corporation will deposit into the applicable Redemption Account such amount, if any, as will be necessary and sufficient to provide for the redemption of any Bonds called for redemption from such Redemption Account; and

(c) The Corporation will deposit forthwith into the applicable Bond and Interest Sinking Fund Account or the applicable Redemption Account, as appropriate, the amount of any deficiency in the event the funds on deposit in such 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) The Corporation will deposit into any fund or account designated by the Trustee such amount as may be determined by the Trustee to be necessary to comply with the provisions of the Indenture.

Each payment under this "Loan Repayments" section will be made directly to the Trustee at its Principal Trust Office for the account of the Authority for deposit as provided in the Indenture. The Corporation will 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 Corporation the right to prepay all or part of the Loan Repayments and to redeem the Bonds prior to their maturity in certain events as described under "THE BONDS" in the body of the Official Statement.

As additional payments, the Corporation agrees to pay the annual fee of the Authority, ordinary expenses, reasonable fees and charges of the Trustee, amounts advanced by the Trustee or the Authority, rebate of certain excess investment earnings to the United States, and certain other expenses.

Use of Project Facilities

The Corporation will own, use and operate the Project Facilities at all times as educational facilities, eligible to be and defined as a "project" under the Act, 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 Corporation 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 and Possession of Project Facilities by Corporation

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

Operating Expenses and Liens

The Corporation will pay all utility charges and other charges arising from the operations of the Project Facilities which, if unpaid, would become a lien on the Project Facilities, and will not permit to be established or to remain unsatisfied any mechanics' lien for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements of the Project Facilities; provided, that the Corporation 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 notify the Corporation that, in the opinion of Independent Counsel, by nonpayment of any such items the Project Facilities or any part thereof will be subject to loss or forfeiture, in which event the Corporation will promptly pay and cause to be satisfied and discharged all such unpaid items.

Taxes and Other Governmental Charges

The Corporation 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 Corporation, or the Project Facilities, or any improvements, equipment or related property installed or brought by the Corporation therein or thereon, or the Bonds, the Loan Agreement, the Indenture, or the interest of the Authority, the Trustee, or the Bondholders therein. The Corporation 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 notify the Corporation 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 will be paid promptly.

Insurance

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

(a) Insurance against loss and/or damage to the Project Facilities and contents under a policy or policies covering such risks as are ordinarily insured against by similar institutions, including (without limiting the generality of the foregoing) fire and extended coverage in an amount not less than 80% of the full insurable replacement value of the Project Facilities and content, but any such policy may have a deductible amount of not more than $500,000. No policy of insurance will be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, without the prior consent thereto in writing by the Trustee. The term "full insurable replacement value" means the actual replacement cost of the Project Buildings (excluding foundation, excavation costs and costs of underground flues, pipes, drains and other uninsurable items) and contents and the Project Equipment. All policies evidencing insurance required by this paragraph (a) with respect to the Project Facilities will be carried in the names of the Corporation and the Trustee as their respective interests may appear and include a lender's loss payable endorsement with the Trustee named as loss payee.

(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 Corporation 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, or equivalent policy, with limits of not less than $1,000,000 or such higher amount as recommended by an Independent insurance consultant.

All insurance required under the Loan Agreement shall be taken out and maintained in responsible insurance companies selected by the Corporation. In the event any of the above-described policies are canceled before the expiration date thereof, notice will be delivered in accordance with the policy provisions. The Corporation may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required. The Corporation will annually provide the Trustee a Certificate of insurance compliance on or before October 1 of each year.

The Corporation may give notice to the Trustee of modifications to the insurance requirements and deductible amounts, including for the Corporation to be self-insured in whole or in part for any comprehensive general public liability, if consistent with recommendations of a written report of an Independent insurance consultant or the Corporation's insurance broker provided by the Corporation to the Trustee.

Damage or Destruction of Project Facilities

If prior to full payment of the Bonds the Project Facilities are damaged or partially or totally destroyed, there will be no abatement or reduction in the Loan Repayments, and to the extent that the claim for loss resulting from such damage or destruction is not greater than $1,000,000, the Corporation (A) 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 Corporation and as will not impair the character or significance of the Project Facilities as educational facilities, and (B) 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 Corporation necessary therefor. All Net Proceeds of insurance resulting from claims for losses up to such amounts will be paid to the Corporation. To the extent that the claim for loss resulting from such damage or destruction exceeds $1,000,000, the Corporation may either repair, rebuild or restore the damaged facilities, or redeem and prepay the Bonds in whole or in part as more fully provided in the Loan Agreement.

The Bonds may be redeemed in whole if all or substantially all of the Project Facilities are damaged or destroyed to such extent that (i) they cannot be reasonably restored within six months or (ii) normal use and operation of the Project Facilities are interrupted for a six-month period or (iii) the cost of restoration exceeds the available Net Proceeds by an amount described in the Loan Agreement.

The Bonds may be redeemed in part if (i) all or a portion of the Project Facilities have been damaged or destroyed, (ii) the Corporation determines that the Project Facilities so damaged or destroyed are not needed in its operations, (iii) the Corporation has elected not to repair, rebuild, restore or replace such Project Facilities, and (iv) the Corporation elects that available Net Proceeds will be deposited in the applicable Redemption Account and used for the redemption or purchase of outstanding Bonds on the next date for which due notice of redemption can be given.

(*See also* "THE BONDS – Redemption – Extraordinary Optional Redemption" in the body of this Official Statement).

Condemnation of Project Facilities

If at any time before the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the Indenture), title to any part of the Project Facilities will be taken in any proceeding involving the exercise of the right of eminent domain, there will be no abatement or reduction in the Loan Repayments payable by the Corporation under the Loan Agreement. All Net Proceeds of awards not in excess of $1,000,000 will be paid to the Corporation. All Net Proceeds of awards over $1,000,000 will be paid and held by the Trustee and the Corporation will either redeem and prepay the Bonds in whole or in part or rebuild or restore such facilities, as more fully provided in the Loan Agreement.

If the Bonds are to be redeemed in whole or in part, such redemption will be as described in the second and third paragraphs under the "Damage or Destruction of Project Facilities" section above.

Removal of Project Equipment and Building Equipment

The Corporation may remove Project Equipment and Building Equipment from the Project Facilities if no Default exists and upon the following conditions:

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

(b) the Corporation may release any equipment from the definition of Project Equipment (with or without the physical removal thereof) without substitution therefor, provided that the Corporation pays a sum equal to the then value of such Project Equipment as determined by an Independent engineer selected by the Corporation, to the Trustee for deposit in the Redemption Account for the redemption and prepayment of the Bonds; provided that if the depreciated book value of the equipment so released was less than $250,000, such release and such deposit to the Redemption Account may be effected without such determination of value and Certificate by an Independent engineer; and

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

In connection with (a) and (b) above, if the depreciated book value of the Project Equipment or in connection with (c) above, the depreciated value of Building Equipment to be substituted, released or removed equals or exceeds $250,000 the Corporation will deliver to the Trustee a certificate signed by the Authorized Corporation Representative stating that the substitution, release or removal of such equipment will not materially impair the character or revenue producing significance or value of the Project Facilities.

Indemnification

The Corporation agrees to hold the Authority and the Trustee, their respective members, directors, officers and employees, harmless against, any claim, cause of action, suit or liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project Facilities and the use thereof, including that caused by any negligence of the Authority (but not of the Trustee) or anyone acting on its behalf, provided that the indemnity will be effective only to the extent of any loss that may be sustained by the Authority or the Trustee in excess of the Net Proceeds received by the Authority or the Trustee from any insurance carried with respect to the loss sustained.

The Corporation 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 Corporation in connection with the sale of the Bonds.

Corporation to Maintain its Existence and Accreditation

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

Federal Income Tax Status

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

Institution to be Nonsectarian

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

Determination of Taxability

In the event a Determination of Taxability is made at any time that interest on the Tax-Exempt 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 Tax-Exempt Bonds will 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 Tax-Exempt Bonds is paid. In addition, in the event of such Determination of Taxability, the Tax-Exempt Bonds will be subject to optional redemption, as a whole or in part on the next date for which due notice can be given and any date thereafter at a redemption price equal to par plus accrued interest plus additional interest from the Date of Taxability (*See also* "THE BONDS – Redemption – Extraordinary Optional Redemption" and "THE BONDS – Determination of Taxability" in the body of the Official Statement). If a Determination of Taxability should occur, any monetary damage or loss resulting from or incident thereto will be limited to the additional interest rate on the Tax-Exempt Bonds, as more fully set forth in the Loan Agreement.

Other Covenants

The Corporation 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 (except with respect to the School of Divinity); 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 Tax-Exempt 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 Corporation agrees to indemnify the Authority and the Trustee from losses arising from certain representations made by the Corporation 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 Corporation to the Authority as the Authority's annual fee under the Loan Agreement and any income earned or imputed therefrom.

Events of Default

The following are "Events of Default" under the Loan Agreement and the term "Event of Default" will mean, whenever used in the Loan Agreement, any one or more of the following events:

(a) If the Corporation fails 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 applicable Bond and Interest Sinking Fund Account and applicable Redemption Account are insufficient to pay when due principal of and interest on the applicable Bonds, or (ii) such failure continues for five Business Days after notice from the Trustee or the Authority to the Corporation that such payment has not been made; or

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

(c) [Reserved]

(d) If the Corporation fails to observe and perform for reasons other than force majeure (as defined below), 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 Corporation by the Authority or the Trustee; or

(e) If the Corporation 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 Corporation; or

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

The term "force majeure" as used above includes the following: acts of God; strikes, lockouts or other employee disturbances; acts of public enemies; orders, regulations or laws of any kind of the government of the United States of America or of the State of Minnesota or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; 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 Corporation. 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 Corporation has taken all action reasonably possible to remedy such default within such 30-day period, the Default will not become an Event of Default for so long as the Corporation diligently proceeds to remedy such default and in accordance with any directions or limitations of time made by the Trustee. The Corporation agrees, however, to use its best efforts to remedy with all reasonable dispatch any cause or causes preventing the Corporation from carrying out its agreements.

Remedies on Default

Whenever any Event of Default has 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 under the caption "Loan Repayments" above for the remainder of the term of the Loan Agreement to be immediately due and payable, whereupon the same will become immediately due and payable.

(b) The Trustee (or the Authority 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 under the Loan Agreement.

(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 action taken will be applied first to advances, fees and expenses, and then to payment of the Bonds (interest, principal and premium, if any), as provided in the Indenture, and any excess to the Corporation.

Amendments

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

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THE INDENTURE

The following constitutes a summary of certain provisions of the Trust Indenture (the "Indenture"). This summary does not purport to be complete and reference is made to the full text of the Indenture for a complete recital of its terms. Certain words and terms used in this summary are defined in "DEFINITIONS 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 due under the Loan Agreement, except the rights of the Authority relating to certain 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 the Indenture; (ii) the moneys and investments in the applicable Construction Account not paid out for Project Costs; and (iii) with regard to the moneys and investments referenced in the preceding clauses (i) and (ii), all accounts, contract rights, general intangibles, moneys and instruments arising therefrom or relating thereto and all proceeds and products of and accessions to any thereof; and

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

Accounts

Bond proceeds, revenues and other funds derived under the Loan Agreement or Indenture will be deposited into Accounts held by the Trustee as described in "ACCOUNTS" in the body of the Official Statement. *See* "DEFINITIONS OF CERTAIN TERMS," Appendix IV, contained herein, for definitions of "Bond and Interest Sinking Fund Account," "Redemption Account," "Costs of Issuance Account" and "Construction Account" with reference to separate accounts established under the Indenture in respect of the Bonds. In addition, the Indenture also provides for, as necessary, a Bond Purchase Fund and within such fund a separate account designated the Remarketing Account, relating to the remarketing of the 2024B Bonds.

Authorized Investments

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

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 and exercise and performance of the powers and duties of the Trustee under the Indenture, and the cost and expense incurred in defending against any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the negligence or willful misconduct of the Trustee).

Covenants of the Authority

Under the Indenture the Authority covenants, among other things, to perform its various undertakings and agreements; to take such action or cause and permit the Trustee to take such action as may be necessary or advisable to enforce the covenants, terms and conditions of the Loan Agreement, if such action will, 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 moneys in the Accounts.

