ADDENDUM DATED JULY 22, 1993

TO OFFICIAL STATEMENT DATED JULY 7, 1993

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

$6,420,000

Minnesota Higher Education Facilities Authority
(The Concordia College Corporation)
Mortgage Revenue Bonds, Series Three-U

(Book Entry Only)

Schedule of Maturity Dates, Principal Amounts and Interest Rates

Maturity (October 1)	Amount	Interest Rate	Maturity (October 1)	Amount	Interest Rate
1994	$525,000	3.00%	1999	$ 670,000	4.40%
1995	$555,000	3.40%	2000	$ 720,000	4.60%
1996	$565,000	3.70%	2001	$ 755,000	4.75%
1997	$600,000	3.90%	2002	$1,405,000	4.90%
1998	$625,000	4.20%			

These Bonds are being reoffered at par.

An underwriting syndicate managed by FBS Investment Services, Inc. with joint managers and members as listed below have agreed to purchase the Bonds from the Authority for an aggregate price of $6,406,815.00, plus accrued interest to the date of delivery. It is expected that the Bonds will be available for delivery on or about August 25, 1993.

FBS INVESTMENT SERVICES, INC.
DAIN BOSWORTH INCORPORATED
NORWEST INVESTMENT SERVICES, INC.
MERRILL LYNCH & CO.

Cronin & Company, Incorporated
Miller & Schroeder Financial, Inc.
American National Bank Saint Paul
Park Investment Corporation
Peterson Financial Corporation

THIS ADDENDUM IS INCORPORATED BY REFERENCE AS OF THE DATE HEREOF INTO THE OFFICIAL STATEMENT OF THE AUTHORITY DATED JULY 7, 1993, WITH RESPECT TO THE BONDS. TAKEN IN CONJUNCTION WITH SAID OFFICIAL STATEMENT, THIS ADDENDUM SHALL CONSTITUTE A "FINAL OFFICIAL STATEMENT" OF THE AUTHORITY WITH RESPECT TO THE BONDS AS THAT TERM IS DEFINED IN RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

OFFICIAL STATEMENT DATED JULY 7, 1993

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

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

$6,465,000*

Minnesota Higher Education Facilities Authority

Mortgage Revenue Bonds, Series Three-U

(The Concordia College Corporation)

(Book Entry Only)

Dated Date: August 1, 1993

Interest Due: April 1 and October 1, commencing April 1, 1994

The Bonds will mature annually on October 1 as follows:

1994 $525,000	1997 $600,000	2000 $ 720,000
1995 $555,000	1998 $625,000	2001 $ 755,000
1996 $565,000	1999 $670,000	2002 $1,450,000

* *Based upon interest rates bid on the day of sale, the principal amount of the issue may be increased or decreased at the discretion of the Authority in an aggregate amount not to exceed $200,000. Such adjustment will be made in multiples of $5,000 in any of the maturities. Purchase price bid will be adjusted pro rata to reflect any greater or lesser principal amount.*

The Bonds will only be subject to optional redemption in whole or in part in certain cases of damage to or destruction or condemnation of the Project Facilities described in the Loan Agreement and Indenture and in whole or in part in the event of a Determination of Taxability, as described herein.

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 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 "Book Entry Only System" herein). First Trust National Association, St. Paul, Minnesota will act as Trustee.

The Bonds are special obligations of the Authority payable solely from Loan Repayments made by or on behalf of The Concordia College Corporation, owner and operator of Concordia College, Moorhead, Minnesota (the "College") pursuant to a Loan Agreement between the Authority and the College, or out of other amounts pledged pursuant to the Indenture, as described herein. The Loan Repayments will be a general obligation of the College.

Prior to the award of sale of the Bonds, the Bonds will have been registered for sale at a price not greater than 102% with the Securities Division, Department of Commerce, State of Minnesota, pursuant to Chapter 80A, Minnesota Statutes; however, the initial Purchaser of the Bonds shall be required to provide a schedule of reoffering prices and yields with respect to the Bonds and shall agree not to sell (but may offer) any of the Bonds to Minnesota buyers at a price greater than 102% until the Bonds have been re-registered for sale at such higher price by the Department of Commerce, as more fully provided in the Terms and Conditions of Contract of Sale.

THE BONDS SHALL NOT BE LEGAL OR MORAL OBLIGATIONS OF THE STATE OF MINNESOTA NOR CONSTITUTE A DEBT FOR WHICH THE FAITH AND CREDIT OF THE AUTHORITY OR THE STATE OF MINNESOTA, 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 subject to the approval of legality by Faegre & Benson, Minneapolis, Minnesota, Bond Counsel. Certain legal matters will be passed upon by Gunhus, Grinnell, Klinger, Swenson & Guy, Fargo, North Dakota, counsel to the College. Bonds are expected to be available for delivery on or about August 25, 1993.

This cover page contains certain information for quick reference only. It is not a summary of this Issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

BID OPENING: July 21, 1993 (Wednesday) at 11:00 A.M., Central Time
AWARD: July 21, 1993 (Wednesday) at 2:00 P.M., Central Time

SPRINGSTED
PUBLIC FINANCE ADVISORS

Further information may be obtained from SPRINGSTED Incorporated, Financial Advisor to the Issuer, 85 East Seventh Place, Suite 100, Saint Paul, Minnesota 55101 (612) 223-3000.

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

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law, shall constitute a "Final Official Statement" of the Issuer with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference.

By awarding the Bonds to any underwriter or underwriting syndicate submitting an Official Bid Form therefor, the Issuer agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded copies of the Official Statement and the addendum or addenda described in the preceding paragraph in the amount specified in the Official Terms of Offering.

The Issuer designates the senior managing underwriter of the syndicate to which the Bonds are awarded as its agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the Issuer (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

No dealer, broker, sales representative or other person has been authorized by the Authority or the College 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 either the Authority or the College. The information contained herein, except as it relates to the Authority, has been obtained from the College and is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Authority. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE AUTHORITY OR THE COLLEGE SINCE THE DATE THEREOF.

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.

Reference is made to the Official Terms of Offering set forth in this Official Statement and the Terms and Conditions for information relating to registration and reoffering the Bonds under the Minnesota Securities Act.

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.

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

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

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 or the Final Official Statement, they will be furnished on request.

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

MEMBERS

Jack Amundson, Chair	Partner, McMahon, Hartmann, Amundson & Co., Saint Cloud, Minnesota.
Kathryn Balstad Brewer, Vice Chair	Student, New Brighton, Minnesota.
Mollie N. Thibodeau, Secretary	Fund Raising Consultant, Duluth, Minnesota
Carol A. Blomberg	Personal Banker, Norwest Bank Minnesota, Mesabi, National Association, Hibbing, Minnesota.
Earl R. Herring	Retired, formerly Vice President for Administrative Affairs, Moorhead State University, Moorhead, Minnesota.
John S. Hoyt, Jr.	CEO, Effective Golf Course Systems, Inc., Edina, Minnesota
Fred Hsiao	President, Shaw/Lundquist Associates, Saint Paul, Minnesota.
David B. Laird, Jr. (Ex Officio)	President, Minnesota Private College Council, Saint Paul, Minnesota.
James R. Miller	Owner and CEO, Rollin & Associates, Inc., St. Paul, Minnesota
David Powers (Ex Officio)	Executive Director, Minnesota Higher Education Coordinating Board, Saint Paul, Minnesota.

Dr. Joseph E. LaBelle, Executive Director

Bond Counsel
Faegre & Benson

Financial Advisor
Springsted Incorporated

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OFFICIAL TERMS OF OFFERING

$6,465,000*

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
MORTGAGE REVENUE BONDS, SERIES THREE-U

(The Concordia College Corporation)

(BOOK ENTRY ONLY)

Sealed bids for the Bonds will be received and will be opened by Dr. Joseph E. LaBelle, Executive Director, Minnesota Higher Education Facilities Authority (the "Authority") or his duly appointed representative on Wednesday, July 21, 1993, at 11:00 A.M., Central Time, at Suite 450, Galtier Plaza, 175 East Fifth Street, Saint Paul, Minnesota 55101, telephone (612) 296-4690. Consideration for award of the Bonds will be by the Board of the Authority at its meeting at 2:00 P.M., Central Time, of the same day.

DETAILS OF THE BONDS

The Bonds will be dated August 1, 1993, as the date of original issue, and will bear interest payable on April 1 and October 1 of each year, commencing April 1, 1994. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB.

The Bonds will mature annually on October 1 in the amounts and years as follows:

1994	$525,000	1997	$600,000	2000	$ 720,000
1995	$555,000	1998	$625,000	2001	$ 755,000
1996	$565,000	1999	$670,000	2002	$1,450,000

* *Based upon interest rates bid on the day of sale, the principal amount of the issue may be increased or decreased at the discretion of the Authority in an aggregate amount not to exceed $200,000. Such adjustment will be made in multiples of $5,000 in any of the maturities. Purchase price bid will be adjusted pro rata to reflect any greater or lesser principal amount.*

The Bonds will bear additional interest at a rate of 2.00% per annum in the event of a Determination of Taxability as described in the Loan Agreement and the Trust Indenture.

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of $5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the Authority to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The successful bidder, as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

OPTIONAL REDEMPTION

The Bonds are subject to redemption in whole on any date or in part on any interest payment date in certain events of damage or destruction described in a Loan Agreement between the College and the Authority and a Trust Indenture between the Authority and the Trustee, or in whole on any date or in part on any interest payment date in the event of a Determination of Taxability as defined therein. All prepayments shall be at a price of par and accrued interest.

If less than all Bonds of a maturity are called for redemption, the Trustee will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by random selection the amount of each participant's interest in such maturity to be redeemed and each participant will then select by random selection the beneficial ownership interests in such maturity to be redeemed.

SECURITY AND PURPOSE

The Bonds will be special obligations of the Authority payable solely from payments made by or on behalf of the College pursuant to the Loan Agreement or from other amounts pledged therefor pursuant to the Trust Indenture. Pursuant to the Loan Agreement, Loan Repayments sufficient to pay principal, premium (if any) and interest on the Bonds when due are a general obligation of the College. The Bonds are additionally secured by a mortgage on and security interest in certain property of the College and a debt service reserve in an amount equal to 10% of the proceeds of the Bonds (par less original issue discount according to the reoffering scale). **The Bonds shall not be legal or moral obligations of the State of Minnesota nor constitute a debt for which the faith and credit of the Authority, or the State of Minnesota, or the taxing powers of the State, are pledged.** The Authority has no taxing powers. The proceeds will be used, together with other funds of the College, to refund the remaining maturities of the Authority's First Mortgage Revenue Bonds, Series Z, issued on behalf of the College in 1979 and its Revenue Bonds, Series Two-F, issued on behalf of the College in 1983.

TYPE OF BID

A sealed bid for not less than $6,387,400 and accrued interest on the total principal amount of the Bonds shall be filed by an eligible bidder with the undersigned on the Official Bid Form prior to the time set for the opening of bids. Bids shall be accompanied by a Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a Financial Surety Bond in the amount of $64,650, payable to the order of the Authority. If a check is used, it must accompany each bid. If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a bond in the State of Minnesota, and preapproved by the Authority. Such bond must be submitted to Springsted Incorporated prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose Deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to a bidder using a Financial Surety Bond, then that purchaser is required to submit its Deposit to Springsted Incorporated in the form of a certified or cashier's check or wire transfer as instructed by Springsted Incorporated not later than 3:30 P.M., Central Time, on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the Authority to satisfy the Deposit requirement. The Authority will deposit the check of the purchaser, the amount of which will be deducted at settlement and no interest will accrue to the purchaser. In the event the purchaser fails to comply with the accepted bid, said amount will be retained by the Authority. No bid can be withdrawn after the time set for receiving bids unless the meeting of the Authority scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made. Rates offered by bidders shall be in integral multiples of 5/100 or 1/8 of 1%. No basic rate of interest specified for a maturity shall exceed the basic rate of interest specified for any subsequent maturity. Bonds of the same maturity shall bear a single basic rate from the date of the Bonds to the date of maturity.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a true interest cost (TIC) basis. The Authority's computation of the interest rate of each bid, in accordance with customary practice, will be controlling.

The Authority reserves the right to: (i) waive non-substantive informalities of any bid or of matters relating to the receipt of bids and award of the Bonds, (ii) reject all bids without cause, or, (iii) reject any bid which the Authority determines to have failed to comply with the terms herein.

TERMS AND CONDITIONS OF CONTRACT OF SALE

In addition to the provisions of the Official Terms of Offering, the sale of the Bonds will be subject to the Terms and Conditions of Contract of Sale set forth on the Official Bid Form. Reference is made to the Official Bid Form for a complete statement of the Terms and Conditions of Contract of Sale.

REOFFERING OF BONDS

Prior to the award of sale of the Bonds, the Bonds will have been registered for sale at a price not greater than 102% with the Securities Division, Department of Commerce, State of Minnesota, pursuant to Chapter 80A, Minnesota Statutes; however, the Purchaser of the Bonds shall be required to provide a schedule of reoffering prices and yields with respect to the Bonds and shall agree not to sell (but may offer) any of the Bonds to Minnesota buyers at a price greater than 102% until the Bonds have been re-registered for sale at such higher price by the Department of Commerce, as more fully provided in the Terms and Conditions of Contract of Sale set forth on the Official Bid Form to be executed by the Authority and the Purchaser in connection with the sale of the Bonds.

BOND INSURANCE AT PURCHASER'S OPTION

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser of the Bonds. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the Purchaser, except that, if the Authority has requested and received a rating on the Bonds from a rating agency, the Authority will pay the fee for the requested rating. Any other rating agency fees shall be the responsibility of the Purchaser.

Failure of the municipal bond insurer to issue the policy after Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery on the Bonds.

TRUSTEE/REGISTRAR/PAYING AGENT

The Trustee will be First Trust National Association, St. Paul, Minnesota, which shall also act as Registrar and Paying Agent.

CUSIP NUMBERS

If the Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

OFFICIAL STATEMENT

The Authority has authorized the preparation of an Official Statement containing pertinent information relative to the Bonds, and said Official Statement will be distributed and designated as a "near-final" Official Statement as required by Rule 15c2-12 of the Securities and Exchange Commission. For copies of the Official Statement and the Official Bid Form or for any additional information prior to sale, any prospective Purchaser is referred to the Financial Advisor of the Authority, Springsted Incorporated, 85 East Seventh Place, Suite 100, Saint Paul, Minnesota 55101, telephone (612) 223-3000.

The Official Statement, when supplemented by an addendum prepared by the Authority or its Financial Advisor and specifying the maturity dates, principal amounts and interest rates of the Bonds, together with certain additional information as more fully described in Section 3 of the Terms and Conditions of Contract of Sale (the "Terms and Conditions") set forth on the Official Bid Form to be executed by the Authority and the Purchaser of the Bonds, shall constitute a "Final Official Statement" of the Authority, as that term is defined in Rule 15c2-12. Pursuant to the Terms and Conditions, the Authority shall agree that, no more than seven business days after the award of sale of the Bonds (unless the Purchaser fails to comply with the obligation to provide certain information as required by Section 1 of the Terms and Conditions), it shall provide without cost to the Purchaser c/o the Account Manager 250 copies of such Final Official Statement and shall designate the Account Manager as its agent for purposes of distributing copies of the Final Official Statement.

SETTLEMENT

It is expected that on or about August 25, 1993, the Bonds will be delivered without cost to the Purchaser at a place mutually satisfactory to the Authority and the Purchaser. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Faegre & Benson of Minneapolis, Minnesota, as to the validity and exemption of the Bonds from federal and State of Minnesota income tax, which opinion will be printed on the Bonds, and of customary closing papers, including a no-litigation certificate and a certificate pertaining to information in the Official Statement. Certain legal matters will be passed on for the College by its counsel, Gunhus, Grinnell, Klinger, Swenson & Guy, Fargo, North Dakota. On the date of settlement payment for the Bonds shall be made in federal, or equivalent, funds which shall be received at the offices of the Trustee not later than 12:00 Noon, Central Time. Except as compliance with the terms of payment for the Bonds shall have been made impossible by action of the Authority, or its agents, the Purchaser shall be liable to the Authority for any loss suffered by the Authority by reason of the Purchaser's non-compliance with said terms of payment.

Dated June 16, 1993

BY ORDER OF THE MINNESOTA HIGHER
EDUCATION FACILITIES AUTHORITY

/s/ Joseph E. LaBelle
Executive Director

SCHEDULE OF BOND YEARS

$6,465,000

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
MORTGAGE REVENUE BONDS, SERIES THREE-U

Year	Principal	Bond Years	Cumulative Bond Years	
1994	$525,000	612.5000	612.5000	______
1995	$555,000	1,202.5000	1,815.0000	______
1996	$565,000	1,789.1667	3,604.1667	______
1997	$600,000	2,500.0000	6,104.1667	______
1998	$625,000	3,229.1667	9,333.3334	______
1999	$670,000	4,131.6667	13,465.0001	______
2000	$720,000	5,160.0000	18,625.0001	______
2001	$755,000	6,165.8333	24,790.8334	______
2002	$1,450,000	13,291.6667	38,082.5001	______

Average Maturity: 5.89 Years

Bonds Dated: August 1, 1993

Interest Due: April 1, 1994 and each October 1 and April 1 to maturity.

Principal Due: October 1, 1994-2002 inclusive.

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OFFICIAL STATEMENT

$6,465,000*

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

MORTGAGE REVENUE BONDS, SERIES THREE-U
(The Concordia College Corporation)

INTRODUCTORY STATEMENT

This Official Statement provides information concerning the Minnesota Higher Education Facilities Authority (the "Authority") and The Concordia College Corporation as owner and operator of Concordia College (the "College"), an institution of higher education located in Moorhead, Minnesota, in connection with the issuance of the Authority's $6,465,000* Mortgage Revenue Bonds, Series Three-U (The Concordia College Corporation), (the "Bonds" or the "Issue").

The Bonds are being issued pursuant to the provisions of Sections 136A.25 to 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 to finance certain projects.

The Bonds are also issued pursuant to the Trust Indenture between the Authority and First Trust National Association, St. Paul, Minnesota as trustee (the "Trustee"). The Trustee will also be the Registrar and Paying Agent for the Issue.

Pursuant to a Loan Agreement between the College and the Authority, the College will covenant as a general obligation of the College to make Loan Repayments and deposits in amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due. The proceeds of the Issue will be loaned to the College by the Authority to be used, together with other funds of the College, to refund the 1994 through 2006 principal maturities of the $6,500,000 First Mortgage Revenue Bonds, Series Z, dated August 1, 1979 (the "Series Z Bonds"), and the 1994 through 2003 principal maturities of the $3,055,000 Revenue Bonds, Series Two-F, dated March 1, 1983 (the "Series Two-F Bonds")(collectively referred to as the "Prior Bonds"). The Prior Bonds were issued by the Authority on behalf of the College. See "PURPOSE OF THE ISSUE", herein.

The Bonds are secured by a pledge of the Loan Repayments, a mortgage on and security interest in the biology and home economics building (the "Science South Building"), located on the campus of the College (the "Mortgaged Property") and a Reserve Account. The Loan Repayments are a general obligation of the College.

The Reserve Account will be funded in the amount of the lesser of the maximum annual debt service payable in any Bond Year or 10% of the proceeds (par value less original issue discount according to the reoffering scale)(the "Reserve Requirement").

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* *Based upon interest rates bid on the day of sale, the principal amount of the issue may be increased or decreased at the discretion of the Authority in an aggregate amount not to exceed $200,000. Such adjustment will be made in multiples of $5,000 in any of the maturities. Purchase price bid will be adjusted pro rata to reflect any greater or lesser principal amount.*

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

The foregoing Introductory Statement is a summary only. For more specific explanations, reference should be made to the following pages and appendices of this Official Statement.

RISK FACTORS

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, or interest on the Bonds.

Risk of Insufficient Collateral

The Bonds are secured by (a) a pledge of amounts payable under the Loan Agreement, (b) a Reserve Account which will be held by the Trustee and applied to the payment of principal and interest on the Bonds and (c) a mortgage on and security interest in the Mortgaged Property. If an Event of Default occurs, there can be no assurance that such security will be sufficient to pay the principal of, premium, if any, or interest on the Bonds.

Adequacy of Revenues

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

Reliance on Tuition

The adequacy of College revenues will be largely dependent on the amount of future tuition revenue received by the College. Such revenue in turn will depend primarily on the ability of the College to charge sufficient rates for tuition and to maintain enrollment levels. Because of the relatively high acceptance rate for applicants to the College, future enrollment levels will depend on the number of students applying to the College and accepting offers of admission. A number of various factors, including, without limitation, such factors as any increases in tuition rates, competition from other colleges, a decline in the number of college age students generally and adverse general economic conditions will influence the number of applicants to the College.

Financial Aid

Approximately 55% of the College's students currently receive some Federal or State financial aid covering tuition and fees or living expenses. No assurance can be given that Federal and State financial aid will continue to be funded at current levels. Curtailment of such aid may cause a decline in enrollment, which may in turn have an adverse effect on the College's revenues.

Damage or Destruction

Although the College will be required to obtain certain insurance as set forth in the Loan Agreement, there can be no assurance that the College will not suffer losses for which insurance cannot be or has not been obtained or that the amount of any such loss will not exceed the coverage of such insurance policies.

Nature of Pro Forma Debt Service Coverage

Certain historical operating revenue for the College and computed pro forma debt service coverage is provided in APPENDIX I under the caption "Annual Debt Service by Fiscal Year and Coverage Statement." The pro forma coverage is merely a mathematical computation as reflected in the applicable table and constitutes no assurance as to the future sufficiency of College revenues to satisfy College operations and Bond debt service requirements.