Events of Default

The following are Events of Default under the Indenture:

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

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

(c) If the Authority defaults in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the Bonds or in the Indenture, or in any supplemental indenture on the part of the Authority to be performed, and such default has continued for a period of 60 days after written notice, specifying such default and requiring the same to be remedied, has been given to the Authority and to the Corporation (giving the Corporation 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 will 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 Corporation, as that term is defined in the Loan Agreement, occurs and is continuing.

Remedies

If an Event of Default exists, the Trustee may, and upon written request of the Holders of a majority in aggregate principal amount of the Bonds outstanding and upon being indemnified as described below will, by notice in writing delivered to the Authority, declare the principal of all Bonds then outstanding and the interest accrued thereon immediately due and payable, and such principal and interest will thereupon become and be immediately due and payable subject, however, to the right of the Holders of a majority in aggregate principal amount of the Bonds then outstanding, by written notice to the Authority and to the Trustee, to annul such declaration and destroy its effect at any time if all covenants with respect to which default has been made will 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) will be paid, or the amount thereof will be paid to the Trustee for the benefit of those entitled thereto.

In the case of the breach of any of the covenants or conditions of the Loan Agreement or the Indenture, the Trustee will be obligated (subject, however to its rights to indemnity and notice provided in the Indenture) 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 the outstanding Bonds, proceed forthwith by suit or suits at law or in equity or by any other appropriate remedy to enforce payment of the Bonds, to enforce application to payment of the Bonds the funds, revenues and income appropriated thereto by the Indenture and by the Bonds, to enforce the Loan Agreement and to enforce any such other appropriate legal or equitable remedy as the Trustee, being advised by counsel, deems most effectual to protect and enforce any of its rights or any of the rights of the Bondholders. Notwithstanding the foregoing, the Trustee need not proceed upon any such written request of the Bondholders, as aforesaid, unless such Bondholders have offered to the Trustee security and indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred therein or thereby.

Interest Rate Modes and Other Provisions Applicable to the 2024B Bonds

The 2024B Bonds are subject to mandatory tender, Conversion, and remarketing. As used in this section, "Bonds" means the Subseries 2024B-1 Bonds and the Subseries 2024B-2 Bonds with such series and additional or alternative naming conventions as may be convenient to indicate a Series or Subseries designation.

Determination of Interest Rates

Each Series or Subseries of the Bonds for which a subsequent Term Rate Period or Fixed Rate Period has been selected will bear interest at the Term Rate or Fixed Rate, as applicable, which shall be determined by the Remarketing Agent on a Business Day no later than the first day of such Term Rate Period or Fixed Rate Period, as applicable. The Term Rate or Fixed Rate, as applicable, shall be the rate or rates of interest per annum determined by the Remarketing Agent to be the minimum interest rate or rates at which the Remarketing Agent will agree to purchase such Series of the Bonds on the effective date of that rate and as set forth in the Indenture. The Delayed Remarketing Rate(s) applicable during the Initial Term Rate Period will be the Subseries 2024B-1 Initial Delayed Remarketing Rate (8.000%) and the Subseries 2024B-2 Initial Delayed Remarketing Rate (8.000%).

For any subsequent Term Rate Period, the Delayed Remarketing Rate(s) to be in effect during a Delayed Remarketing Period will be set forth in the Remarketing Agreement or an amendment thereto. For any Term Rate Period, the Delayed Remarketing Rate(s) will be determined on a Business Day no later than the first day of such Term Rate Period and shall remain in effect throughout such period. The Fixed Rate will remain in effect until the Maturity Date for such Series or Subseries of Bonds in the Fixed Mode.

Conversion of Interest Rate Periods

The Interest Rate Period for any Series or Subseries of the Bonds at any time following the end of the Initial Term Rate Period may be adjusted pursuant to an Election signed by the Authorized Authority Representative upon the written direction of the Authorized Corporation Representative, to effect a Conversion. The Interest Rate Period for a Series or Subseries of the Bonds may not be adjusted except on a Purchase Date and except for a Conversion on of all outstanding Bonds of such Series or Subseries. Each

Series or Subseries of the Bonds must bear interest in the Term Rate Mode or the Fixed Rate Mode, all Bonds of a single Series or Subseries must be in the same Mode.

The Authorized Authority Representative, upon the written direction of the Authorized Corporation Representative on behalf of the Corporation may by written notice to the Trustee, Tender Agent, and the Remarketing Agent (if any), Elect that any Series or Subseries of the Bonds bear, or continue to bear, interest at the Term Rate or bear interest at the Fixed Rate. Any Election may be rescinded in accordance with the Indenture. Any Series or Subseries of Bonds that is converted to a Term Rate or to a Fixed Rate may be remarketed at a premium or discount.

The Tender Agent is required provide notice of the Corporation's Election to effect a conversion of a Series or Subseries of the Bonds to a new Mode, not less than 20 days prior to the proposed Conversion Date, as directed in writing by the Corporation. No conversion will take effect unless each of the following conditions, to the extent applicable, has been satisfied:

(i) The Corporation has obtained a Favorable Opinion of Bond Counsel with respect to such Conversion dated as of the Conversion Date; and

(ii) Except as provided in the Indenture with respect to Delayed Remarketing Bonds, the Trustee must have sufficient funds on hand from remarketing or refunding proceeds, or other funds made available by the Corporation, to pay the Purchase Price of such Series or Subseries of the Bonds on the Conversion Date; and

(iii) If the Corporation exercises its option to cause a Series of Bonds to be remarketed at a net discount, the Corporation agrees to deliver and submit evidence satisfactory to the Tender Agent that it will be able to deliver funds to the Tender Agent in an amount equal to the difference between the proceeds from the remarketing of such Series of Bonds and the Purchase Price of such Series of Bonds before the Purchase Price of such Series of Bonds is due to the persons from whom such series of Series of Bonds are to be purchased; and

(iv) If a Series of Bonds is remarketed at a net discount, the Corporation must deliver funds to the Tender Agent in an amount equal to the difference between the proceeds from the remarketing of such Series of Bonds and the Purchase Price for such Series of Bonds before the Purchase Price of such Series of Bonds is due to the persons from whom such series of Series of Bonds are to be purchased, the Tender Agent shall deposit such moneys into the Remarketing Account of the Bond Purchase Fund and such moneys shall be used to pay the Purchase Price of such Series of Bonds.

Mandatory Tender and Purchase

Each Series or Subseries of the Bonds is subject to mandatory tender for purchase at the Purchase Price on the following Purchase Dates (without duplication):

(i) on any Scheduled Mandatory Purchase Date for a Series or Subseries of the Bonds;

(ii) on each proposed redemption date or Conversion Date on or after the applicable First Par Call Date for which notice of mandatory tender has been given to the Registered Owner(s) pursuant to the Indenture; and

(iii) at any time during a Delayed Remarketing Period, upon notice given by the Remarketing Agent to the Tender Agent in accordance with the Indenture of a successful remarketing and the availability of funds sufficient to pay the Purchase Price for all such Bonds (in Authorized Denominations), without regard to any notice requirements set forth in subsection (b) of this section.

Redemption and Prepayment of Bonds

Each Series or Subseries of the Bonds then in a Term Rate Period or Fixed Rate Period is subject to optional redemption, in whole or in part, at the written direction of the Authority Representative upon the written request of the Authorized Corporation Representative on any Business Date on or after any Par Call Date, in whole or in part, in integral multiples of $5,000, at a redemption price of 100% of the principal amount thereof plus interest, if any, accrued to the date fixed for redemption.

Delayed Remarketing bonds in a Delayed Remarketing Period are subject to optional redemption upon the written direction of the Authorized Authority Representative upon the written request of the Authorized Corporation Representative, on any Business Day, in whole or in part, at a redemption price of 100% of the principal amount thereof plus interest, if any, accrued to the date fixed for redemption.

Remarketing Agent

Subject to the consent of the Authorized Authority Representative, if the Authorized Corporation Representative Elects to effect a Conversion of any Series or Subseries to a Fixed Rate Period or Term Rate Period, the Authorized Corporation Representative is required to appoint and enter into a Remarketing Agreement with a Remarketing Agent to carry out the remarketing of such Series or Subseries on the Purchase Date, as set forth in the Indenture.

See "THE BONDS – Special Provisions Relating to the 2024B Bonds" in the body of this Official Statement.

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 first lien with right of payment prior to payment on account of Bond interest or principal for reasonable compensation, expenses, advances and counsel fees. The responsibilities of the Trustee prior to an Event of Default are limited to express provisions of the Indenture, and at all times the Trustee will not be liable unless it acts negligently or in bad faith. The Trustee is not required to institute suit or take other steps to enforce its rights and powers under the Indenture unless indemnified to its satisfaction against all costs and expenses. The Trustee and its affiliates, officers and directors are authorized to acquire and hold Bonds and otherwise deal with the Authority or the Corporation 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 Corporation, provided that the Authority may, but is not required to remove the Trustee with or without the request of the Corporation if an Event of Default has occurred and is continuing or a default which with the passage of time or the giving of notice will become an Event of Default has occurred and is continuing. The Authority may not remove a successor Trustee properly appointed by the Bondholders.

Concerning the Bondholders

No Bondholder has any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust or for any remedy under the Loan Agreement unless a default has occurred of which the Trustee has been notified or of which it is deemed to have notice; nor unless also such default has become an Event of Default and the Holders of a majority in aggregate principal amount of Bonds outstanding have made written request to the Trustee and have offered it reasonable opportunity either to proceed to exercise the powers granted or to institute such action, suit or proceeding in its own name; nor unless also they have offered to the Trustee indemnity as provided in the Indenture; and no one or more Bondholders of the Bonds 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 will be instituted, had 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 not less than a majority in aggregate principal amount of the Bonds at the time outstanding, will 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 will not be waived unless, prior to such waiver, all arrears of interest, and all expenses of the Trustee have been paid or have been provided for by deposit with the Trustee of a sum sufficient to pay the same. In case of any such waiver, the Authority, the Trustee and the Holders of the Bonds will be restored to their former positions and rights respectively. No waiver of any default or Event of Default, whether by the Trustee or by the Bondholders, will extend to or will affect any subsequent default or Event of Default or will 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 Corporation and their respective successors or assigns:

(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 the Indenture in such aggregate face amount, bearing interest at such rates and maturing at such dates as are sufficient in the opinion of a verification agent, upon which the Trustee may conclusively rely, and/or (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 the Indenture, or that arrangements satisfactory to the Trustee have been made insuring that such notice will be given or waived, or (2) a written instrument executed by the Corporation for the Authority and expressed to be irrevocable, authorizing the Trustee to give such notice for and on behalf of the Authority, or (3) file with the Trustee a waiver of such notice of redemption signed by the Holders of all of such outstanding Bonds, and in any such case, deposit with the Trustee before the date on which such Bonds are to be redeemed, as provided in the Indenture, the entire amount of the redemption price, including interest accrued and to accrue, and premium, if any, of (i) government obligations described in the Indenture in such aggregate face amount, bearing interest at such rates and maturing at such dates as are sufficient in the opinion of a verification agent, upon which the Trustee may conclusively rely, and/or (ii) in cash, to provide for the payment of the redemption price on the date such Bonds are to be redeemed and on any Interest Payment Dates, or

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

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

When the Authority or the Corporation has 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 sufficient to pay the principal of any Bonds (and premium, if any) when the same become due, either at maturity or otherwise, or at the date fixed for the redemption thereof and to pay all interest with respect thereto at the due date of such interest or to the date fixed for redemption, for the use and benefit of the Holders thereof, then upon such deposit all such Bonds will cease to be entitled to any lien, benefit or security of the Indenture except the right to receive the funds so deposited, and such Bonds will be deemed not to be outstanding thereunder; and it will 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 will cease to accrue.

Supplemental Indentures

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

(a) To correct the description of any property conveyed or pledged by the Indenture or intended so to be, or to assign, convey, pledge or transfer and set over unto the Trustee, subject to such liens or other encumbrances as will be therein specifically described, additional property or properties of the Authority or the Corporation 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 reserved to or conferred upon the Authority or to or upon any successor;

(c) To evidence the succession of any other department, agency, body or Corporation to the Authority and the assumption by such successor of the covenants, agreements and obligations of the Authority;

(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 in the Indenture 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 will not impair the security of the same;

(e) To implement as the Authority may deem necessary or desirable, the Conversion of a Series or Subseries of the 2024B Bonds to a Term Rate Period or Fixed Rate Period; and

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

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

Amendments to the Loan Agreement

The Authority and the Trustee will 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 (i) by the provisions of the Loan Agreement, or the Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission, (iii) so as to add additional rights acquired in accordance with the provisions of the Loan Agreement, or (iv) 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. The Trustee shall be entitled to receive and may conclusively rely upon an Opinion of Counsel to the effect such amendment, change or modification of the Loan Agreement is authorized and permitted under the Indenture or the Loan Agreement.

Except for amendments, changes or modifications provided for in the preceding paragraph, neither the Authority nor the Trustee will 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 a majority 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 Bonds then outstanding.

Registration

The Bonds shall be fully registered as to principal and interest at the Principal 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, aggregate principal amount, maturity and interest rate of any authorized denominations. Payment of principal will be at the Principal 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 an account within the United States) to the registered Owner at the address as shown on the registration books of the Trustee, subject to applicable procedures while in book entry form.

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THE DEPOSITORY TRUST COMPANY

The Depository Trust Company ("DTC"), the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & 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 both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

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

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

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

FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2023
WITH REPORT OF INDEPENDENT AUDITORS

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
University of St. Thomas
Saint Paul, Minnesota

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of University of St. Thomas (the University), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of University of St. Thomas as of June 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of University of St. Thomas and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about University of St. Thomas' ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 University of St. Thomas' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about University of St. Thomas' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
January 31, 2024

UNIVERSITY OF ST. THOMAS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022
(IN THOUSANDS)

	2023	2022
ASSETS		
Cash and Cash Equivalents	$ 1,739	$ 11,880
Accounts Receivable, Net	7,973	10,628
Inventories, Prepaid Expenses, and Other Assets	7,383	6,789
Contributions Receivable, Net	182,927	127,870
Student and Other Notes Receivable, Net	790	1,416
Funds Held with Bond Trustees	75,764	114,528
Investments	874,355	874,206
Land, Buildings, and Equipment, Net	603,477	525,543
Total Assets	$ 1,754,408	$ 1,672,860
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 40,673	$ 40,494
Unearned Tuition Income	5,147	5,082
Deposits and Other Liabilities	35,058	34,709
Assets Held in Custody for Others	1,011	980
Annuity Obligations	5,073	5,163
Bonds Payable	343,887	355,354
Advances from Federal Government for Student Loans	1,046	1,779
Total Liabilities	431,895	443,561
NET ASSETS		
Without Donor Restrictions	507,019	517,918
With Donor Restrictions	815,494	711,381
Total Net Assets	1,322,513	1,229,299
Total Liabilities and Net Assets	$ 1,754,408	$ 1,672,860

See accompanying Notes to Consolidated Financial Statements.

UNIVERSITY OF ST. THOMAS
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS)

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES			
Tuition and Fees	$ 351,025	$ -	$ 351,025
Less: Student Aid	(179,302)	-	(179,302)
Net Tuition and Fees	171,723	-	171,723
Sales and Services of Auxiliary Enterprises	44,504	-	44,504
Private Gifts and Grants	7,359	89,438	96,797
Grants and Contracts	7,866	716	8,582
Endowment Distributed to Operations	21,192	19,286	40,478
Other Ordinary Investment Income	4,459	-	4,459
Sales and Services of Educational Departments	974	-	974
Other Revenue	6,188	-	6,188
Net Assets Released from Restrictions	31,783	(31,783)	-
Total Operating Revenues	296,048	77,657	373,705
OPERATING EXPENDITURES			
Instruction and Other Services:			
Instruction	130,268	-	130,268
Auxiliary Enterprises	45,379	-	45,379
Student Activities and Services	49,009	-	49,009
Academic Support	16,039	-	16,039
Libraries	9,009	-	9,009
Public Service	3,661	-	3,661
Research	1,871	-	1,871
Total Instruction and Other Services	255,236	-	255,236
Management and General:			
General Administration and Support Services	29,914	-	29,914
Development	11,954	-	11,954
Total Management and General	41,868	-	41,868
Total Operating Expenditures	297,104	-	297,104
NET OPERATING (LOSS) INCOME	(1,056)	77,657	76,601
NONOPERATING ACTIVITIES			
Endowment Gifts	-	17,670	17,670
Endowment Investment Earnings:			
Investment Ordinary Income	747	3,143	3,890
Net Capital Gain (Loss) on Investments	5,267	24,754	30,021
Less: Distributed to Operations	(21,192)	(19,286)	(40,478)
Net Nonoperating Endowment (Loss) Gain	(15,178)	8,611	(6,567)
Other Investment Capital Gain (Loss)	4,984	175	5,159
Gain (Loss) on Disposal of Property and Equipment	9	-	9
Net Unrealized Gain on Interest Rate Exchange Agreement	342	-	342
Net Nonoperating (Loss) Income	(9,843)	26,456	16,613
NET (DECREASE) INCREASE IN NET ASSETS	(10,899)	104,113	93,214
Net Assets - Beginning of Year	517,918	711,381	1,229,299
NET ASSETS - END OF YEAR	$ 507,019	$ 815,494	$ 1,322,513

See accompanying Notes to Consolidated Financial Statements.

UNIVERSITY OF ST. THOMAS
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022
(IN THOUSANDS)

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES			
Tuition and Fees	$ 343,113	$ -	$ 343,113
Less: Student Aid	(172,450)	-	(172,450)
Net Tuition and Fees	170,663	-	170,663
Sales and Services of Auxiliary Enterprises	35,602	-	35,602
Private Gifts and Grants	6,448	44,932	51,380
Grants and Contracts	21,192	247	21,439
Endowment Distributed to Operations	9,779	16,544	26,323
Other Ordinary Investment Income	1,137	-	1,137
Sales and Services of Educational Departments	1,815	-	1,815
Other Revenue	5,681	-	5,681
Net Assets Released from Restrictions	31,676	(31,676)	-
Total Operating Revenues	283,993	30,047	314,040
OPERATING EXPENDITURES			
Instruction and Other Services:			
Instruction	128,999	-	128,999
Auxiliary Enterprises	41,778	-	41,778
Student Activities and Services	43,573	-	43,573
Academic Support	16,074	-	16,074
Libraries	8,647	-	8,647
Public Service	3,430	-	3,430
Research	1,759	-	1,759
Total Instruction and Other Services	244,260	-	244,260
Management and General:			
General Administration and Support Services	37,603	-	37,603
Development	10,498	-	10,498
Total Management and General	48,101	-	48,101
Total Operating Expenditures	292,361	-	292,361
NET OPERATING (LOSS) INCOME	(8,368)	30,047	21,679
NONOPERATING ACTIVITIES			
Endowment Gifts	-	23,030	23,030
Endowment Investment Earnings:			
Investment Ordinary Income	857	3,301	4,158
Net Capital Gain (Loss) on Investments	(1,971)	(11,092)	(13,063)
Less: Distributed to Operations	(9,779)	(16,544)	(26,323)
Net Nonoperating Endowment (Loss) Gain	(10,893)	(24,335)	(35,228)
Other Investment Capital Gain (Loss)	(3,510)	(442)	(3,952)
Gain (Loss) on Disposal of Property and Equipment	(35)	-	(35)
Net Unrealized Gain on Interest Rate Exchange Agreement	826	-	826
Donor Adjustments	-	(75)	(75)
Net Nonoperating (Loss) Income	(13,612)	(1,822)	(15,434)
NET (DECREASE) INCREASE IN NET ASSETS	(21,980)	28,225	6,245
Net Assets - Beginning of Year	539,898	683,156	1,223,054
NET ASSETS - END OF YEAR	$ 517,918	$ 711,381	$ 1,229,299

See accompanying Notes to Consolidated Financial Statements.

UNIVERSITY OF ST. THOMAS
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022
(IN THOUSANDS)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 93,214	$ 6,245
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	19,043	18,440
Amortization of Debt Issuance Costs	161	153
Net Realized and Unrealized Investment Loss (Gain)	(35,180)	17,015
Noncash Gifts of Property and Equipment	(232)	-
Contributions Restricted for Long-Term Investment	(7,730)	(24,328)
Contributions Restricted for Investment in Property, Plant, and Equipment	(17,471)	(11,826)
Interest and Dividend Income Restricted for Long-Term Investment	(3,890)	(4,158)
Decrease in Allowance for Uncollectible Pledges	(1,957)	(735)
Loss on Disposal of Land, Buildings, and Equipment	(3)	35
Noncash Contributions of Marketable Securities	(3,020)	(3,928)
Increase (Decrease) in Operating Assets:		
Accounts Receivable, Net	2,655	1,481
Contributions Receivable	(53,100)	(15,618)
Student and Other Notes Receivable	626	667
Inventories, Prepaids and Other Assets	(594)	(159)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	179	6,603
Unearned Tuition Income	65	(470)
Deposits and Other Liabilities	1,969	2,491
Assets Held in Custody for Others	31	(228)
Annuity Obligations	(90)	(884)
Advances from Federal Government for Student Loans	(733)	(801)
Net Cash Used by Operating Activities	(6,057)	(10,005)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(513,386)	(269,333)
Proceeds from Sales and Maturities of Investments	548,025	291,703
Changes in Assets Held with Bond Trustees, Excluding Net Gains and Losses	38,764	(113,778)
Expenditures for Land, Buildings, and Equipment	(96,356)	(46,008)
Proceeds from Sale of Land, Buildings, and Equipment	6	-
Net Cash Used by Investing Activities	(22,947)	(137,416)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Contributions Restricted for Endowment	10,750	24,328
Proceeds from Contributions Restricted for Land, Buildings, and Equipment	17,471	11,826
Proceeds from the Issuance of Bonds Payable	-	131,000
Payments on Bonds Payable	(11,526)	(11,845)
Debt Issuance Costs	(102)	(332)
Payments on Finance Leases	(1,620)	(1,620)
Interest and Dividend Income Restricted for Long-Term Investment	3,890	4,158
Net Cash Provided by Financing Activities	18,863	157,515
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(10,141)	10,094
Cash and Cash Equivalents - Beginning of Year	11,880	1,786
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,739	$ 11,880

See accompanying Notes to Consolidated Financial Statements.

UNIVERSITY OF ST. THOMAS
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2023 AND 2022
(IN THOUSANDS)

	2023	2022
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid for Interest	$ 14,453	$ 9,698
Building and Equipment Acquisitions Included Under Accounts Payable and Accrued Expenses	$ 9,538	$ 9,441
Equipment Acquired Through Finance Lease Agreements	$ 2,676	$ 2,919

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Founded in 1885, the University of St. Thomas (the University) is a Catholic university based in the Twin Cities of St. Paul and Minneapolis. The largest private university in Minnesota, the University offers bachelor's degrees in over 150 major fields of study and more than 55 graduate degree programs including masters, education specialist, juris doctor, and doctorates.

Basis of Presentation

The accompanying consolidated statements of the University have been prepared on an accrual basis of accounting.

Net assets and related revenues and expenses are classified into the following two categories based upon the existence or absence of donor-imposed restrictions:

Without Donor Restrictions – Net assets not subject to donor-imposed stipulations. Certain of these amounts have been designated by the board for investment purposes as indicated in the presentation.

With Donor Restrictions – Net assets subject to donor-imposed stipulations that: a) restrict their use to a specific purpose and/or the passage of time; or b) require that they be maintained in perpetuity by the University; generally, the donor of these assets permits the University to use all or part of the income earned and capital gains, if any, on related investments for general or specific purposes.

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

Principles of Consolidation

The consolidated financial statements include the accounts of UST Asset Holdings, LLC, UST Investments Holdings, LLC, Auto Park, LLC and HB, LLC. The University of St. Thomas has both control and an economic interest in the LLCs. All significant intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as the "University of St. Thomas."

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

All liquid cash investments with an original maturity of three months or less when purchased by the University are considered to be cash equivalents.

Cash equivalents that are held for long-term investment are included in the consolidated statements of financial position as Investments. For example, cash held by endowment investment managers for transactional or strategic purposes, and cash held for the purchase of buildings and equipment, are reported as investments.