Limited Obligation

No entity or person other than the College is, or shall be, in any way liable or responsible for any payments to be made under the Loan Agreement, the Trust Indenture, the Mortgage or the Bonds or the other obligations of the College. Accordingly, for payment of principal, interest, premium, if any, on the Bonds, holders of the Bonds must look solely to the security under the Loan Agreement, the Indenture and the Mortgage.

Foreclosure of the Mortgage

The Bonds are limited obligations of the Authority and are payable from Loan Repayments by the College under the Loan Agreement or from the Reserve Account. If sufficient payments are not forthcoming from these sources, it may be necessary for the Trustee to exercise its remedies under the Mortgage. The value of the Mortgaged Property upon foreclosure of the Mortgage may be adversely affected by a number of factors. The mortgaged building are designed for educational purposes and its use and marketability for other purposes may be limited. Attempts to foreclose under mortgages are frequently met with protracted litigation and/or bankruptcy proceedings, which proceedings cause delays in realizing on collateral and may otherwise limit the value of the collateral.

Bankruptcy

The ability of the Trustee to exercise rights under the Loan Agreement, the Mortgage, 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 generally.

Other Possible Risk Factors

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

(1) Reinstatement of or establishment of mandatory governmental wage and price controls.

(2) 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.

(3) Employee strikes and other adverse labor actions which could result in a substantial increase in expenditures without corresponding increase in revenues.

(4) Adoption of Federal, State or local legislation or regulations having an adverse effect on the future operating or financial performance of the College.

THE BONDS

The Bonds will be dated August 1, 1993 and will mature annually each October 1, commencing October 1, 1994, as set forth on the cover page of this Official Statement. The Bonds are being issued in denominations of $5,000 and integral multiples thereof not exceeding the amount maturing in any maturity, and shall be fully registered as to principal and interest. Interest on the Bonds will be payable on each April 1 and October 1, commencing April 1, 1994.

Book Entry System

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

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges in deposited securities through electronic computerized book entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants ("Direct Participants") include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

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, but Beneficial Owners are 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 interest in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest 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 Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no 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 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 Cede & Co. If less 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 within such maturity to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to 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).

Principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. 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 Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall 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 Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book entry 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 has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

Prior Redemption

The Bonds will only be subject to optional redemption at par and accrued interest in integral multiples of $5,000, as a whole or in part, in certain cases of damage to or destruction or condemnation of the Project Facilities, and upon a Determination of Taxability as provided in the Loan Agreement (see "SUMMARY OF DOCUMENTS - The Loan Agreement"). If Bonds are redeemed in whole, they may be called on any date; if redeemed in part, redemption may be on any interest payment date.

Partial Redemption

In the case of Bonds of denominations greater than $5,000, if less than all of such Bonds then outstanding are 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 was 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. If it is determined that one or more, but not all of the $5,000 units of principal amount represented by any such Bond is to be called for redemption, then upon notice of intention to redeem such $5,000 unit or units, the Owner of such fully registered Bond shall forthwith surrender such Bond to the Trustee for (1) payment of the redemption price of the $5,000 unit or units of principal amount called for redemption and (2) exchange for a new Bond or Bonds of the aggregate principal amount of the unredeemed balance of the principal amount of such Bond which shall be issued to the registered Owner thereof, without charge therefor. If the Owner of any such Bond of a denomination greater than $5,000 shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall nevertheless become due and payable on the date fixed for redemption to the extent of the $5,000 unit or units of principal amount called for redemption (and to that extent only). 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 shall be 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, the Loan Agreement or the Mortgage 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 thirty days, and if more than 60 days, then again not less than 30 nor more than 60 days, before the date fixed for such payment. If moneys are available at the office of the Trustee to pay the redemption price on the date of redemption, any Bonds thus called shall not bear interest after the call date and, except for the purpose of payment by application of the funds so deposited, shall no longer be protected by the Indenture.

Determination of Taxability

If a Determination of Taxability is made that the interest payable on the Bonds is subject to federal income taxes by reason of the application of the provisions of the Internal Revenue Code and regulations thereunder in effect on the date of issuance, the Bonds shall bear additional interest equal to two percent (2.00%) per annum above the basic interest rate from the Date Of Taxability effective until the respective dates on which the principal of the Bonds is paid. See "Tax Exemption" on pages 13 through 15 and Appendix III, "DEFINITION OF CERTAIN TERMS."

The College will have the option to prepay the Loan from the first practicable date, in full or in part on any date thereafter following a Determination of Taxability at a price of par and accrued interest (including additional interest from the Date of Taxability).

ESTIMATED SOURCES AND USES OF FUNDS

Sources of Funds	
Series Three-U Bond Principal	$6,465,000
Prior Bonds Series Reserve Balances	999,500
General Bond Reserve Balances for Prior Bonds	514,500
Estimated Earnings to Call Date	28,900
Available Funds of the College	419,774
Total Sources	$8,427,674
Uses of Funds	
Principal of Prior Bonds Redeemed	$7,170,000
Call Premium	62,100
October 31, 1993 Payment on Prior Bonds	393,263
Debt Service Reserve	646,500
Discount and Costs of Issuance	155,811
Total Uses	$8,427,674

In the event issuance costs including underwriter's discount exceed 2% of the proceeds of the Bonds, defined as par less original issue discount according to the reoffering scale, such excess shall be paid by the College from other than Bond proceeds.

Accrued interest received at Bond Closing will be deposited into the Bond and Interest Sinking Fund Account and applied as a credit against the amount to be deposited in the Bond and Interest Sinking Fund Account on or before the next interest payment date.

PURPOSE OF THE ISSUE

Net proceeds of the Bonds will refund the following Authority bonds issued on behalf of the College:

Prior Bonds	Amounts and Maturities Refunded	Call Date
First Mortgage Revenue Bonds, Series Z	$5,100,000 1994-2006	October 1, 1993
Revenue Bonds, Series Two-F	$2,070,000 1994-2003	October 1, 1993

At Bond Closing, net proceeds of the Series Three-U Bonds will be deposited in the amounts required into the Series Z Redemption Account and the Series Two-F Redemption Account to be used, together with funds on deposit in the respective Series Z and Series Two-F Bond Accounts, Reserve Accounts and Redemption Accounts and general funds of the College, to redeem the Prior Bonds on October 1, 1993.

SUMMARY OF SECURITY FOR THE BONDS

The Bonds will be special obligations of the Authority payable solely from Loan Repayments made by the College as required by the Loan Agreement or out of other amounts pledged therefor under the Indenture including moneys and investments in the Reserve Account. The Reserve Account will be fully funded from proceeds of the Bonds in the amount of 10% of the par value less original issue discount, if any, according to the reoffering scale, expected to be $646,500 (the Reserve Requirement).

The Bonds are secured by the pledge of the College of its full faith and credit. The College will agree pursuant to the terms of the Loan Agreement and the Indenture to make payments directly to the Trustee in such amounts and at such times as to assure that the Trustee has sufficient funds with which to pay the principal of and interest on the Bonds. The College agrees to make such payments out of its operating funds or any other moneys legally available, subject to a prior lien on the gross revenues of certain student residence facilities pledged to the payment of the principal of and interest on the Minnesota Higher Education Facilities Authority First Mortgage Revenue Bonds, Series Q (The Concordia College Corporation). The College covenants and agrees to charge tuition fees, other fees, rentals and charges which, together with the general funds or any other moneys legally available, will be sufficient at all times to make the Loan Repayments and other payments required under the Loan Agreement; to meet current operation and maintenance expenses of the Project Facilities; and to pay all other obligations of the College as they become due.

Pursuant to the Combination Mortgage, Security Agreement and Fixture Financing Statement (the "Mortgage"), the College will mortgage and grant a security interest in the Mortgaged Property to the Authority to secure its obligations to make timely Loan Repayments (see "SUMMARY OF DOCUMENTS - The Mortgage"). The Authority will, in turn, assign its interest in the Mortgage to the Trustee.

The College will also covenant that:

a. For at least two of the preceding three complete Fiscal Years, Unrestricted Current Fund revenues shall be not less than Unrestricted Current Fund expenditures, including mandatory transfers, according to the principles of accounting used in the preparation of the College's financial statements for the Fiscal Year ended April 30, 1992. In the event that, following any Fiscal Year, the College shall not be in compliance with this paragraph (a), the College may cure such deficiency by making a deposit to the Unrestricted Current Fund, during or within 180 days of the close of such Fiscal Year, sufficient to cure the deficiency. Such deposit may be made from the unencumbered Board-controlled quasi-endowment funds, if such unencumbered Board-controlled quasi-endowment funds may legally be transferred to the Unrestricted Current Fund by action of the Board of Regents. No such deposit may be made from any proceeds of the Bonds or other borrowed funds.

b. For so long as the Bonds remain outstanding, the College shall incur no Funded Debt with a maturity in excess of two years (except for a refunding or refinancing of Funded Debt outstanding which does not increase the amount of Funded Debt outstanding and further excepting indebtedness for capital projects for which the College has secured funds on hand or written and signed pledges of gifts in an amount equal to 80% of the estimated cost of such project), unless for the last two Fiscal Years for which audited financial statements are available the average Debt Service Coverage Ratio was at least 110% of Maximum Annual Debt Service of (A) then outstanding Funded Debt and (B) Funded Debt thereafter issued or proposed to be issued; provided that if the additional Funded Debt proposed to be issued is to finance student housing, student dining, student union or other revenue producing facilities, there shall be added to the amount of Net Income Available for Debt Service the estimated Net Income Available for Debt Service to be derived from such facility in the first Fiscal Year following the estimated date of completion of such facility as estimated in a report of an independent management consultant to the College and the Trustee; and provided further that if the additional Funded Debt proposed to be issued is to finance other College facilities and if the Board of Regents has increased tuition, student fees or other rates or charges at or after the end of such Fiscal Year, for purposes of this paragraph (b), there shall be added to Net Income Available for Debt Service for the two most recent complete Fiscal Years the amount of increase net of increased operating expenses, as estimated in a report of an independent management consultant to the College and the Trustee. At no time shall the amount of Funded Debt which is variable rate indebtedness exceed 40% of the unrestricted fund balances including Net Investment in Plant as shown on the most recent audited financial statements.

(See Appendix III "DEFINITION OF CERTAIN TERMS" and Appendix IV "SUMMARY OF THE DOCUMENTS - Financial Covenants".) For purposes of (a) and (b) above, all capitalized terms used but not otherwise defined in the Loan Agreement shall have the meanings provided for audits of colleges and universities, as applied by Virchow, Krause, Helgeson & Company in the report of the College's financial statements for the Fiscal Year ended April 30, 1992.

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

The Bonds will not be secured by the General Bond Reserve of the Authority (see "ACCOUNTS - General Bond Reserve Account").