Cash held in bank accounts may at times exceed federally insured limits.

Accounts Receivable

Accounts receivable are stated at net realizable value. The University provides an allowance for bad debts using the allowance method, which is based on management judgement considering historic information.

Inventories

Inventories are recorded at the lower of cost or net realizable value with cost determined on a first-in, first-out (FIFO) basis. Inventories consist mainly of books and materials at the campus stores.

Contributions Receivable

Pledges to give that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The pledge value is calculated by using an income approach of applying a discount rate. The discount rates applied range from 3.54% to 4.42%. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Investments

Investments are stated at fair value and include accrued income. Changes in fair value are recorded as unrealized gains or losses in the period of change. Realized gains and losses on sales of securities are generally determined using the average cost method.

Marketable securities are reported at fair value based upon quoted market prices or, when quoted values are not available, are valued based on comparative financial instruments. Limited marketability instruments, which primarily include private equity, hedge funds, and real estate investments, are valued at the quoted market price for securities in which market quotations are readily available or an estimate of fair value as determined in good faith by the general partner. Because these investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

In such instances, these investments are measured using the net asset value per share or its equivalent provided by the investee as of March 31, adjusted for cash receipts, cash disbursements, and significant known valuation changes in market values of publicly held securities contained in the portfolio and security distributions through June 30.

Donated investments are reported at fair market value at the time they are received or their net realizable value.

Funds Held with Bond Trustee

Funds held with bond trustees include investments consisting of primarily United States government obligations and cash and cash equivalents.

Fair Value Measurements

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

Level 1 – Inputs are unadjusted quoted prices for identical assets or liabilities in an active market.

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

Level 3 – Inputs are unobservable for the asset or liability. Unobservable inputs reflect the reporting entity's own determination about the assumptions that market participants would use in pricing the assets or liabilities based on the best available information.

The University adopted the standard on disclosures for investments in certain entities that calculate net asset value (NAV) per share or its equivalent, which removes those investments that calculate NAV per share from the fair value disclosure.

Concerning other assets and liabilities not assigned a Level 1-2-3, the market values of receivables, accounts payable and accrued liabilities, and unearned income approximate their carrying values given their short-term nature.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

The fair value of bonds payable was determined using the present value of the future cash flows of debt service payments using Level 2 inputs. The discount rate used was based on the current rate on similar debt issues.

The determination of the fair value of loan fund receivables, which are federally sponsored student loans with U.S. government-mandated interest rates and repayment terms and subject to significant restrictions, could not be made without incurring excessive costs.

Land, Buildings, and Equipment

Equipment with a cost of $10 or greater and buildings with a cost of $100 or greater are capitalized by the University. Land, building, and equipment acquisitions are stated at cost if purchased, or fair value if gifted, less accumulated depreciation. Long-lived assets, with the exception of land and artwork, are depreciated using a straight-line method over their estimated useful lives. Useful lives for equipment range from 5 to 8 years. Useful lives for the majority of buildings and improvements range from 20 to 60 years.

Asset Retirement Obligations

Asset retirement obligations (ARO) are legal obligations associated with the retirement of long-lived assets. These liabilities are initially recorded at fair value and the related asset retirement costs are capitalized by increasing the carrying amount of the related assets by the same amount as the liability. Asset retirement costs are subsequently depreciated over the useful lives of the related assets. Subsequent to initial recognition, the University records period-to-period changes in the ARO liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flows. The University reduces ARO liabilities when the related obligations are settled.

As of June 30, 2023 and 2022, conditional asset retirement obligations, which are included within Deposits and Other Liabilities in the consolidated statements of financial position, totaled $2,173 and $2,368 , respectively. During the fiscal year ended June 30, 2023, the conditional asset retirement obligation decreased by $195 as a result of asbestos removal costs of $298 and accretion of interest of $103.

Changes in management's assumptions regarding settlement dates and settlement methods could have a material effect on the liabilities recorded at June 30, 2023.

Assets Held in Custody for Others

Assets held in custody for others represents primarily investments that are held and administered by the University, but are owned by other nonprofit organizations. These related investments are included within investments in the consolidated statements of financial position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Annuity Obligations

Some contributions received, such as interests in charitable gift annuity contracts and charitable trusts, have donor-imposed obligations to make payments to the donor or other beneficiaries. Annuity obligations arising from such gifts are established at the time of the contribution using life expectancy actuarial tables and are revalued annually. Actuarial gains and losses resulting from the annual revaluation of annuity obligations are reflected as with donor restriction, consistent with the method used to initially record the contributions.

Leases

The University determines if an arrangement is a lease at inception. Operating leases are included in other assets and other liabilities, and finance leases are included in Land, Buildings, and Equipment, Net and Other Liabilities in the consolidated statements of financial position.

Right of Use (ROU) assets represent the University's right to use an underlying asset for the lease term and lease liabilities represent the University's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the University will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The University has elected to recognize payments for short-term leases with a lease term of 12 months or less as an incurred expense and these leases are not included as lease liabilities or right-of-use assets on the consolidated statements of financial position.

The individual lease contracts may or may not provide information about the discount rate implicit in the lease. For those contracts that do not contain a discount rate, the University has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

The University has elected not to separate nonlease components from lease components and instead account for each separate lease component and the nonlease component as a single lease component.

Tuition and Fee Revenue

The University recognizes student revenue within the fiscal year in which educational services are provided. Discounts in the form of scholarships and financial aid grants, including those funded by the endowment and gifts, are reported as a reduction of student revenues. A discount represents the difference between the stated charge for the academic program and the amount that is billed to the student and/or third parties making payment on behalf of the student.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tuition and Fee Revenue (Continued)

Educational programs are delivered in the Fall (early September to mid-December), during J-Term (January) and Spring (early February to mid-May), as well as multiple Summer terms. For the Summer terms, revenue is recognized ratably over the terms, with approximately 52% of the revenue for Summer recognized in the current year's consolidated financial statements and 48% of the tuition and fees for Summer recorded as deferred revenue at June 30.

The following table shows the University's gross tuition revenue and fee revenues disaggregated according to the timing of the transfer of goods or services and by source as of June 30:

(in thousands)	2023	2022
Revenue Recognized Over Time:		
Undergraduate Tuition Revenue	$ 276,275	$ 269,567
Graduate Tuition Revenue	62,095	62,697
Student Fee Revenue	12,655	10,849
Total Tuition and Fees	$ 351,025	$ 343,113

Auxiliary Services Revenue

Auxiliary services exist to furnish goods or services to students, faculty, staff, or incidentally to the general public. Fees charged for auxiliary services are priced to offset the cost of the goods or services provided. The distinguishing characteristic of auxiliary services is that they are managed as an essentially self-supporting activity. Revenues and expenses from auxiliary enterprises are reported as changes in net assets without donor restrictions.

Auxiliary services revenue includes activities for student housing and dining facilities, the campus bookstore, and parking services. A small number of institutional scholarships specifically for defraying the costs of residential services are awarded, which reduce the amount of revenue recognized. Payments for housing and dining services are due by the 19th of the first month of the new academic term unless they have extended payment terms.

Housing and dining plans are not offered during the summer terms. Performance obligations for housing and dining services are delivered over the academic terms. Consequently, associated revenues are earned and recognized over the course of each term as the services are delivered.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Auxiliary Services Revenue (Continued)

The following table shows the University's auxiliary services revenues disaggregated according to the timing of the transfer of goods and services by source as of June 30:

(in thousands)	2023	2022
Revenue Recognized Over Time:		
Housing	$ 22,131	$ 17,963
Dining	12,747	9,739
Parking	1,743	1,602
Rental Income and Other	1,874	1,174
Total	38,495	30,478
Revenue Recognized Point In Time:		
Bookstore	3,515	3,369
Dining	2,494	1,755
Total	6,009	5,124
Total Sales and Services of Auxiliary Enterprises	$ 44,504	$ 35,602

Contributions

Contributions received, including unconditional donor promises, are recognized as revenue when the University receives the donor's commitment. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances for uncollectible pledges. Other gifts are recorded at the fair value at the date of the gift.

Promises made that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions support. Conditional promises are recorded when donor stipulations are substantially met.

Consequently, at June 30, 2023, contributions approximating $5,000 for a Science, Technology, Engineering, Arts, and Mathematics (STEAM) complex have not been recognized in the accompanying consolidated statement of activities because the conditions on which they depend have not yet been met. The contribution amounts depend on a number of milestones, including the substantial completion of the complex which is scheduled to open its doors in 2025.

The University reports gifts of land, buildings, and equipment as without donor restriction support unless explicit donor stipulations specify how the donated asset must be used.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Contracts

A portion of the University's revenue is derived from cost reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the University has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. The University received cost reimbursable grants of $11,261 that have not been recognized at June 30, 2023, because qualifying expenditures have not yet been incurred, with no advance payments needing to be recognized in the consolidated statement of financial position as a refundable advance.

Nonoperating Activities

Nonoperating activities reflect transactions of a long-term investment nature including:

- donor-restricted private gifts and grants which are invested in perpetuity,
- endowment investment earnings reinvested, withdrawals above the spending policy, and board quasi draws,
- other nonendowment investment gains or losses,
- reclassification of prior gifts among net asset categories due to changes in donor-imposed restrictions,
- nonrecurring fixed asset gains and losses,
- gain (loss) on debt refinancing,
- other transactions that are significant, nonrecurring, and are not accounted for as part of ongoing budgeted operations.

Advertising Expense

Advertising expenditures are expensed as incurred. Advertising expense for the years ended June 30, 2023 and 2022 was $2,792 and $2,802, respectively.

Use of Estimates

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

Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that change in the values will occur in the near term and that such changes could materially affect the consolidated financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The University qualifies as a tax-exempt nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and similar statutes of Minnesota law. However, any unrelated business income may be subject to taxation. The most significant areas that subject the University to unrelated business income tax (UBIT) include conferences and events, rental activities, alternative investments, and other unrelated income.

Reclassifications

Certain reclassifications have been made to the prior year consolidated financial statements to agree with the current year presentation. The reclassifications had no effect on the change in total net assets as previously reported.

Subsequent Events

The University has evaluated subsequent events through January 31, 2024, which is the date that the consolidated financial statements were issued.

NOTE 2 ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at June 30:

(in thousands)	2023	2022
Student Accounts	$ 6,446	$ 6,652
Less: Allowance for Doubtful Accounts	(2,922)	(2,809)
Subtotal	3,524	3,843
Government Grants Receivable	1,831	1,760
Other	2,618	5,025
Total	$ 7,973	$ 10,628

Student accounts receivable represents payments not yet received for academic terms already completed. The following table depicts activities for accounts receivable related to tuition, fees, and auxiliary services:

(in thousands)	2023	2022
Student Accounts - Beginning Balance	$ 3,843	$ 3,658
Charges for Tuition, Fees, and Other, Net	395,466	376,834
Financial Aid Applied and Payments Made	(395,361)	(376,434)
Change in Allowance and Write-Offs	(424)	(215)
Student Accounts - Ending Balance	$ 3,524	$ 3,843

NOTE 3 CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are recognized at the estimated present value of the future cash flows net of allowances, in the following timeframe at June 30:

(in thousands)	2023	2022
In One Year or Less	$ 30,261	$ 20,082
Between One Year and Five Years	83,716	63,077
More than Five Years	108,927	61,489
Total Gross Pledges Outstanding	222,904	144,648
Discount (to Present Value)	(32,639)	(11,397)
Allowance for Uncollectible Pledges	(7,338)	(5,381)
Contributions Receivable	$ 182,927	$ 127,870

The University records contributions receivable at net realizable value. Net collectible contributions due in more than one year were discounted at an interest rate based on the Treasury Yield Curve. The discount (to present value) was determined using discount rates between 3.5% and 4.5%. Net collectible contributions due in less than one year were not discounted.

NOTE 4 STUDENT AND OTHER NOTES RECEIVABLE, NET

The University participates in the Perkins federal revolving loan program. As of September 30, 2017, the authority for providing new loans under this loan program expired. As a result, the University is only servicing outstanding loans which were issued prior to the expiration date. Funds advanced by the federal government are ultimately refundable to the government and are classified as liabilities in the consolidated statements of financial position. 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. As of June 30, 2023 and 2022, there were $790 and $1,416, respectively, of Perkins federal loans receivable. These student loans represent less than 0.1% of total assets as of June 30, 2023.

At June 30, the following amounts were past due under the Perkins student loan program:

(in thousands)	1 - 60 Days Past Due	60 - 90 Days Past Due	90+ Days Past Due	Total Past Due
2023	$ 44	$ 8	$ 80	$ 132
2022	72	4	305	381

Federal Perkins Loans that are originated and serviced properly under Department of Education regulations can be assigned to the Department of Education when deemed no longer collectible. The University is not aware of any material amount of loans not properly originated or serviced under Department of Education regulations. As a result, no allowance for doubtful accounts has been recorded against these note receivables.

NOTE 5 INVESTMENTS

The following table summarizes the value of investments at June 30:

(in thousands)	2023	2022
Cash Equivalents	$ 112,291	$ 73,892
Public Equities	275,433	327,786
Fixed Income	122,781	72,010
Real Assets	46,020	51,258
Marketable Alternatives	83,967	109,610
Private Equity	233,863	239,650
Total Market Value	$ 874,355	$ 874,206

The University investments include operating as well as endowment and other long-term assets. Operating cash is invested in mutual funds, the majority of which is invested in U.S. Treasury obligations. The University's long-term assets are invested in a diversified asset allocation approach, within defined limits, which maintains exposure to global equity, fixed income, real assets, hedge funds, and private equity through a partnership with external investment managers operating through a variety of investment vehicles including separate accounts, commingled funds, mutual funds, and limited partnerships.

Real assets includes commercial real estate currently leased to the city of Minneapolis. Real estate is recorded at its donated appraised value of $15,662. The accumulated depreciation of the real estate at June 30, 2023 and 2022, was $1,762 and $1,370 , respectively.

The components of investments and investment earnings are summarized below as of June 30:

(in thousands)	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment Earnings:			
Interest and Dividends	$ 5,206	$ 3,143	$ 8,349
Capital Gains	10,251	24,929	35,180
Total Investment Results	$ 15,457	$ 28,072	$ 43,529

(in thousands)	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment Earnings:			
Interest and Dividends	$ 1,994	$ 3,301	$ 5,295
Capital Loss	(5,481)	(11,534)	(17,015)
Total Investment Results	$ (3,487)	$ (8,233)	$ (11,720)

NOTE 6 FAIR VALUE MEASUREMENTS

Fair Value Hierarchy

The following table presents the University's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis at June 30:

(in thousands)	2023			
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Assets:				
Funds Held with Bond Trustees:				
Cash Equivalents	$ 75,764	$ -	$ -	$ 75,764
Fixed Income	-	-	-	-
Total Funds Held with Bond Trustees	75,764	-	-	75,764
Investments:				
Cash Equivalents	26,825	-	-	26,825
Public Equities	68,708	-	-	68,708
Fixed Income	122,661	-	-	122,661
Private Equity	-	-	-	-
Total Investments	218,194	-	-	218,194
Total Assets	$ 293,958	$ -	$ -	$ 293,958
Liabilities:				
Interest Rate Swap Agreements	$ -	269	$ -	$ 269

NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

(in thousands)	2022			
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Assets:				
Funds Held with Bond Trustees:				
Cash Equivalents	$ 114,529	$ -	$ -	$ 114,529
Fixed Income	-	-	-	-
Total Funds Held with Bond Trustees	114,529	-	-	114,529
Investments:				
Cash Equivalents	45,395	-	-	45,395
Public Equities	99,914	-	-	99,914
Fixed Income	71,889	-	-	71,889
Private Equity	-	-	-	-
Total Investments	217,198	-	-	217,198
Total Assets	$ 331,727	$ -	$ -	$ 331,727
Liabilities:				
Interest Rate Swap Agreements	$ -	$ 611	$ -	$ 611

The following table presents the reconciliation to the consolidated statements of financial position for financial instruments as of June 30:

(in thousands)	2023	2022
Investments Measured at Fair Value	$ 218,194	$ 217,198
Investments Measured at Net Asset Value	656,161	657,008
Total	$ 874,355	$ 874,206

Net Asset Value

The fair value of certain investments has been estimated using the NAV as reported by the management of the fund. FASB guidance allows for the use of the NAV as a "practical expedient" to estimate the fair value of alternative investments. NAV reported by each alternative investment fund is used as a practical expedient to estimate the fair value of the University's interest in the fund. The University generally considers a redemption period of 90 days or less to be near term.

NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)

Net Asset Value (Continued)

Investments in certain entities that calculate NAV per share (or its equivalent) as of June 30:

(in thousands)	2023			
Redemption Frequency	Net Asset Value	Unfunded Commitments	Redemption Notice Period	Redemption Restrictions
Daily/Weekly:				
Cash Equivalents	$ 81,793	$ -		
Public Equities	54,578	-	1 Day	
Fixed Income	120	-		
Total Daily/Weekly	136,491	-		
Monthly:				
Public Equities	69,276	-	6-30 Days	
Real Assets	-	-	30 Days	
Marketable Alternatives	-	-	5-30 Days	
Total Monthly	69,276	-		
Quarterly:				
Public Equities	79,638	-	60 Days	
Real Assets	1,126	-	60 Days	
Marketable Alternatives	19,754	-	60-90 Days	
Total Quarterly	100,518	-		
Annual:				
Cash Equivalents	447	-		
Public Equities	-	-	120 Days	
Marketable Alternatives	51,738	4,618	60-90 Days	One fund has a side pocket
Total Annual	52,185	4,618		
Two or More Years:				
Cash Equivalents	3,226	-		
Public Equities	3,233	1,615	NA	
Real Assets	44,894	12,972	NA	
Marketable Alternatives	12,475	651	NA	One fund has a side pocket; two funds have holdbacks
Private Equity	233,863	90,082	NA	
Total Two or More Years	297,691	105,320		
Total Level 2 and Level 3 with NAV Per Share	$ 656,161	$ 109,938		

NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)

Net Asset Value (Continued)

(in thousands) Redemption Frequency	2022 Net Asset Value	Unfunded Commitments	Redemption Notice Period	Redemption Restrictions
Daily/Weekly:				
Cash Equivalents	$ 25,001	$ -		
Public Equities	50,942	-	1 Day	
Fixed Income	121	-		
Total Daily/Weekly	76,064	-		
Monthly:				
Public Equities	73,614	-	6-30 Days	
Real Assets	-	-	30 Days	
Marketable Alternatives	7,905	-	5-30 Days	
Total Monthly	81,519	-		
Quarterly:				
Public Equities	99,867	-	60 Days	
Real Assets	1,499	-	60 Days	
Marketable Alternatives	33,876	-	60-90 Days	
Total Quarterly	135,242	-		
Annual:				
Cash Equivalents	446	-		
Public Equities	-		120 Days	
Marketable Alternatives	38,798	-	60-90 Days	One fund has a side pocket
Total Annual	39,244	-		
Two or More Years:				
Cash Equivalents	3,050	-		
Public Equities	3,450	1,975	NA	
Real Assets	49,760	7,921	NA	
Marketable Alternatives	29,031	733	NA	One fund has a side pocket; two funds have holdbacks
Private Equity	239,648	46,657	NA	
Total Two or More Years	324,939	57,286		
Total Level 2 and Level 3 with NAV Per Share	$ 657,008	$ 57,286		

NOTE 7 DERIVATIVE INSTRUMENTS

The University uses interest rate swaps as part of its risk management strategy to manage exposure to fluctuations in interest rates and to manage the overall cost of its debt. Interest rate swaps are used to manage identified and approved exposures and are not used for speculative purposes. The interest rate swaps are recognized as either assets or liabilities on the consolidated statements of financial position and are measured at fair value. Interest rate swaps are often held for the life of the strategy but may reflect significant interim unrealized gains or losses depending on the change in value since the inception of the contract. All unrealized and realized gains and losses from the interest rate exchange agreements are reflected in the consolidated statements of activities.

NOTE 7 DERIVATIVE INSTRUMENTS (CONTINUED)

In February 2006, the University entered into a forward interest rate swap agreement having a notional amount of $12,300. This swap was utilized to reduce the volatility risk for a portion of the University's variable interest rate exposure on debt issue Series Six-H. The Series Six-H bond issue has been refinanced three times since 2006, most recently in 2020 by the 2020 Series A&B bonds. The swap remains outstanding, but the notional amount reduces annually to match the amortization of the 2020 A&B bonds. The swap has a notional value of $7,760 and $8,400 as of June 30, 2023 and 2022, respectively. Under the swap agreement, the counterparty will pay the University a variable interest rate equal to 67% of the three-month London Interbank Offered Rate (LIBOR) and the University will pay the counterparty a fixed rate of 3.553% for a term that ends October 1, 2032.

For the fiscal years ended June 30, 2023 and 2022, the University did not authorize this investment manager to use derivative instruments. The University's derivative instruments involve varying degrees of risk of loss in excess of the amount recognized in the consolidated statements of financial position arising from potential changes in market prices. The market value of the derivative contracts was $77,121 and $10,440 as of June 30, 2023 and 2022, respectively. Net (loss) gains from these derivative contracts are summarized as follows:

(in thousands)	2023	2022
Investment (Loss) Gain	$ 5,353	$ (2,452)

In addition, the University, through its investment activities, is indirectly involved in such activities as trading in futures, forward contracts, and other derivative products. Derivatives are used to adjust portfolio risk exposure. While these instruments may contain varying degrees of risk, the University's risk with respect to such transactions is limited to its respective share in each investment pool.

NOTE 8 LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment and related accumulated depreciation at June 30 consist of the following:

(in thousands)	2023	2022
Land	$ 38,210	$ 36,880
Land Improvements	13,334	13,334
Buildings	626,899	613,844
Equipment, Library Books, Art Objects	152,479	149,236
Cost of Land, Buildings, and Equipment	830,922	813,294
Less: Accumulated Depreciation	(344,151)	(330,994)
Land, Buildings, and Equipment, Net of Depreciation	486,771	482,300
Add: Construction-in-Progress	116,706	43,243
Land, Buildings, and Equipment, as Reported	$ 603,477	$ 525,543

NOTE 9 UNEARNED TUITION REVENUE AND CONTRACT LIABILITIES

Unearned tuition income of $5,147 and $5,082 as of June 30, 2023 and 2022, respectively, represents performance obligations associated with payments received for each academic year's summer terms that usually begin in late-May to early-June and end in mid-July to late-August.

The following table depicts activities for deferred revenue related to tuition and fees:

(in thousands) Balance at June 30, 2022	Refunds Issued	Revenue Recognized Included in June 30, 2023 Balance	Cash Received in Advance of Performance	Balance at June 30, 2023
$ 5,082	(46)	$ 5,036	$ 5,147	$ 5,147

(in thousands) Balance at June 30, 2021	Refunds Issued	Revenue Recognized Included in June 30, 2021 Balance	Cash Received in Advance of Performance	Balance at June 30, 2022
$ 5,552	(127)	$ 5,425	$ 5,082	$ 5,082

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable (contract assets), unearned tuition income, and customer advances and deposits (contract liabilities) on the consolidated statements of financial position. In some instances, the University receives advances or deposits from customers before revenue is recognized, resulting in contract liabilities. The deposits are liquidated when revenue is recognized. For the years ended June 30, 2023 and 2022, respectively, there were $5,147 and $5,082 of customer advances or deposits included in Deposits and Other Liabilities on the consolidated statements of financial position.