ACCOUNTS

Summary

The Indenture will provide for the creation of certain trust accounts into which certain proceeds from the sale of the Bonds and revenues received as Loan Repayments under the Loan Agreement are to be deposited. These accounts include a Costs of Issuance Account, a Bond and Interest Sinking Fund Account, a Reserve Account and a Redemption Account. The net proceeds of original issue and sale of the Bonds are to be deposited into the Series Z Redemption Account and the Series Two-F Redemption Account, except that funds for the payment of issuance costs will be deposited into the Costs of Issuance Account, the Reserve Requirement will be deposited into the Reserve Account and accrued interest, if any, will be deposited in the Bond and Interest Sinking Fund Account. Following Bond Closing, amounts received by the Trustee from the College as Loan Repayments are to be deposited into the Bond and Interest Sinking Fund Account, the Reserve Account and the Redemption Account, as required by the Loan Agreement and used, to the extent needed, to redeem or pay the principal of and interest on the Bonds.

Costs of Issuance Account

There shall be deposited initially into the Costs of Issuance Account any Bond proceeds available for the payment of issuance costs. In addition, the College will agree in the Loan Agreement to pay out of available general funds (other than Bond proceeds) all costs of issuance of the Bonds (including underwriting discount) in excess of 2.00% of the par amount (less original issue discount, if any) of the Bonds. Any amounts in the Costs of Issuance

Account which have not been spent within six months of the issuance of the Bonds shall be deposited into the Bond and Interest Sinking Fund Account.

Bond and Interest Sinking Fund Account

Initially there shall be deposited into the Bond and Interest Sinking Fund Account any amount of Bond proceeds representing accrued interest, which is to be used to pay interest on the Bonds. Deposits shall be made to the Bond and Interest Sinking Fund Account from transfers of amounts in other accounts, as permitted by the Indenture, and from Loan Repayments made by the College. The moneys and investments in the Bond and Interest Sinking Fund Account will be irrevocably pledged to and shall be used by the Trustee, from time to time, to the extent required, for the payment of principal of and interest on the Bonds as and when such principal and interest shall become due and payable and for that purpose only.

Reserve Account

There shall be initially deposited into the Reserve Account from Bond proceeds the amount of the Reserve Requirement irrevocably pledged to the payment of principal of and interest on the Bonds, as may be required from time to time. All amounts paid by the College as Loan Repayments not deposited or required to be deposited into the Bond and Interest Sinking Fund Account or the Redemption Account will be deposited into the Reserve Account in order to maintain the Reserve Account in an amount not less than the Reserve Requirement.

In the event that a withdrawal of funds from the Reserve Account reduces the balance therein to a sum less than the Reserve Requirement, the College shall forthwith restore the deficiency, provided that if such funds are withdrawn in order to make any rebate payment required to be made by the Authority under the Loan Agreement, the Authority shall restore such deficiency or shall reimburse the College for amounts so withdrawn. Investments in the Reserve Account shall be valued at market value. Investments in the Reserve Account shall be valued by the Trustee not less frequently than as of March 1, 1994 and semiannually thereafter. If upon any valuation date, the amount on deposit in the Reserve Account (exclusive of accrued but unrealized interest on moneys or investments therein) is more than the amount of the Reserve Requirement, or more than the amount (if less than the Reserve Requirement) allowed for a reasonably required reserve fund under the Arbitrage Regulations, the Trustee shall forthwith transfer the excess to the Bond and Interest Sinking Fund Account. If on any valuation date the amount on deposit in the Reserve Account is less than the amount of the Reserve Requirement, then (unless the value of the amount on deposit exceeds the amount allowed for a reasonably required reserve fund under the Arbitrage Regulations) such deficiency shall be restored to an amount equal to the amount of the Reserve Requirement within not less than 30 days.

Interest and income in the Reserve Account shall be transferred first, to the Bond and Interest Sinking Fund Account to the extent the amount on deposit in the Bond and Interest Sinking Fund Account is less than the amount permitted for a bona fide debt service fund under the Arbitrage Regulations, and second, to the Redemption Account any excess interest and income, and when the moneys and investments in the Reserve Account shall be sufficient to pay the principal of and interest on all outstanding Bonds when due, such moneys and investments shall be transferred, as appropriate, into the Bond and Interest Sinking Fund Account or the Redemption Account; provided that the Trustee is authorized, in its discretion, to use funds and investments in the Reserve Account to pay the amount of any rebate due the United States in respect of the Bonds under Section 148 of the Internal Revenue Code if the College or the Authority shall have failed to pay or provide for the payment thereof under the Loan Agreement.

Redemption Account

Any amounts received which are not otherwise committed will be paid into the Redemption Account. Funds in this Account will be available to maintain required balances in other accounts and to purchase or redeem Bonds. No specific amounts are required. Notwithstanding the foregoing, the Trustee, in its discretion, is authorized to use funds and investments in the Redemption Account to pay the amount of any rebate due the United States in respect of the Bonds under Section 148 of the Internal Revenue Code if the College or the Authority shall have failed to pay or provide for the payment thereof under the Loan Agreement.

General Bond Reserve Account

Pursuant to its General Bond Resolution adopted October 31, 1972, the Authority has established and maintains a General Bond Reserve Account. In general, the General Bond Reserve Account secures certain Bonds of the Authority for which a deposit is made into the General Bond Reserve Account in compliance with the General Bond Resolution. In connection with the Bonds, the Authority will not require that the College deposit funds into the General Bond Reserve Account. **The Bonds will not be secured by the General Bond Reserve Account, and Bondholders will have no right to require the Authority to apply moneys or investments in the General Bond Reserve Account to the payment of the Bonds or interest thereon.**

Authorized Investments

Moneys on deposit to the credit of the Bond and Interest Sinking Fund Account, the Reserve Account, the Costs of Issuance Account or the Redemption Account shall be invested by the Trustee only in investments as authorized by law from time to time which currently and generally are as follows: Direct obligations of the United States government and certain obligations issued or guaranteed by certain of its agencies; direct and general obligations of states and local governments and state housing finance agencies, rated at least A; revenue bond obligations of states and local governments rated at least AA or Aa; mutual funds or unit trusts which invest solely in the foregoing obligations of the United States government, its agencies, state and local governments or in repurchase agreements or reverse repurchase agreements collateralized by the foregoing obligations; time deposits and other accounts fully insured by the Federal Deposit Insurance Corporation or collateralized by certain government obligations; certain guaranteed investment contracts issued by a bank or insurance company rated at least A; certain types of repurchase agreements; and certain commercial paper maturing in 270 days or less. Section 5.04 of the Indenture sets forth further restrictions as to type and maturity of investments.

THE AUTHORITY

The Minnesota Higher Education Facilities Authority was created by Chapter 868, Laws of Minnesota, 1971 (Sections 136A.25 through 136A.42, Minnesota Statutes), 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. The Executive Director of the Minnesota Higher Education Coordinating Board, and the President of the Minnesota Private College Council, who is a non-voting member, are also members of the Authority.

Dr. Joseph E. LaBelle has been the Executive Director of the Authority since its inception.

The Authority is authorized and empowered to issue revenue bonds whose aggregate outstanding principal amount at any time shall not exceed $350 million. The Authority has had 78 issues (including refunded and retired issues) totaling $335,305,000 of which $208,294,071 (excluding the Bonds) is outstanding as of July 2, 1993. The Authority has three series of bonds authorized in the amount of $46,950,000, but unissued. Bonds issued by the Authority are payable only from the rentals, revenues and other income, charges and moneys pledged for their payment. The bonds of the Authority do not represent or constitute a debt or pledge of the faith or credit or moral obligation of the State of Minnesota.

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. However, pursuant to special legislation, the Authority has once issued bonds on behalf of a State owned and operated post-secondary institution. In addition, State community and technical colleges are eligible for assistance in financing child-care facilities, but not other types of projects. 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.

In Minnesota Higher Education Facilities Authority v. Hawk, filed August 8, 1975, the Minnesota Supreme Court affirmed the constitutionality of the issuance of tax-exempt bonds by the Authority to refinance debts incurred by Minnesota private colleges in the construction of facilities used solely for nonsectarian education purposes. In the opinion of bond counsel, this decision also confirms the legality of bonds issued by the Authority to finance original construction, improvement, and remodeling projects.

The Authority is also authorized to issue revenue bonds for the purpose of refunding bonds of the Authority then outstanding, including payment of any redemption premium thereon and any interest accrued or to accrue to the earliest or any subsequent date of redemption.

The Authority is financed solely from fees paid by the participating institutions; it has no taxing power.

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

FINANCIAL ADVISOR

The Authority has retained Springsted Incorporated, Public Finance Advisors, of St. Paul, Minnesota, as financial advisor (the "Financial Advisor") in connection with the issuance of the Bonds. In preparing the Official Statement, the Financial Advisor has relied upon College officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement, and the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Financial Advisor is not a public accounting firm and has not been engaged by the Authority to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Financial 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.

RATING

As noted on the cover page hereof, Moody's Investors Service has given the Bonds a rating of A. The rating reflects only the view of such rating agency. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by the rating agency if in its judgment circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

LITIGATION

The Authority and the College are unaware of any pending or threatened litigation which would affect the validity of the Bonds or materially affect the ability of the College to pay the principal of or interest on the Bonds as the same become due.

LEGALITY

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

Certain legal matters will be passed upon for the College by Gunhus, Grinnell, Klinger, Swenson & Guy, Fargo, North Dakota.

TAX EXEMPTION

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

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

Under present provisions of the Code, interest on the Bonds is exempt from federal income taxes, including the alternative minimum tax imposed with respect to individuals and corporations and the environmental tax imposed with respect to corporations, except that interest on the Bonds will be included in the computation of "adjusted current earnings", which may be an item of tax preference includable in alternative minimum taxable income used in calculating the alternative minimum tax that may be imposed with respect to corporations.

The Code imposes an environmental tax with respect to corporations on the excess of a corporation's modified alternative minimum taxable income (determined as described above) over $2 million. Regardless of whether a corporation is subject to the alternative minimum tax, the environmental tax applies with respect to taxable years beginning after December 31, 1986 and before January 1, 1996.

The Code imposes a branch profits tax equal to 30% of the "dividend equivalent amount" which is measured by "earnings and profits" effectively connected to the United States, net of certain adjustments. Included in the earnings and profits of a United States branch of a foreign corporation is income that would be effectively connected with a United States trade or business if such income were taxable, such as the interest on the Bonds.

In addition, interest on the Bonds is includable in the net investment income of foreign insurance companies for purposes of Section 842(b) of the Code. In the case of a property, casualty or other insurance company subject to the tax imposed by Section 831 of the Code, the amount which otherwise would be taken into account as losses incurred under Section 832(b)(5) of the Code must be reduced by an amount equal to 15% of the interest on the Bonds that is received or accrued during the taxable year. In addition, passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for an S corporation that has Subchapter C earnings and profits at the close of the taxable year if more than 25% of its gross receipts is passive investment income.

The Code further provides that interest on the Bonds is includable in the calculation of modified adjusted gross income in determining whether Social Security or railroad retirement payments are to be included in taxable income of individuals.

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, environmental tax or foreign branch profits tax liability, or the inclusion of social security or other retirement payments in taxable income.