NOTE 10 BONDS PAYABLE

Bonds payable consists of the following at June 30:

(in thousands) Description	2023	2022
MHEFA Revenue Bonds, Series 2022 Payable through 2053, interest at 4% to 5%, uncollateralized, proceeds used for STEAM building, Brady, Koch Commons, Dowling, Summit Classroom Building renovations and Athletic facilities	$ 131,000	$ 131,000
MHEFA Revenue Bonds, Series 2019 Payable through 2044, interest at 4% to 5%, uncollateralized, proceeds used for Tommie North Residence Hall and Frey Residence Hall	78,325	79,545
MHEFA Revenue Bonds, Series 2017A Payable through 2037, interest at 3% to 5%, uncollateralized, proceeds used for Anderson Student Center	52,440	55,425
MHEFA Revenue Bonds, Series Eight-L Payable through 2039, interest at 3% to 5%, uncollateralized, proceeds used to advance refund Series 6W and 6X, original proceeds used for Anderson Athletic and Recreation Complex and Anderson Parking Facility	42,880	45,140
MHEFA Revenue Bonds, Series Seven-U Payable through 2027, interest at 4% to 5%, uncollateralized, proceeds used to advance refund Series 5L and 5Z, original proceeds used for School of Law building, Schulze Hall and Terrence Murphy Hall	10,860	12,690
MHEFA Revenue Notes, Series Seven Z Payable through 2034, interest at 2.77%, uncollateralized, proceeds used to refund Series Five-Y, original proceeds used for Flynn Hall	12,819	13,899

NOTE 10 BONDS PAYABLE (CONTINUED)

(in thousands)

Description (Continued)	2023	2022
MHEFA Variable Rate Demand Revenue Bonds, Series 2017B		
Payable through 2025, variable interest rate (not to exceed 15%), uncollateralized, proceeds used to refund Series Four-O and Five-C, original bond proceeds used for Science and Engineering Center, John Roach Center, Morrison Hall, and other additions	$ 1,324	$ 1,975
MHEFA Variable Rate Demand Revenue Bonds, Series 2020 A&B		
Payable through 2032, fixed interest at weighted average 1.811%, uncollateralized: 51% proceeds used to refund Series 2017C, used to refund Series Six-H, original bond proceeds used for McNeely Hall; 49% proceeds used for Center of Well Being and Ireland Hall Renovations	15,195	16,695
Total Gross Long-Term Debt	344,843	356,369
Less: Debt Issuance Costs	(956)	(1,015)
Total Gross Long-Term Debt, Net of Costs	$ 343,887	$ 355,354
Approximate Market Value of Long-Term Debt	$ 356,147	$ 368,304

Interest expense was $12,089 and $9,826 for the years ended June 30, 2023 and 2022, respectively.

As of June 30, 2023, the variable interest rate associated with the above variable debt issues, and the associated interest rate swap agreements, was approximately 3.7%.

The annual maturities for bonds payable at June 30, 2023 are as follows:

(in thousands)

Year Ending June 30,	Amount
2024	$ 12,212
2025	12,744
2026	13,932
2027	14,641
2028	13,698
Thereafter	277,617
Total	$ 344,843

The University has a line of credit of $10,000 with interest at 6.45% plus the greater of (i) zero percent or (ii) the one-month forward-looking term rate based on SOFR which expires on March 28, 2024. At June 30, 2023 and 2022, the University had no borrowings under the line of credit.

NOTE 11 ENDOWMENT

The University's endowment consists of over 600 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the board of trustees to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The board of trustees of the University has interpreted the 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 funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as donor-restricted net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

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

Changes in endowment net assets for the years ended June 30 are as follows:

	2023		
(in thousands)	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets as of July 1	$ 114,074	$ 584,806	$ 698,880
Investment Return:			
Investment Ordinary Income	747	3,143	3,890
Realized and Unrealized Capital Loss	5,267	24,754	30,021
Total Investment Gain	6,014	27,897	33,911
Release of Spending Policy	(3,294)	(19,286)	(22,580)
Contributions and Adjustments	-	17,670	17,670
Addition to (Withdrawal from) Quasi-Endowment from (to) Operations	(17,898)	-	(17,898)
Other Adjustments, Net	240	-	240
Endowment Net Assets as of June 30	$ 99,136	$ 611,087	$ 710,223

NOTE 11 ENDOWMENT (CONTINUED)

Interpretation of Relevant Law (Continued)

(in thousands)	2022 Without Donor Restrictions	2022 With Donor Restrictions	2022 Total
Endowment Net Assets as of July 1	$ 122,873	$ 586,116	$ 708,989
Investment Return:			
Investment Ordinary Income	857	3,301	4,158
Realized and Unrealized Capital Gain	(1,971)	(11,092)	(13,063)
Total Investment Gain	(1,114)	(7,791)	(8,905)
Release of Spending Policy	(4,977)	(16,544)	(21,521)
Contributions and Adjustments	-	23,030	23,030
Addition to (Withdrawal from) Quasi-Endowment from (to) Operations	(4,802)	-	(4,802)
Other Adjustments, Net	2,094	(5)	2,089
Endowment Net Assets as of June 30	$ 114,074	$ 584,806	$ 698,880

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 or UPMIFA requires the University to retain as a fund of perpetual duration. These deficiencies result from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment fund and continued appropriation for certain programs that was deemed prudent by the governing body.

As of June 30, 2023, deficiencies of this nature together have an original gift value of $4,192, a current fair value of $3,654, and a deficiency of $538. As of June 30, 2022, deficiencies of this nature together have an original gift value of $9,543, a current fair value of $9,196, and a deficiency of $347. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature that are reported in net assets with donor restrictions.

Return Objectives and Risk Parameters

The University has adopted investment and spending policies for endowment assets that attempt to minimize the volatility of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of a representative benchmark, while assuming an appropriate level of investment risk. The University expects its endowment funds, over time, to provide a real rate of return sufficient to meet the University's spending policy, net of fees. Actual returns in any given year may vary from this amount.

NOTE 11 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 that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The University follows an endowment spending policy that authorizes spending of a percentage of the 12-quarter average market value of most endowments. This percentage is established annually for each endowment by the President of the University. The average aggregate spending rate approximated 4.5% in 2023 and 2022. The intent of the spending policy is to provide a resource to fund expenditures in accordance with the donor's wishes and at the same time, increase endowment fund value as a protection against inflation.

NOTE 12 NET ASSET SUMMARY AND RELEASES

Net assets at June 30 consisted of the following:

	2023		
(in thousands)	Without Donor Restrictions	With Donor Restrictions	Total
Endowment:			
Donor-Restricted for:			
Student Financial Aid	$ -	$ 283,808	$ 283,808
Instruction and Other Related Activities	-	327,279	327,279
Total Donor-Restricted Endowments	-	611,087	611,087
Board-Designated for Educational and General Operations	99,136	-	99,136
Total Endowment	99,136	611,087	710,223
Operations:			
Current Unrestricted Operations	10,193	-	10,193
Gifts and Grants for Instructional Programs, Financial Aid, and Research	30,595	77,015	107,610
Long-Term Support of Educational and General Operations	131,276	-	131,276
Total Operations	172,064	77,015	249,079
Buildings and Equipment:			
Net Value of Buildings and Equipment	232,090	-	232,090
Funds for Building Projects	3,729	114,747	118,476
Total Buildings and Equipment	235,819	114,747	350,566
Other:			
Annuity Trust Agreements	-	12,645	12,645
Total	$ 507,019	$ 815,494	$ 1,322,513

NOTE 12 NET ASSET SUMMARY AND RELEASES (CONTINUED)

(in thousands)	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment:			
Donor-Restricted for:			
Student Financial Aid	$ -	$ 270,833	$ 270,833
Instruction and Other Related Activities	-	313,973	313,973
Total Donor-Restricted Endowments	-	584,806	584,806
Board-Designated for Educational and General Operations	114,074	-	114,074
Total Endowment	114,074	584,806	698,880
Operations:			
Current Unrestricted Operations	10,192	-	10,192
Gifts and Grants for Instructional Programs, Financial Aid, and Research	31,008	82,645	113,653
Long-Term Support of Educational and General Operations	126,505	-	126,505
Total Operations	167,705	82,645	250,350
Buildings and Equipment:			
Net Value of Buildings and Equipment	229,015	-	229,015
Funds for Building Projects	7,124	32,235	39,359
Total Buildings and Equipment	236,139	32,235	268,374
Other:			
Annuity Trust Agreements	-	11,695	11,695
Total	$ 517,918	$ 711,381	$ 1,229,299

At June 30, 2023 and 2022, the University's net assets with donor restrictions were allocated as follows:

(in thousands)	2023	2022
With Donor Restrictions		
Purpose and Time Restriction:		
Operations	$ 77,015	$ 82,645
Endowment	192,961	185,204
Annuity Trust Agreements	12,645	11,695
Plant Acquisitions	114,747	32,235
Total Purpose and Time Restricted	$ 397,368	$ 311,779
Held in Perpetuity:		
Endowment	$ 360,315	$ 348,711
Annuity Trust Agreements	107	181
Contributions Receivable	57,704	50,710
Total Held in Perpetuity	$ 418,126	$ 399,602
Total Net Assets With Donor Restrictions	$ 815,494	$ 711,381

NOTE 12 NET ASSET SUMMARY AND RELEASES (CONTINUED)

Net assets with donor restrictions were released from donor restrictions by incurring expenses, which satisfied the restricted purpose, or by the occurrence of other events specified by donors in the following manner at June 30:

(in thousands)	2023	2022
Purpose Restrictions Accomplished:		
Instructional Activities, Student Financial Aid, and Other Purposes	$ 32,608	$ 24,577
Unrestricted Donor Pledges Received for Education and General Operations	3,373	5,856
Buildings and Equipment	-	1,243
Net Asset Reclassifications	(4,198)	-
Total Restrictions Released	$ 31,783	$ 31,676

NOTE 13 LIQUIDITY

The University regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investments of its available funds. As of June 30, the following assets and liquidity resources could be made available within one year to meet general expenditures:

(in thousands)	2023	2022
Financial Assets:		
Cash and Cash Equivalents	$ 1,332	$ 11,202
Accounts Receivable	6,938	6,918
Contributions Receivable	30,261	20,082
Subsequent Year's Endowment Payout	24,766	22,515
Other Investments Appropriated for Current Use	61,028	93,866
Total Financial Assets Available Within One Year	124,325	154,583
Liquidity Resources:		
Bank Line of Credit	10,000	10,000
Total Financial Assets and Liquidity Resources Available Within One Year	$ 134,325	$ 164,583

The University's endowment funds consist of donor endowment and quasi-endowment funds. Quasi-endowed funds are amounts that could be available to spend from the corpus, although that is not the intention of the board.

NOTE 14 RETIREMENT BENEFITS

Retirement benefits are provided for substantially all full-time employees. Under this 403(b) retirement plan, the University makes contributions of a defined percentage of covered payroll. Contributions charged to operations for these benefits were $10,410 and $10,265 for the years ended June 30, 2023 and 2022, respectively.

NOTE 15 FUNCTIONAL ALLOCATION OF EXPENSES

The University's primary program service is academic instruction. Expenses reported as auxiliary enterprises, student activities and services, academic support, libraries, public service, and research are incurred in support of this primary program activity. Expenses are directly coded to programs or support services whenever possible. Natural expense attributable to more than one functions expense category are allocated using a variety of cost allocation techniques, such as square feet and time and effort.

Expenses by functional classification for the years ended June 30 consist of the following:

(in thousands)	2023			
	Program	Institutional Support	Fundraising	Total
Compensation	$ 168,103	$ 21,989	$ 9,875	$ 199,967
Supplies	18,206	450	96	18,752
Utilities, Rent, and Repairs	13,273	807	183	14,263
Professional Services	8,127	3,141	829	12,097
Insurance, Licenses, and Other	10,663	2,294	645	13,602
Travel	7,330	165	188	7,683
Depreciation	17,514	1,006	131	18,651
Interest	12,020	62	7	12,089
Total Expenses per Statement of Activities	$ 255,236	$ 29,914	$ 11,954	$ 297,104

(in thousands)	2022			
	Program	Institutional Support	Fundraising	Total
Compensation	$ 160,174	$ 27,658	$ 8,876	$ 196,708
Supplies	15,965	694	96	16,755
Utilities, Rent, and Repairs	10,905	1,971	144	13,020
Professional Services	8,766	3,424	565	12,755
Insurance, Licenses, and Other	16,861	2,449	591	19,901
Travel	4,605	211	140	4,956
Depreciation	17,280	1,079	81	18,440
Interest	9,704	117	5	9,826
Total Expenses per Statement of Activities	$ 244,260	$ 37,603	$ 10,498	$ 292,361

NOTE 16 RELATED PARTY TRANSACTIONS

Pledges totaling $64,463 and $60,270 for the years ended June 30, 2023 and 2022, respectively, from board of trustee members are included in the consolidated statements of financial position as Contribution Receivable.

NOTE 16 RELATED PARTY TRANSACTIONS (CONTINUED)

A board member is related to a company that has provided building design and construction services. Any contracts entered into were approved in accordance with the board of trustees' conflict of interest policy.

The University provides administrative support to the St. Paul Seminary through accounting assistance, access to the University's administrative computer systems to record financial transactions, building maintenance and utility services, general access to the University computer network, and other support functions. In addition, the St. Paul Seminary provides subsidies to the University for operations of the Saint Paul Seminary School of Divinity of the University of St. Thomas. The receivable due from the St. Paul Seminary was $432 and $259 for the years ended June 30, 2023 and 2022, respectively. This receivable balance is included on the consolidated statements of financial position.

NOTE 17 LEASES

The University has entered into both finance and operating leases for facilities, equipment, and vehicles. The lease terms generally range from three years to five years with options to renew at varying times. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases.

The following table provides quantitative information concerning the University's leases:

(in thousands)	2023	2022
Lease Cost		
Finance Lease Cost:		
Amortization of Right-to-Use Asset	$ 2,676	$ 2,331
Interest on Lease Liability	288	217
Operating Lease Cost	678	468
Short-Term Lease Cost	-	4
Variable Lease Cost	25	41
Total Lease Cost	$ 3,667	$ 3,061
Other Information		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Finance Leases	$ 2,676	$ 2,331
Operating Cash Flows from Operating Leases	$ 678	$ 468
Financing Cash Flows from Finance Lease	$ 288	$ 217
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	$ 5,828	$ 2,919
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	$ -	$ -
Weighted Average Remaining Lease Term - Finance Leases	3.0 Years	2.4 Years
Weighted Average Remaining Lease Term - Operating Leases	2.9 Years	2.2 Years
Weighted Average Discount Rate - Finance Leases	2.9%	2.0%
Weighted Average Discount Rate - Operating Leases	5.5%	5.5%

NOTE 17 LEASES (CONTINUED)

A maturity analysis of annual undiscounted cash flows for lease liabilities of June 30, 2023 is as follows:

(in thousands) Year Ending June 30,	Finance Leases	Operating Leases
2024	$ 2,830	$ 612
2025	2,665	640
2026	1,274	197
2027	547	70
2028	252	-
Total Future Commitments	7,568	1,519
Less: Amount Representing Interest	(708)	(69)
Present Value of Future Minimum Lease Payments	$ 6,860	$ 1,450

Operating leases are included in Other Assets and Other Liabilities, and finance leases are included in Land, Buildings, and Equipment, Net and Other Liabilities in the consolidated statements of financial position. The asset and liability balances are as follows:

(in thousands)	2023	2022
Finance Lease Assets:		
Right-of-Use Assets - Finance Assets, Net of Amortization	$ 5,426	$ 3,951
Other Land, Buildings, and Equipment, Net	598,051	521,592
Total Land, Buildings, and Equipment	$ 603,477	$ 525,543
Operating Lease Assets:		
Right-of-Use Assets - Operating Assets	$ 1,450	$ 1,317
Other Inventories, Prepaid Expenses, and Other Assets	5,933	5,472
Total Inventories, Prepaid Expenses, and Other Assets	$ 7,383	$ 6,789
Finance and Operating Lease Liabilities:		
Finance Lease Liability	$ 6,860	$ 3,766
Operating Lease Liability	1,450	1,317
Other Deposits and Other Liabilities	26,748	29,626
Total Deposits and Other Liabilities	$ 35,058	$ 34,709

NOTE 18 COMMITMENTS AND CONTINGENCIES

In the normal course of operations, the University is subject to various claims and lawsuits. Additionally, amounts received and expended under various federal and state programs are subject to audit by government agencies. In management’s opinion, the ultimate resolution of these contingencies would not have a significant adverse effect upon the overall consolidated financial position, operations, or cash flows of the University.

NOTE 18 COMMITMENTS AND CONTINGENCIES (CONTINUED)

The University is self-insured with respect to certain workers' compensation costs. The University's stop-loss insurance limits the University's liability to $500 per incident and $2,092 in aggregate per year.

The University has a self-insured health benefit plan that covers active employees who elect to participate. Total claims and stop-loss provision costs, less premium payments from participants, were $13,468 and $13,587 for the fiscal years ending in 2023 and 2022, respectively. The University carries stop-loss insurance coverage that limits the University's claim liability to $200 for each individual on an annual basis, with aggregate claim liabilities of $21,027 and $20,967 or fiscal years ended 2023 and 2022, respectively.

During 2023, the University entered into agreements with various parties in connection with construction of the following building projects:

(in thousands)	Estimated Total Costs	Project Costs Incurred as of June 30, 2023
Schoenecker Center (STEAM)	$ 94,103	$ 68,448
Brady, Dowling, Koch Commons Renovations	24,925	23,500
Athletics Complex	6,013	1,584
Other Projects	505	87
Total	$ 125,546	$ 93,619

NOTE 19 CONCENTRATIONS

Support revenue, which is a combination of Private Gifts and Grants, Grants and Contracts, and Endowment Gifts on the consolidated statements of activities, from nine funders represent 28% and three funders represent 39% of the University's total support revenue for the years ended June 30, 2023 and 2022, respectively. Contributions receivable from two funders represent 50% and three funders represent 58% of the University's contributions receivable as of June 30, 2023 and 2022.

NOTE 20 COMPOSITE SCORE

The University participates in various federally funded student financial aid programs. Under regulatory provisions of these programs, the University is required to demonstrate financial responsibility by meeting a certain composite score based on a formula developed by the Department of Education. This score uses financial ratios based on the University's audited financial statements. The composite score calculated reflects the overall relative financial health of institutions along a scale of negative 1.0 to positive 3.0. A score greater than or equal to 1.5 indicates the institution is considered financially responsible.

NOTE 20 COMPOSITE SCORE (CONTINUED)

The composite score for the year ended June 30, 2023, is as follows:

(in thousands)		
Primary Reserve Ratio:		
Expendable Net Assets	$ 526,285	
Total Expenses/Losses	$ 297,091	1.7715
Equity Ratio:		
Modified Net Assets	$ 1,257,766	
Modified Assets	$ 1,689,513	0.7445
Net Income Ratio		
Change in Net Assets Without Donor Restrictions	$ (10,755)	
Total Revenue/Gains	$ 296,390	(0.0363)

	Ratios	Strength Factors	Weight	Composite Score
Primary Reserve	1.77	3.00	40%	1.20
Equity	0.74	3.00	40%	1.20
Net Income	(0.04)	0.09	20%	0.02
Total Composite Score				2.42

See below for additional disclosures deemed necessary to calculate certain ratios for determining sufficient financial responsibility under Title IV.

(in thousands)			
Net Assets			
1	Net assets with donor restrictions: restricted in perpetuity	$	418,126
2	Other net assets with donor restrictions (not restricted in perpetuity):		
	a. Annuities with donor restrictions	$	12,645
	b. Term endowments		-
	c. Life income funds (trusts)		-
	d. Total annuities, term endowments, and life income funds with donor restrictions	$	12,645
Property, Plant, and Equipment, net			
3	Pre-implementation property, plant, and equipment, net		
	a. Ending balance of pre-implementation as of June 30, 2022	$	362,173
	b. Reclassify capital lease assets previously included in PPE, net prior to the implementation of ASU 2016-02 leases standard		-
	c. Less subsequent depreciation and disposals (net of accumulated depreciation)		(11,072)
	d. Balance pre-implementation property, plant, and equipment, net	$	351,101
4	Debt financed post-implementation property, plant, and equipment, net Long-lived assets acquired with debt subsequent to June 30, 2019:		
	a. Equipment		4,345
	b. Land improvements		-
	c. Building		101,380
	d. Total property, plant, and equipment, net acquired with debt exceeding 12 months		105,725
5	Construction in progress - acquired subsequent to June 30, 2020		116,706
6	Post-implementation property, plant, and equipment, net, acquired without debt:		
	a. Long-lived assets acquired without use of debt subsequent to June 30, 2019		29,945
7	Total Property, Plant, and Equipment, net - June 30, 2023	$	603,477

NOTE 20 COMPOSITE SCORE (CONTINUED)

(in thousands)

Debt to be excluded from expendable net assets			
8	Pre-implementation debt:		
	a. Ending balance of pre-implementation as of June 30, 2020	$	215,311
	b. Reclassify capital leases previously included in long-term debt prior to the implementation of ASU 2016-02 leases standard.		-
	c. Less subsequent debt repayments		(11,525)
	d. Balance Pre-implementation Debt		203,786
9	Allowable post-implementation debt used for capitalized long-lived assets:		
	a. Equipment - all capitalized		1,760
	b. Land improvements		-
	c. Buildings		18,058
	d. Balance Post-implementation Debt		19,818
10	Construction in progress (CIP) financed with debt or line of credit		72,303
11	Long-term debt not for the purchase of property, plant, and equipment or liability greater than assets value		60,240
		$	356,147

(in thousands)

	Expendable Net Assets:		
Statement of Financial Position (SFP)	Net assets without donor restrictions	$	507,163
SFP	Net assets with donor restrictions	$	815,498
Note 20 Line 1	Net assets restricted in perpetuity	$	418,126
Note 20 Line 20	Unsecured related-party receivable	$	64,895
Note 20 Line 2d	Donor restricted annuities, term endowments, life income funds	$	12,645
Note 20 Line 3d	Property, plant, and equipment pre-implementation	$	351,101
Note 20 Line 4d	Property, plant, and equipment post-implementation with outstanding debt for original purchase	$	105,725
Note 20 Line 5	Construction in progress purchased with long-term debt	$	116,706
Note 20 Line 35	Post-implementation property, plant, and equipment, net, acquired without debt	$	29,945
Note 20 Line 14	Lease right-of-use asset, pre-implementation (grandfather of leases option not chosen)	$	-
Note 17	Lease right-of-use asset not already included in PPE, post-implementation	$	1,450
SFP	Intangible assets	$	-
SFP	Post-employment and pension liabilities	$	-
Note 20 Line 8d	Long-term debt - for long-term purposes pre-implementation	$	203,786
Note 20 Line 9d	Long-term debt - for long-term purposes post-implementation	$	19,818
Note 20 Line 10	Line of credit for construction in progress	$	72,303
Note 20 Line 17	Pre-implementation right-of-use asset liability	$	-
Note 17	Post-implementation right-of-use asset liability	$	8,310
	Total Expenses and Losses:		
Statement of Activities (SOA)	Total expenses (operating and nonoperating) without donor restrictions	$	297,091
SOA	Non-service component of pension/postemployment (nonoperating) cost, (if loss)	$	-
Note 20 Line 22	Sale of fixed assets (if loss)	$	-
SOA	Change in value of interest-rate swap agreements (if loss)	$	-
Equity Ratio:			
	Modified Net Assets:		
SFP	Net assets without donor restrictions	$	507,163
SFP	Net assets with donor restrictions	$	815,498
Note 20 Line 14	Lease Right-of-use asset - Pre-implementation	$	-
Note 20 Line 17	Lease Right-of-use liability - Pre-implementation	$	-
SFP	Intangible assets	$	-
Note 20 Line 20	Unsecured related-party receivables	$	64,895
	Modified Assets:		
SFP	Total assets	$	1,754,408
Note 20 Line 14	Lease right-of-use asset pre-implementation	$	-
SFP	Intangible assets	$	-
Note 20 Line 20	Unsecured related-party receivables	$	64,895
Net Income Ratio:			
SOA	**Change in Net Assets Without Donor Restrictions**	$	(10,755)
	Total Revenues and Gains Without Donor Restriction:		
SOA	Total operating revenue (including net assets released from restrictions)	$	296,039
SOA	Investments gain, net (aggregate operating and non-operating interest, dividends, realized and unrealized gains)	$	-
SOA	Non-service component of pension/postemployment (nonoperating) cost (if gain)	$	-
SOA	Pension-related changes other than net periodic pension costs (if gain)	$	-
SOA	Change in value of annuity agreement (typically in nonoperating)	$	-
SOA	Change in value of interest-rate swap agreements (if gain)	$	342
SOA	Sale of fixed assets (if gain)	$	9
SOA	Other gains	$	-

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KESTREL SECOND PARTY OPINION

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Second Party Opinion

Issuer:	**Minnesota Higher Education Facilities Authority**
Issue Description:	Revenue Bonds, Series 2024B (University of St. Thomas) (Green Bonds) Taxable Revenue Bonds. Series 2024C (University of St. Thomas) (Green Bonds)
Project:	Multipurpose Arena
Green Standard:	ICMA Green Bond Principles
Green Category:	Green Buildings
Keywords:	Green building, LEED Silver, climate resilience, solar-ready, low-flow water fixtures, higher education, net zero aligned, Minnesota
Par:	$64,950,000
Evaluation Date:	February 21, 2024

GREEN BONDS DESIGNATION

Kestrel, an Approved Verifier accredited by the Climate Bonds Initiative, conducted an independent external review of the Minnesota Higher Education Facilities Authority Revenue Bonds, Series 2024B (University of St. Thomas) (Green Bonds) and Taxable Revenue Bonds, Series 2024C (University of St. Thomas) (Green Bonds) (collectively, the "2024BC Bonds") to evaluate conformance with the Green Bond Principles (June 2021 with June 2022 Appendix 1) established by the International Capital Market Association. Our team for this engagement included analysts with experience in sustainability and environmental science.