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

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds will not be "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986 relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

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THE COLLEGE

Concordia College is a nonprofit, co-educational four-year liberal arts college owned and operated by The Concordia College Corporation with the main campus in Moorhead, Minnesota. The College was founded in 1891 as an academy by the Northwestern Lutheran College Association. A complete college department was organized in 1913; baccalaureate degrees were first granted in 1917. The College is accredited by the (i) North Central Association of Colleges and Secondary Schools, (ii) National Council for Accreditation of Teacher Education, (iii) National Association of State Directors of Teacher Education and Certification, and (iv) National Association of Schools of Music. The College is also registered with the Minnesota Higher Education Coordinating Board in accordance with Minnesota Statutes.

The College also operates the Concordia Language Villages on an 800-acre wooded site near Bemidji, Minnesota, and on additional rented facilities nearby. During the summer, the Concordia Language Villages provide immersion instruction in ten different foreign languages to students ranging in age from seven to 18. The courses are taught in one, two and four-week sessions. During the school year, weekend mini sessions bring an additional 2,600 students and teachers to the Villages.

The College admits qualified individuals without regard to race, color, age, sex, religion or veteran status in accordance with the requirement of federal and State law.

Governance

Concordia is owned and operated by The Concordia College Corporation, members of which coincide with the membership of the Evangelical Lutheran Church in America (ELCA) of northern Minnesota, North Dakota, and Montana. Regents of the College are elected at an annual corporate meeting of delegates of the various congregations and serve two, four-year terms.

Following is a list of the members of The Board of Regents and their principal business or professional activity:

Board of Regents

Rev. Bruce E. Anderson	Pastor, Our Savior's Lutheran Church, Duluth, Minnesota
Gladys M. Bain	Retired teacher, community volunteer, Bismarck, North Dakota
Mary Birkeland	Community volunteer, Sioux Falls, South Dakota
Donald Bottemiller	President, Homecrest Industries, Inc., Wadena, Minnesota
Evelyn Dahl, Secretary of the Board of Regents and Secretary of the Corporation*	Community volunteer, Fargo, North Dakota
Gordon L. Eid	Senior Vice President and General Counsel, IDS Financial Services, Inc., Minneapolis, Minnesota

Patricia E. Swanson	Community volunteer, Hallock, Minnesota
Wayne Thorson	President, Thorson, Inc., Bemidji, Minnesota
Loanne Thrane	Consultant, Baily Group Insurance Consultants St. Paul, Minnesota
Karyl Viste	Community Volunteer, Great Falls, Montana
Rev. LeRoy A. Yarger	Pastor, First Lutheran Church, Minot, North Dakota
Dr. Paul J. Dovre**	President, Concordia College, Moorhead, Minnesota
Clyde E. Allen, Treasurer of the Corporation**	Treasurer and Vice President of Business Affairs, Concordia College, Moorhead, Minnesota

* *Executive Committee.*

** *Advisory members of the Board and the Executive Committee.*

President

Dr. Paul J. Dovre has served as the eighth President of Concordia College since 1975. Previously he served the College as a faculty member and Academic Vice President. Dr. Dovre came to Concordia from Northwestern University in 1963. Previously he had served as a member of the faculty at Northwestern where he earned his M.A. and Ph.D. degrees.

President Dovre has published a number of articles in his academic field, speech communication. He has served as an officer of various professional organizations and as president of the Lutheran Educational Conference of North America. President Dovre served as the first chair of the Council of College Presidents of the Evangelical Lutheran Church of America (ELCA). Community activities include the United Way and the Moorhead Rotary.

The government of Norway designated Dr. Dovre as Knight, First Class, of the Royal Norwegian Order of Saint Olav, which is awarded for "outstanding merit for the country or for humanity," on October 19, 1979. In the fall of 1986 President Dovre was named one of 100 college presidents identified by their peers as being among the most effective chief executive officers in higher education.

Treasurer and Vice President for Business Affairs

Clyde E. Allen, Jr., has served as Treasurer of the College and Vice President for Business Affairs since January of 1983. Previously, he served four years as Commissioner of Revenue for the State of Minnesota under Governor Al Quie. Prior to that, Mr. Allen served as Director of Research for the Minnesota Taxpayers Association and was employed 17 years as a computer specialist for Honeywell, Inc., with both the Aeronautics Division and the Corporate Staff.

Mr. Allen's area of expertise before joining Concordia was the application of electronic computers to financial, production, and engineering management, and the design of computer operating and compiler systems.

In addition to his work as Commissioner of Revenue, Mr. Allen has served on the Industrial Development Commission, the Housing Redevelopment Authority, and the City Council of Bloomington, Minnesota; and as a member of the Metropolitan Transit Authority Advisory Committee and the Metropolitan Council Chairman's Advisory Committee.

Mr. Allen has served as President and Board member of the Computer Association of Minnesota and the Association of Metropolitan Municipalities and as a Board member of the League of Minnesota Cities.

He graduated from Yale University in 1957 with a B.A. in Political Science.

Academic Information

The College offers the degrees of Bachelor of Arts and Bachelor of Music. During the 1992-93 academic year, the College awarded 590 Bachelor of Arts degrees and 8 Bachelor of Music degrees. The academic year is divided into two semesters and two optional summer sessions.

The College's curriculum is based on the traditional liberal arts and its 24 academic departments offer 51 professional and 24 teaching majors.

Special programs offered by the College include among others: the CREDO Honors program (a program for exceptional students); courses at North Dakota State University and Moorhead State University; cooperative education; overseas study programs; intercultural (college) exchange programs; and additional programs for specially qualified students.

The consortium of Concordia College, Moorhead State University and North Dakota State University allows students to take advantage of the interchange of classes among all three institutions under the Tri-College University (TCU) program. TCU offers master's and specialist's degrees in educational administration as well as the individual courses which apply to the degrees granted by each institution. TCU also offers the additional services of student exchange, bus service, library services, special programs and parking.

ACCORD (Adults Continuing at Concordia) is a program for those aged 25 and over who want to take classes at the college level in order to earn a degree, make a career change or for personal enrichment. A number of classes are scheduled for late afternoon and evenings, although ACCORD students may attend classes at any time during the day. For the 1992-93 academic year, 109 students were enrolled through the ACCORD program.

Campus/Physical Plant

The 120-acre campus is located within a residential section in the City of Moorhead, Minnesota. Facilities include nearly forty major buildings, of which one-half have been built since 1955. The physical plant and contents are insured at replacement values of approximately $94,311,000. The oldest building on campus is Bishop Whipple Hall constructed in 1882. The newest additions to the campus are the Olin Art and Communication Center, constructed in 1986 through a $3.4 million grant from the Olin Foundation; Bogstad East, a $1.5 million, 122-student residence hall, completed in 1988; Outreach Center, completed in 1989 at a cost of $1.1 million, and the Berg Steam Plant completed in 1993 at a cost of $1.8 million. The College financed the construction of Bogstad East, the Outreach Center and the Steam Plant from current operations, gifts and grants. The Olson Fitness Forum, a sports and recreation facility housing a 200-meter track, basketball and volleyball courts and other associated athletic facilities, is currently under construction at an estimated cost of $5.9 million. In addition, two new parking lots are under construction in conjunction with the new Olson Fitness Forum. The parking lots are funded out of current operations.

The College has also recently completed a new $1.1 million Physical Plant Building, a $1 million renovation and conversion of the Bishop Whipple dormitory to academic classroom and office space, and paid off approximately $3.3 million in Department of Education Loans at a highly discounted $1.7 million. The preceding were all done from available College cash.

The College maintains seven residence halls and five apartment buildings with a total capacity of 1,820 students. Freshmen and sophomores are required to live on campus. Over 58% of the total student body live in College residences.

The College also owns and operates an 800-acre Language Village with two miles of lake frontage on Turtle River Lake near Bemidji, Minnesota. Included within this 800-acre property is Buck Lake, with 1½ miles of lake frontage. Facilities include 33 cabins accommodating approximately 600 students and staff, 17 major activity and administration buildings, 14 ancillary buildings and eight miscellaneous structures. Over 5,500 students, 7-18 years of age, attend summer language programs sponsored by the College at the Village and at rented facilities nearby. The Village is also used for a variety of educational programs during the school year, which serve approximately 2,600.

Student Enrollment

The College's actual and projected enrollment trend is:

	Year	Head Count	F.T.E.
Historic:	1988-89	2,880	2,854
	1989-90	2,884	2,858
	1990-91	2,948	2,910
	1991-92	2,933	2,898
	1992-93	2,942	2,914
Projected:	1993-94	2,900	2,862
	1994-95	2,900	2,862
	1995-96	2,900	2,862
	1996-97	2,900	2,862
	1997-98	2,900	2,862

The College projects its future enrollment conservatively. Actual enrollment has exceeded projections consistently throughout the 1980's and 1990's.

Geographic Distribution of First Semester 1992-93 Student Body

State	Number of Students
Minnesota	1,895
North Dakota	480
Montana	178
South Dakota	69
Wisconsin	49
California	19
Other	145
Total	2,835
Foreign Country	
Norway	30
Canada	21
Hong Kong	7
China	7
Other	42
Subtotal	107
Total Students	2,942

A total of 39 states and 26 foreign countries are represented in the 1992-93 student population. Sixty-four percent of the students reside in Minnesota.

Freshmen Applications, Acceptances and Enrollments

	1988-89	1989-90	1990-91	1991-92	1992-93
Applications	1,810	1,773	1,767	1,772	1,824
Acceptances	1,581	1,582	1,608	1,638	1,643
Percent Accepted	87.3%	89.2%	91.0%	92.4%	90.1%
Enrolled	736	740	750	738	746
Percent Enrolled to Accepted	46.6%	46.8%	46.6%	45.1%	45.4%
Median ACT Score of Enrolled Freshmen	23	23	23	23	24
Mean SAT Score Verbal/Math	479/530	485/533	489/539	501/538	490/545

Student Retention

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

Fall Semester	New Freshman	Percent of Students Returning 2nd Year	3rd Year	4th Year	Percent of Graduates 4 Years	5 Years
1983	653	76.7%	60.6%	59.7%	51.0%	57.7%
1984	693	78.3	68.7	69.2	61.6	67.5
1985	721	75.0	65.2	64.5	56.9	63.5
1986	726	79.9	72.7	67.4	60.0	67.7
1987	813	80.4	69.4	66.5	58.7	64.8
1988	734	79.3	70.2	68.7	61.4	
1989	740	82.6	72.3	70.5		
1990	750	81.6	72.9			
1991	738	79.4				

Also, based on tracking incoming freshmen who graduate, over 90% do so in four years.

Tuition and Fees

The College meets the costs of its educational programs primarily through tuition and fees. The following table lists the tuition, room, board and other fees charged to all students residing on campus for the five most recent years.

	1989-90	1990-91	1991-92	1992-93	1993-94
Tuition	$7,560	$ 8,045	$ 8,610	$ 9,105	$ 9,602
Room	1,050	1,100	1,200	1,300	1,365
Board	1,325	1,425	1,510	1,600	1,685
Student Activity Fee	65	80	80	95	98
Total	$10,000	$10,650	$11,400	$12,100	$12,750

Other special fees may be charged for specific courses of study and certain activities.

A comparison of total tuition and fees for the past three years between the College and public and private institutions with which the College directly competes for students demonstrates that the College has historically charged lower tuition and fees than any of the competing private colleges.

	1990-91	1991-92	1992-93
North Dakota State Univ.	$4,091	$4,254	$4,515
Montana State Univ.	4,668	5,092	5,350
Univ. of Minnesota	5,370	5,943	6,567
Concordia College	**10,650**	**11,400**	**12,100**
Gustavus Adolphus College	13,750	14,800	15,825
St. Olaf College	14,300	15,425	16,250
Hamline University	14,335	15,181	16,260
Macalester College	16,185	17,301	18,333
Carleton College	18,250	19,620	20,900

Financial Aid

Approximately 85% of the student body receives some form of financial aid. The following table is a five-year summary of financial aid received from College and non-College sources.

	1988/89	1989/90	1990/91	1991/92	1992/93
College:					
Grants	$ 2,057,972	$ 2,097,800	$2,566,084	$2,928,802	$3,149,196
Scholarships	625,377	705,947	829,672	906,060	1,067,971
Work Study	1,058,091	1,125,275	1,142,571	1,231,130	1,260,000
Endowed and Restricted	1,024,534	1,047,785	1,052,394	1,093,020	1,124,743
Federal:					
Perkins Loans	1,016,541	1,035,606	1,053,018	985,625	1,025,199
Pell Grants	1,199,476	1,227,498	1,181,265	1,289,306	1,269,392
SEO Grants	531,411	543,091	610,822	638,718	745,083
Stafford Loans	2,739,785	2,991,241	3,225,344	3,988,881	4,477,087
Supplemental Loans	336,041	554,089	826,827	1,002,487	1,349,476
Work Study	191,348	197,633	281,000	249,142	250,000
Minnesota:					
Scholarships & Grants	2,179,250	2,708,469	3,023,660	3,177,563	3,432,398
SELF Loans	977,977	946,005	989,812	982,535	946,429
Work Study	123,430	112,519	90,684	113,499	114,500
Other	587,269	674,887	724,567	793,212	813,350
Total	$14,648,502	$15,967,845	$17,597,720	$19,379,980	$21,024,824
Students Receiving Aid	2,389	2,402	2,478	2,619	2,588

Faculty and Staff

The student-faculty ratio currently is fifteen to one. There are no religious or denominational prerequisites nor any participatory religious requirement for faculty membership.

Staff - Fall 1992

	Head Count	FTE
Faculty Full-Time	168	168.00*
Faculty Part-Time	52	23.44
Subtotal		191.44
Administrators	N/A	88.32
Support Staff	N/A	220.00
Student	N/A	146.13
Total FTE's		645.89

* *Full-time faculty appointments are defined as nine months full-time. Some added summer work adds to the FTE count.*

Faculty and Average Salary By Rank - 1992-93

Rank	Number*	Range	Average
Professors	47	$43,820 - $58,670	$50,194
Associate Professors	40	$34,780 - $46,670	$39,992
Assistant Professors	64	$31,000 - $42,335	$34,451
Instructors	17	$29,000 - $34,800	$30,770

* *The number shown for computing average salary is for "continuing faculty on nine-month appointments."*

Approximately 58% of the faculty are tenured.

Pension Plan

The College has certain contributory pension plans for academic and nonacademic personnel. Contributions for employees are determined on a percentage of annual compensation. The cost of the retirement plan is paid currently and amounted to $904,883.63 for the year ended April 30, 1993.

Gift and Grant Support

The College maintains an active development program seeking gift and grant support from private donors, foundations, corporations, churches and government agencies. The following table summarizes gift and grant support for Fiscal Years 1985 to 1989.

	1988	1989	1990	1991	1992
Unrestricted Current Fund					
Appropriation					
Evangelical Lutheran Church in America	$230,494	$ 267,229	$ 195,057	$ 226,990	$ 185,124
Minnesota Private College Fund	110,613	152,096	141,585	132,463	114,058
Alumni, Corporations, Organizations and Other	1,452,784	1,462,624	1,778,311	1,504,102	1,666,399
Subtotal	$1,793,891	$1,881,949	$2,114,953	$1,863,555	$1,965,581
Restricted Current Funds					
Governmental	$1,751,451	$2,002,092	$1,921,660	$2,208,341	$2,168,808
Nongovernmental	655,373	723,898	739,640	955,365	1,476,912
Subtotal	$2,406,824	$2,725,990	$2,661,300	$3,163,706	$3,645,720
College Loan Funds	$ 25,000	$ --	--	- -	--
Endowment Funds	615,016	699,455	$566,147	$2,022,231	$734,530
Deferred Gift Funds	160,545	1,063,961	1,328,750	3,123,315	1,630,076
Unexpended Plant Funds	159,089	425,821	476,650	827,193	375,092
Renewal and Replacement Funds	26,900	52,000	75,000	75,000	3,000
Retirement of Indebtedness Funds	16,139	14,389	15,639	14,389	14,389
Investment in Plant	--	--	--	--	160,913
Totals	$5,203,404	$6,863,565	$7,238,439	$11,089,389	$8,529,301

Capital Campaign

In 1989 the College undertook a campaign, The Centennial Fund with the stated goal of $46.5 million, to solicit funds for endowment, annual giving and facility construction and maintenance. As of April 30, 1992, the termination date of the campaign, approximately $58.6 million was received in cash, pledges and deferred gifts.

C-400 Club

The College sponsors a fund-raising organization known as the Concordia College C-400 Club. Originally, the Club sold memberships to 400 subscribers for $1,000 each to help finance the construction of a library.

The C-400 Club has grown to over 14,000 members and provides more than $600,000 per year in support of College operations, building and scholarship programs. Since 1955, the Club has supported 13 major projects.

Endowment Funds

Following is a five-year history of the fund balances of the College's Endowment Funds as reported in the annual financial statement of the College for each year.

	Endowment Funds			
Years Ended April 30	Endowment	Funds Functioning As Endowment	Total	Market Value Total
1988	$12,412,189	$ 3,085,325	$15,497,514	$16,546,791
1989	14,447,680	3,210,974	17,658,654	19,332,076
1990	15,782,720	3,454,288	19,237,005	20,198,984
1991	18,050,621	10,009,547	28,060,168	30,532,612
1992	18,961,262	11,268,892	30,230,154	33,961,022

Investments are recorded at cost, except those items received as gifts, which are valued at fair market value on the date acquired.

Deferred Gift Funds

Deferred gifts are assets given to the College to manage as trustee for the benefit of the donor or other beneficiary for a certain number of years or until death, at which time the remaining assets become a gift to the College

Years Ended April 30	Total Assets	Fund Balances
1988	$11,669,272	$ 9,788,290
1989	12,584,063	10,372,157
1990	14,191,223	11,298,025
1991	16,569,447	12,094,969
1992	16,626,093	10,098,923

The fund balances are the estimates of the funds that will revert to the College as gifts mature.

Financial Statements

The College's fiscal year ends April 30 of each year. Financial records are maintained on the fund accounting system and financial statements have been prepared on the accrual basis of accounting. Appendix V sets forth the financial statements of the College for the years ended April 30, 1992, audited by Virchow, Krause, Helgeson and Company, Certified Public Accountants, Minneapolis, Minnesota. The firm has not participated in the preparation of this Official Statement and expresses no opinion on its contents.

Summaries of Current Funds Revenues, Expenditures and Transfers

The following tables set forth summaries of revenues, expenditures and other changes for the College's Unrestricted Current Fund for the past five Fiscal Years from the College's audited financial statements, unaudited financial information for the Fiscal Year ended April 30, 1993, and the budget for the Unrestricted Current Fund for the Fiscal Years 1992-93 and 1993-94. These tables should be read in conjunction with the financial statements found in Appendix V.

THE CONCORDIA COLLEGE CORPORATION

STATEMENT OF UNRESTRICTED CURRENT FUND REVENUES, EXPENDITURES AND OTHER CHANGES

For the Years Ended April 30, 1988 – 1993

	1988	1989	1990	1991	1992	1993 Unaudited
REVENUES						
Tuition and Fees	$18,986,074	$20,595,848	$22,297,558	$24,439,350	$26,027,455	$27,762,483
Government Grants	69,798	4,395	40,362	80,906	59,255	3,030
Private Gifts and Grants	1,793,891	1,881,949	2,114,953	1,863,555	1,965,581	1,761,410
Endowment Income	77,859	188,381	248,006	283,295	603,859	525,000
Sales and Services of Ed. Activities	81,472	88,374	88,045	96,263	133,822	144,351
Other Sources	793,479	642,488	874,750	581,564	821,281	1,063,478
Matured Deferred Gifts	589,832	1,275	123,597	649,238	2,786,588	331,714
Total Revenues Before Auxiliary Enterprises and Ind. Operations	22,392,405	23,402,710	25,787,271	27,994,171	32,397,841	31,591,466
Auxiliary Enterprises	5,686,968	5,881,726	6,249,073	6,555,831	6,948,411	7,349,104
Independent Operations	3,037,814	3,182,880	3,734,236	4,066,395	4,486,647	4,979,691
Total Revenues	31,117,187	32,467,316	35,770,580	38,616,397	43,832,899	43,920,261
EXPENDITURES AND MANDATORY TRANSFERS						
Educational and General						
Instruction	8,096,301	9,768,700	10,839,743	11,662,548	12,336,839	13,219,826
Public Service	474,741	434,389	543,767	593,335	583,076	918,555
Academic Support	1,023,195	1,146,232	1,204,189	1,331,922	1,352,185	1,466,051
Student Services	2,122,235	2,338,511	2,604,919	2,808,888	2,733,317	2,965,662
Institutional Support	3,648,737	3,666,565	4,240,543	4,377,639	4,731,704	4,762,931
Operation and Maintenance	1,586,730	1,845,686	2,127,617	2,267,586	2,622,286	2,348,509
Scholarships and Grants	2,793,999	2,817,666	3,053,646	3,451,102	3,895,823	4,385,677
Educational and General Expenditures	19,745,938	22,017,749	24,614,424	26,493,020	28,255,230	30,067,211
Mandatory Transfers for Principal and Interest	405,980	422,776	373,860	323,506	837,454	867,226
Total Educational and General	20,151,918	22,440,525	24,988,284	26,816,526	29,092,684	30,934,437
Auxiliary Enterprises						
Expenditures	4,529,106	4,978,918	4,992,935	5,283,438	5,878,093	6,665,033
Mandatory transfers for Principal and Interest	358,781	373,424	373,956	371,600	376,089	375,838
Total Auxiliary Enteprises	4,887,887	5,352,342	5,366,891	5,655,038	6,254,182	7,040,871
Independent Operations	2,935,276	3,052,676	3,537,881	3,683,647	4,113,610	4,770,377
Total Expenditures and Mandatory Transfers	27,975,081	30,845,543	33,893,056	36,155,211	39,460,476	42,745,685
Excess of Revenues Over Expenditures and Mandatory Transfers	3,142,106	1,621,773	1,877,524	2,461,186	4,372,423	1,174,576
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)						
Unrestricted Current Fund To:						
Restricted Current Funds	(65,693)	(59,417)	(221,903)	(95,655)		
Loan Funds					(26,930)	
Endowment Funds	(114,133)	(102,593)	(55,540)	(11,173)	(1,217,656)	
Unexpended Plant Funds	(1,761,450)	(1,251,207)	(496,856)	(1,071,182)	(2,114,008)	(708,061)
Renewal and Replacement Fund	(1,050,830)	(583,712)	(962,293)	(904,329)	(1,043,339)	(400,000)
Endowment Funds To:						
Unrestricted Current Fund	260,000	240,000	205,000	225,000	375,000	453,000
Net Increase (Decrease) in Fund Balance	$410,000	($135,156)	$345,932	$603,847	$345,490	$519,515
FUND BALANCE						
Appropriated	542,956	350,000	243,496	279,219	150,380	157,101
Unappropriated	2,365,479	2,423,279	2,875,715	3,443,839	3,918,168	4,430,963
Total Fund Balance	$2,908,435	$2,773,279	$3,119,211	$3,723,058	$4,068,548	$4,588,064

Source: 1988 – 1992, audited financial statements; 1993, College staff.