This Second Party Opinion reflects our review of the uses and allocation of proceeds, oversight, and conformance of the 2024BC Bonds with the Green Bond Principles. In our opinion, the 2024BC Bonds are impactful, net zero aligned, conform with the four core components of the Green Bond Principles, and qualify for Green Bonds designation.

ABOUT THE ISSUER

The University of St. Thomas ("University") is a private, Catholic university based in Minnesota and serves more than 9,000 students on its three campuses in Saint Paul, Minneapolis, and Rome, Italy. Founded in 1885, the University is the largest private university in Minnesota and offers more than 200 degree programs for undergraduate and graduate students through eight academic schools and colleges.

The University aims to be carbon neutral by 2035 and has a Sustainability Strategic Plan ("Sustainability Plan") that outlines necessary actions to achieve net zero carbon emissions and advance sustainability initiatives such as reduction of food waste and promotion of alternative modes of transportation.[1] The Sustainability Plan affirms commitments to implementing energy conservation measures, pursuing at least LEED Silver certification for new buildings, and reducing transportation emissions associated with student and faculty commutes. Since 2007, the University has reduced its greenhouse gas emissions by 51% with energy efficiency improvements in new and existing buildings and other sustainability improvements. Between 2014 and 2021, the University reduced water consumption by 8%, natural gas use by 18%, and energy use by 17%. A combination of recycling and transport to a waste-to-energy facility allows the University to divert nearly all campus waste from landfills.

Academic coursework, research, and other initiatives integrate sustainability throughout campus operations. Over 80% of academic departments offer courses related to sustainability and most departments have staff pursuing sustainability-related research. The School of Engineering's Center for Microgrid Research is dedicated to study microgrid technologies that are critical to decarbonizing the power sector and houses an industry-grade 480 Volt microgrid with connection to a 48-kW solar array and a battery storage system.

Campus initiatives such as sustainable dining, urban agriculture, and multi-modal transit programs provide opportunities for students and staff to help reduce emissions and gain a holistic understanding of practices and technologies to reduce environmental impacts. In addition, the University has committed to sustainable investment strategies, including investment in renewable energy such as biogas, and divestment from fossil fuel holdings. Receipt of a Gold rating from the Sustainability Tracking Assessment and Rating System ("STARS") in 2021, which was renewed in 2024, further illustrates the University's comprehensive commitments to environmental sustainability and climate action.

ALIGNMENT TO GREEN STANDARDS[2]

Use of Proceeds

The Green Bond Principles

The 2024BC Bonds finance construction of a multipurpose arena designed to meet LEED Silver standards. The new facility ("Project") incorporates multiple sustainable design features and is an eligible project as defined by the Green Bond Principles in the *Green Buildings* project category.

The Project, to be known as the Lee and Penny Anderson Arena, is located on the University's Saint Paul campus and will include space for hockey and basketball programs and university events such as commencement ceremonies and career fairs. The arena will have capacity for up to 5,500 spectators and include practice facilities, coaching offices, and locker rooms. Construction is expected to begin in spring 2024 and end in fall 2025.

The Project is located on a 6-acre site and involves demolition of three existing buildings on the site and relocation of a 48-kW solar array to another site on campus. The University aims to divert 75% of waste from demolition and construction, and will track this as part of the LEED certification process. The

[1] "Sustainability Strategic Plan," University of St. Thomas, 2019, https://www.stthomas.edu/about/sustainability/index.html.

[2] Green Bonds are any type of debt instrument where the proceeds will be exclusively applied to finance or refinance eligible Green Projects which are aligned with the four core components of ICMA Green Bond Principles.

University will use the Project as an opportunity to educate students and visitors about sustainable building design and campus decarbonization initiatives. Additional sustainability features include:

- Locally sourced materials with an expected 17% reduction in embodied carbon compared to a US Green Building Council baseline
- Low VOC materials to improve indoor air quality
- Reduction in outdoor water use by 50%
- Low-flow water fixtures to reduce indoor water use by 40%
- Cooling system with low global warming potential refrigerants
- Solar-ready roof
- LED lighting
- Enhanced metering for water and energy
- Enhanced commissioning
- 1:1 replacement of trees removed for construction

In addition to meeting a green building standard and incorporating sustainable design features described above, the University performed a climate adaptation and resilience assessment for the Project. The evaluation considered two primary climate change scenarios from the Intergovernmental Panel on Climate Change with factors such as temperature, precipitation and cooling degree days. Final project designs include enhanced stormwater infrastructure to reduce flood risk and a solar reflective roof to reduce the heat island effect. Diesel generators will provide emergency backup power. In Kestrel's view, project-specific climate risk assessments are a best practice and an indicator of a forward-looking approach to the transition to a decarbonized economy.

Net Zero Alignment

Direct emissions from fossil fuel combustion associated with heating, cooling and operating residential and commercial buildings accounts for approximately 29% of total US greenhouse gas emissions.[3] The Project has features to minimize energy use and advance the University's goal of achieving net zero carbon emissions. Incorporation of materials with low embodied carbon, enhanced metering, and a solar ready roof support decarbonization efforts on campus. Additionally, the Project aligns with the State of Minnesota's emission reduction and climate resilience goals. The Minnesota Climate Action Framework establishes a goal to be carbon neutral by 2050 and enhance climate resiliency of communities and natural resources.[4]

Process for Project Evaluation and Selection

The Project aligns with objectives in the University's 2025 Strategic Plan and Sustainability Strategic Plan ("Sustainability Plan"). Investing in athletics and event spaces allows the University to increase national awareness and supports high achievement in both academics and athletics. The Project also directly advances the University's commitments to achieve net zero carbon emissions by 2035, increase building energy efficiency, and achieve at least LEED Silver certification on new buildings.

[3] Jessica Leung, "Decarbonizing U.S. Buildings," Center for Climate and Energy Solutions, July 2018, https://www.c2es.org/document/decarbonizing-u-s-buildings/.

[4] "Minnesota's Climate Action Framework," State of Minnesota, accessed February 8, 2024, https://climate.state.mn.us/sites/climate-action/files/Climate%20Action%20Framework.pdf.

The 2025 Strategic Plan outlines the University's long-term vision and goals, including prioritization of interdisciplinary education. The new facility supports a goal of fostering national awareness and advancing University priorities through athletics. Expanding infrastructure for Division I athletics assists in attracting new students. Athletics serves as an important partner that contributes to the University's mission and improves campus and student life.

Management of Proceeds

Proceeds from the 2024BC Bonds finance the Project and pay costs of issuance. A portion of the 2024BC Bonds will be used to reimburse the University for project-related construction costs that have already been incurred. Funds will be deposited into a project-specific construction account and costs of issuance accounts, and will be held in short-term permitted investments prior to spending. The Controller's Office will oversee the allocation and management of proceeds.

Reporting

Kestrel will provide one update report on the 2024BC Bonds within 24 months of issuance. This report is expected to be produced after all proceeds have been spent and will include confirmation of continued alignment with the Green Bond Principles and relevant updates on financed projects including allocation of proceeds and key performance metrics such as emissions per square foot and attainment of LEED certification and emissions per square foot. These reports will be made available on the University's Electronic Municipal Market Access ("EMMA") page and the Minnesota Higher Education Facilities Authority's website.

The University will also submit continuing financial disclosures to the Municipal Securities Rulemaking Board ("MSRB") as long as the 2024BC Bonds are outstanding, as well as reports in the event of material developments. This reporting will be done annually on the EMMA system operated by the MSRB.

ALIGNMENT WITH UN SDGs

The 2024BC Bonds support and advance the vision of the United Nations Sustainable Development Goals ("UN SDGs"), including:

Quality Education (Targets 4.3, 4.4)
Facility improvements designed to increase national awareness and support high achievement in both academics and athletics

Affordable and Clean Energy (Target 7.3)
Construction of facilities meeting robust green building standards

Decent Work and Economic Growth (Target 8.6)
Upgrade of campus facilities necessary to provide access to higher education

Full text of the Targets for these Goals is available in Appendix A, with additional information available on the United Nations website: un.org/sustainabledevelopment

CONCLUSION

Based on our independent external review, the Minnesota Higher Education Facilities Authority Revenue Bonds, Series 2024B (University of St. Thomas) (Green Bonds) and Taxable Revenue Bonds. Series 2024C (University of St. Thomas) (Green Bonds) are impactful, net zero aligned, conform, in all material respects, with the Green Bond Principles (2021) and are in complete alignment with the *Green Buildings* eligible project category. By incorporating exemplary green building features, the new multipurpose arena will accelerate decarbonization of campus buildings and help the University reach its ambitious net zero targets. Investing in athletics and event spaces allows the University to increase national awareness and supports high achievement in both academics and athletics.

About

Kestrel Sustainability Intelligence™ for municipal markets helps set the market standard for sustainable finance. We do this through verification and our comprehensive Analysis and Scores.

Kestrel is a leading provider of external reviews for green, social and sustainability bond transactions. We are qualified to evaluate corporate and municipal bonds in all asset classes worldwide for conformance with international green and social bond standards.

kestrelesg.com | info@kestrelesg.com | +1 800-756-8099

For more information, contact:
Melissa Winkler, Chief Commercial Officer
melissa.winkler@kestrelesg.com
+1 415-800-5944

<u>Verification Team</u>

- Monica Reid - CEO
- April Strid, MS - Head of Research and Development, and Lead Verifier
- Matt Michel, PhD - Senior ESG Analyst

Disclaimer

This Opinion aims to explain how and why the discussed financing meets the ICMA Green Bond Principles based on the information that was provided by the University or made publicly available by the University and relied upon by Kestrel only during the time of this engagement (February 2024), and only for purposes of providing this Opinion.

We have relied on information obtained from sources believed to be reliable, and assumed the information to be accurate and complete. However, Kestrel can make no warranty, express or implied, nor can we guarantee the accuracy, comprehensive nature, merchantability, or fitness for a particular purpose of the information we were provided or obtained.

By providing this Opinion, Kestrel is neither addressing nor certifying the credit risk, liquidity risk, market value risk or price volatility of the projects financed by the Green Bonds. It was beyond Kestrel's scope of work to review for regulatory compliance, and no surveys or site visits were conducted by us. Furthermore, we are not responsible for surveillance, monitoring, or implementation of the project, or use of proceeds.

The Opinion delivered by Kestrel is for informational purposes only, is current as of the date of issuance, and does not address financial performance of the Green Bonds or the effectiveness of allocation of its proceeds. This Opinion does not make any assessment of the creditworthiness of the University, nor its ability to pay principal and interest when due. This Opinion does not address the suitability of a Bond as an investment, and contains no offer, solicitation, endorsement of the Bonds nor any recommendation to buy, sell or hold the Bonds. Kestrel accepts no liability for direct, indirect, special, punitive, consequential or any other damages (including lost profits), for any consequences when third parties use this Opinion either to make investment decisions or to undertake any other business transactions.

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Appendix A.
UN SDG TARGET DEFINITIONS

Target 4.3
By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.

Target 4.4
By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

Target 7.3
By 2030, double the global rate of improvement in energy efficiency

Target 8.6
By 2020, substantially reduce the proportion of youth not in employment, education or training

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