THE CONCORDIA COLLEGE CORPORATION
1993–94 BUDGET COMPARED TO 1992–93 BUDGET
UNRESTRICTED CURRENT FUND

	APPROVED BUDGET 1992–93	APPROVED BUDGET 1993–94	% ANNUAL INCREASE
REVENUE:			
Tuition	$24,675,000	$26,022,000	5.46%
Fees	320,000	331,000	3.44%
Government Grants	267,000	276,000	3.37%
Private Gifts	2,866,000	2,481,000	−13.43%
Endowment	1,453,000	1,512,000	4.06%
Auxiliary (net)	456,000	561,000	23.03%
Other	845,000	874,000	3.43%
TOTAL REVENUE	30,882,000	32,057,000	3.80%
EXPENDITURES:			
Services and Supplies	5,098,525	5,298,485	3.92%
Student Employment	811,905	821,712	1.21%
Telephones	241,716	233,195	−3.53%
Utilities	468,080	563,000	20.28%
Library Capital	320,000	344,200	7.56%
Misc. Capital	269,057	193,000	−28.27%
Debt	433,000	433,000	0.00%
Reserve	450,000	385,000	−14.44%
Major Projects	532,000	350,000	−34.21%
Financial Aid	5,461,000	6,007,000	10.00%
Credits from Charge Backs	(159,595)	(161,555)	1.23%
SUBTOTAL	13,925,688	14,467,037	3.89%
Salaries and Benefits	16,956,312	17,589,963	3.74%
TOTAL EXPENDITURES	30,882,000	32,057,000	3.80%
BALANCE	0	0	

Long-Term Debt of the College As of April 30, 1993

1. $800,000 Minnesota Higher Education Facilities Authority First Mortgage Revenue Bonds, Series Q, dated May 1, 1976, final maturity April 1, 1994. The Series Q Bonds are secured by the full faith and credit of the College; a first lien on the gross revenues of certain residence halls; a debt service reserve of $68,000; and the Authority's General Bond Reserve. $165,000 is outstanding. The College intends to call the Series Q Bonds on October 1, 1993.

2. $6,500,000 Minnesota Higher Education Facilities Authority First Mortgage Revenue Bonds, Series Z, dated August 1, 1979, final maturity April 1, 2006. The Series Z Bonds are secured by the full faith and credit of the College; a mortgage on Science South; a debt service reserve of $480,000; and the Authority's General Bond Reserve. $5,100,000 is outstanding. The Series Z Bonds will be called for redemption on October 1, 1993, from a portion of the proceeds of the Series Three-U Bonds.

3. $3,055,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Two-F, dated March 1, 1983, final maturity October 1, 2003. The Series Two-F Bonds are secured by the full faith and credit of the College; a debt service reserve of $320,850; and AMBAC insurance. $2,200,000 is outstanding. The 1994 through 2003 maturities of the Series Two-F Bonds will be called for redemption on October 1, 1993 from a portion of the Series Three-U Bonds.

4. Mortgage payable in monthly payments of $2,327 including plus interest with final payment of $150,000 due October 1, 1997. Interest in charged at the prime rate. The mortgage is secured by real property of the College. $210,000 is outstanding.

5. A contract for deed due in monthly installments aggregating $1,975, including interest at 10%. The contract for deed is secured by apartment buildings and other real estate. $204,516 is outstanding.

6. $3,800,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Two-Y, dated July 1, 1990, final maturity October 1, 2000. The Series Two-Y Bonds are secured by the full faith and credit of the College and a debt service reserve of $380,000. $3,510,000 is outstanding.

7. The Bonds.

As of April 30, 1993, the total of long-term debt outstanding adjusted to exclude the Prior Bonds and to include the Bonds is $10,684,516.

THE CONCORDIA COLLEGE CORPORATION

ANNUAL DEBT SERVICE BY FISCAL YEAR AND COVERAGE STATEMENT

FISCAL YEAR ENDING APRIL 30	EXISTING LONG TERM DEBT SERVICE(a)	– THE THREE–U BONDS (b) –		TOTAL LONG TERM DEBT SERVICE	COVERAGE (c) (times)
		PRINCIPAL	PRINCIPAL & INTEREST		
1993	$1,518,220			$1,518,220	1.59
1994	995,358	$0	$197,502	1,192,860	2.03
1995	593,978	525,000	812,853	1,406,831	1.72
1996	595,028	555,000	824,185	1,419,213	1.70
1997	594,053	565,000	812,759	1,406,812	1.72
1998	869,275	600,000	824,000	1,693,275	1.43
1999	534,078	625,000	822,494	1,356,572	1.78
2000	533,164	670,000	837,843	1,371,007	1.76
2001	906,063	720,000	854,278	1,760,341	1.37
2002		755,000	852,016	852,016	2.84
2003		1,450,000	1,488,788	1,488,788	1.62
TOTALS	$2,017,499	$6,465,000	$8,326,718	$15,465,935	

(a) Excludes the Prior Bonds after October 1, 1993.

(b) Debt service for the Series Three–U Bonds assumed at average annual rate of 4.88%.

(c) Coverage is based on the amount available for debt service (Unrestricted Current Fund) from unaudited financial data prepared by the College for the fiscal year ended April 30, 1993.

Unrestricted Current Fund ("UCF") Educational & General Revenues:		$31,591,466
UCF Auxiliary Enterprise and Independent Operations Revenues:		12,328,795
Subtotal:		$43,920,261
Less UCF Expenditures and Mandatory Transfers		
Educational and General Expenditures:	$30,067,211	
Auxiliary Enterprise and Independent Operations Expenditures:	11,435,410	
E&G Mandatory Transfers:	867,226	
Auxiliary Enterprises Mandatory Transfers:	375,838	
Subtotal:		42,745,685
Excess of Revenues Over Expenditures and Mandatory Transfers:		1,174,576
Add: Mandatory Transfers for Debt Service:		1,243,064
Amount Available for Debt Service:		$2,417,640

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PROPOSED FORM OF LEGAL OPINION

FAEGRE & BENSON
2200 NORWEST CENTER
90 SOUTH SEVENTH STREET
MINNEAPOLIS, MINNESOTA 55402-3901
612/336-3000
FACSIMILE 336-3026

$______________
Minnesota Higher Education Facilities Authority
Mortgage Revenue Bonds, Series Three-U
(The Concordia College Corporation)

We have acted as bond counsel in connection with the issuance by the Minnesota Higher Education Facilities Authority (the "Authority") of its fully registered (initially bookentry system) Mortgage Revenue Bonds, Series Three-U (The Concordia College Corporation), in the aggregate principal amount of $____________ (the "Bonds"), dated August 1, 1993, in the denomination of $5,000 each and integral multiples thereof, maturing on October 1 in the years and amounts and bearing interest at the basic rates per annum as follows:

Year	Amount	Basic Interest Rate	Year	Amount	Basic Interest Rate
1994	$525,000	____%	1999	$670,000	----%
1995	$555,000	____%	2000	$720,000	----%
1996	$565,000	____%	2001	$755,000	----%
1997	$600,000	____%	2002	$1,450,000	---%
1998	$625,000	____%			

The Bonds are subject to optional redemption prior to the stated maturities thereof as provided in the Bonds and the Indenture. Interest on the Bonds is payable on each April 1 and October 1, commencing April 1, 1994. In the event of a Determination of Taxability (as defined in the Loan Agreement and Trust Indenture referred to below), the Bonds will bear additional interest at the rate of 2.00% per annum from the Date of Taxability (as defined). Interest is payable by check or draft mailed or sent by wire transfer to the registered owner, and principal is payable at the principal corporate trust office of ___________ ____, in __________________, Minnesota, as Trustee (the "Trustee"). The Bonds are issued for the purpose of funding a loan from the Authority to The Concordia College Corporation, a Minnesota nonprofit corporation and institution of higher education located in the City of Moorhead, Minnesota (the "College"), in order to refund certain of the Authority's outstanding bonds, originally issued to acquire and construct certain college facilities all owned and operated by the College and located on its main campus in Moorhead, Minnesota. We have examined executed counterparts of the Loan Agreement (the "Loan Agreement") between the Authority and the College and the Trust Indenture (the "Indenture") between the Authority and the Trustee and the Combination Mortgage, Security Agreement and Fixture Financing Statement (the "Mortgage") from the College to the Authority and assigned by the Authority to the Trustee, each dated as of August 1, 1993, one or more opinions of Gunhus, Grinnell, Klinger, Swenson & Guy, Fargo, North Dakota, the form of the Bonds prepared for execution, and such other documents as we deemed necessary for the purpose of the following opinion.

As to questions of fact material to our opinion, we have relied upon certified proceedings, documents and certifications furnished to us by public officials and officials of the College without undertaking to verify such facts by independent investigation. We have also relied upon the opinion of Gunhus, Grinnell, Klinger, Swenson & Guy, as to the Loan Agreement and the Mortgage having been duly authorized and executed and being binding upon the College and enforceable in accordance with their terms and as to the corporate organization, tax-exempt status, good standing and powers of the College, and as to title to the Project Site (as defined in the Loan Agreement and Indenture) and the lien of the Mortgage, without examining the records of the College 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 with authority under Sections 136A.25 to 136A.42, Minnesota Statutes, to issue the Bonds, to loan the proceeds thereof to the College and to execute and deliver the Loan Agreement, the Indenture and the assignment of the Mortgage to secure the Bonds.

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

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

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

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

Dated at Minneapolis, Minnesota, August __, 1993.

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DEFINITION OF CERTAIN TERMS

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

Additional Bonds: Any Additional Bonds issued by the Authority on behalf of the College pursuant to section 2.09 of the Indenture.

Authority: The Minnesota Higher Education Facilities Authority.

Authorized Authority Representative: The person at the time designated to act on behalf of the Authority by written certificate furnished to the College and the Trustee, containing the specimen signature of such person and signed on behalf of the Authority by its Chair, Vice Chair, Secretary or Executive Director. Such certificate may designate an alternate or alternates.

Authorized Institution Representative: The person at the time designated to act on behalf of the College by written certificate furnished to the Authority and the Trustee, containing the specimen signature of such person and signed on behalf of the College by the Chairman, Vice Chairman or Secretary of its Board of Regents or by the President or a Vice President of the Institution. Such certificate may designate an alternate or alternates.

Authorized Investments: Investments authorized for moneys in the accounts created under the Indenture as described in Section 5.04 thereof.

Board of Regents: The Board of Regents of the College, including any Executive Committee authorized to act for such board.

Bond and Interest Sinking Fund Account: The account established pursuant to the Indenture into which the Authority and Trustee shall deposit certain moneys for payment of principal of and interest on the Bonds.

Bonds: Minnesota Higher Education Facilities Authority Mortgage Revenue Bonds, Series Three-U (The Concordia College Corporation).

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

Bond Resolution: The Series Resolution of the Authority adopted on July 21, 1993, authorizing the Bonds, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

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

Business Day: Any day other than Saturday, Sunday, a legal holiday in the State of Minnesota, or any other day that banks in Minnesota, or DTC or its successor as depository are not open for business.

College: The Concordia College Corporation, a Minnesota nonprofit corporation, its successors and assigns.

Costs of Issuance Account: The account established under the Indenture for the deposit of certain Bond proceeds to be used for the payment of certain costs of issuance of the Bonds.

Date of Taxability: The date as of which the interest on the Series Three-U Bonds is determined to be includible in the gross income of the Owners thereof.

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

Event of Default: An Event of Default described in the Indenture or Loan Agreement and summarized in this Official Statement in the sections entitled "THE INDENTURE - Events of Default" and "THE LOAN AGREEMENT - Events of Default."

Financial Journal: Northwestern Financial Review, The Bond Buyer, or any other newspaper or journal devoted to financial news published in the English language in Minneapolis or St. Paul, Minnesota, or in the City of New York, New York.

Fiscal Year: The College's fiscal year, initially the 12-month period commencing on May 1 in each year.

General Bond Resolution: The General Bond Resolution adopted by the Authority on October 31, 1972, and any amendments thereto.

Holder, Bondholder, or Owner: The person in whose name a Bond is registered.

Indenture: The Trust Indenture between the Authority and First Trust National Association, as Trustee, dated as of August 1, 1993, under which the Bonds are authorized to be issued, and including any indenture supplemental thereto.

Institution: Concordia College, a Minnesota institution of higher education located in Moorhead, Minnesota.

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

Issue: The Bonds.

Loan Agreement: The Loan Agreement between the Authority and the College dated as of August 1, 1993, as amended or supplemented from time to time.

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

Maximum Annual Debt Service: The largest total amount of principal of and interest on Funded Debt payable by the College in any future Fiscal Year during which Bonds will (if paid at their stated maturity dates or redeemed in accordance with a mandatory sinking fund schedule) be outstanding, and as further defined in Section 6.13 of the Loan Agreement.

Mortgage: The Combination Mortgage, Security Agreement and Fixture Financing Statement, dated as of August 1, 1993 from the College to the Authority, and assigned by the Authority to the Trustee, as amended or supplemented from time to time.

Net Income Available for Debt Service: The excess of Unrestricted Current Fund revenues over Unrestricted Current Fund expenditures but excluding depreciation, amortization and interest from Unrestricted Current Fund expenditures, plus income from investments of Accounts held by the Trustee under the Indenture, all as determined by generally accepted accounting principles.

Net Proceeds: When used with respect to proceeds of insurance or a condemnation award, moneys received or receivable by the College or the Trustee as secured party, less the cost of recovery (including attorneys' fees) of such moneys from the insuring company or the condemning authority.

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

Prior Bonds: The Series Z Bonds and the Series Two-F Bonds.

Prior Bonds Trustee: First Trust National Association, St. Paul, Minnesota as trustee for each series of Prior Bonds.

Project Buildings: The academic facility for the biology and home economics departments known as Science South Building and Brown Hall constructed or improved with proceeds of the Prior Bonds, including investment earnings.

Project Equipment: All fixtures, equipment, and other personal property of a capital nature acquired with proceeds of the Prior Bonds, including investment earnings, and installed and located in or as part of the Project Buildings or elsewhere as part of the Prior Bonds Projects.

Project Facilities: The Project Site, the Project Buildings, and the Project Equipment.

Project Site: The land on which the Project Buildings are located.

Redemption Account: The Redemption Account created under the Indenture for deposit of any moneys received which are not otherwise committed. Moneys in the Redemption Account shall be used (i) to create and maintain the required balance in the Bond and Interest Sinking Fund Account, (ii) to create and maintain the required reserve in the Reserve Account, and (iii) to redeem or prepay outstanding Bonds or to purchase outstanding Bonds for redemption and cancellation. Moneys in the Redemption Account may be used in the discretion of the Trustee to pay rebate due to the United States under Section 148 of the Internal Revenue Code if the College or the Authority fails to provide for payment of any rebate.

Regular Record Date: The 15th day (whether or not a Business Day) of the calendar month next preceding an interest payment date.

Reserve Account: The Reserve Account established under the Indenture, into which at Bond Closing will be placed $646,500 of Bond proceeds, unless such amount exceeds 10% of the proceeds of the Bonds (par less original issue discount according to the reoffering scale) in which case the debt service reserve will be in the amount of such lesser sum (the "Reserve Requirement"). Moneys in the Reserve Account shall be used to pay principal of and interest on the Bonds if moneys in the Bond and Interest Sinking Fund Account or Redemption Account are not sufficient therefor and may be used in the discretion of the Trustee to pay rebate due to the United States under Section 148 of the Internal Revenue Code if the College or the Authority fails to provide for payment of any rebate.

Series Three-U Bonds: The Minnesota Higher Education Facilities Authority Mortgage Revenue Bonds, Series Three-U (The Concordia College Corporation).

Series Two-F Bonds: The Minnesota Higher Education Facilities Authority Revenue Bonds, Series Two-F (The Concordia Collage Corporation), dated March 1, 1983 in the original principal amount of $3,055,000.

Series Z Bonds: The Minnesota Higher Education Facilities Authority First Mortgage Revenue Bonds, Series Z (The Concordia Collage Corporation), dated August 1, 1979 in the original principal amount of $6,500,000.

Special Record Date: The record date set by the Trustee for the purpose of paying defaulted interest.

Trust Estate: All the rights, interests and security given to the Trustee under the Indenture as security for the Bonds.

Trustee, Registrar, Paying Agent: First Trust National Association, St. Paul, Minnesota.

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 III, contained herein.

Redemption of Prior Bonds

In order to provide funds to lend to the College for redemption of the Prior Bonds, from the proceeds of the Series Three-U Bonds, the Trustee shall deposit with the Prior Bonds Trustee net proceeds of approximately $5,689,200 for deposit in the respective redemption accounts for the Prior Bonds to be used, together with amounts on deposit in the respective bond accounts and reserve accounts of the Prior Bonds and available general funds of the College for payment and redemption of all the outstanding Prior Bonds on October 1, 1993.

Loan Repayments

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

(a) At least 10 business days prior to each April 1 and October 1, commencing April 1, 1994, into the Bond and Interest Sinking Fund Account a sum which will be equal to the amount payable as interest on the Series Three-U Bonds on such interest payment date, and at least 10 business days prior to each October 1, commencing on October 1, 1994, a sum equal to the amount payable as principal on the Series Three-U Bonds on such principal payment date, provided however, that there shall be credited against such obligations (i) the net amount of funds and investments then on deposit to the credit of the Bond and Interest Sinking Fund Account, and (ii) any credits permitted by Sections 5.02, 5.03 or 5.04 of the Indenture (relating to the transfer to the Bond and Interest Sinking Fund Account of certain investment earnings and certain excess funds); and

(b) prior to a date established for the optional redemption and prepayment of the Bonds, into the Redemption Account such amount, if any, as shall be necessary and sufficient to provide for the redemption of any Series Three-U Bonds called for redemption from the Redemption Account; and

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

(d) into the Reserve Account forthwith any amounts then required to be deposited therein by Section 5.02 of the Indenture; and

(e) into any fund or account designated by the Trustee funds in the amount determined by the Trustee to be necessary to comply with the provisions of Section 6.09(f) of the Loan Agreement and Section 5.05 of the Indenture (relating to arbitrage rebate); and

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

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

Use of Project Facilities

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

Maintenance of Project Facilities

The College agrees that, so long as there are Bonds outstanding, the College will keep the Project Facilities in good repair and good operating condition at its own cost, making such repairs and replacements as are necessary so that the Project will remain a "project" under the Act and interest on the Bonds will be excludable from gross income for purposes of federal income taxation. The College may lease or sublease or enter into agreements in the ordinary course of business for the use of the Project Facilities, so long as the tax-exempt status of the Bonds will not be affected thereby, such lease, sublease or use agreement shall not be inconsistent with the Loan Agreement, the Indenture, the Mortgage, or the Act, and the College shall remain fully obligated under the Loan Agreement and the Mortgage as if such lease, sublease or use agreement had not been made.

Title to Property and Liens

Except for Permitted Encumbrances, the College will not permit any liens to be established or to remain against the Project Facilities including any mechanics liens for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements, provided the College may in good faith contest any liens filed or established against the Project Facilities and may permit the items so contested to remain undischarged and unsatisfied during the period of such contest unless the Authority or Trustee shall notify the College that, in the opinion of independent counsel, by nonpayment of any such items the Project Facilities will be subject to loss or forfeiture, in which event the College shall promptly pay all such items.

Taxes and Other Governmental Charges

The College will pay all taxes, special assessments, license fees and governmental charges of any kind that may at any time be lawfully assessed or levied against, or with respect to the operations of the College, or the Project Facilities or any improvements, equipment or related property installed or brought by the College therein or thereon, or the Bonds, the Loan

Agreement, the Mortgage, the Indenture, or the interest of the Authority, the Trustee, or the Bondholders therein.

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

Insurance

The College is required to maintain, or cause to be maintained, insurance as follows:

(a) Insurance against loss and/or damage to the Project Facilities and contents, including fire and extended coverage in an amount not less than the lesser of (i) the full insurable replacement value of the Project Buildings or (ii) the principal amount of the outstanding Bonds or (if greater) 80% of the full insurable replacement value of the Project Buildings, with a deductible amount of up to $50,000.

(b) Comprehensive general public liability insurance against liability for personal injury 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 $50,000 per occurrence, and against liability for property damage in the minimum amount for each occurrence of $100,000.

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

Upon the written request of the College, the Trustee (i) may permit modifications to such insurance requirements and deductible amounts, including permission for the College to be self-insured in whole or in part for any comprehensive general public liability coverage, upon such terms and conditions as the Trustee may require, and (ii) shall permit modifications to such insurance requirements and deductible amounts, including permission for self-insurance for comprehensive general public liability, in accordance with the recommendation of an independent insurance consultant employed by the College and satisfactory to the Trustee.

The College is required to furnish to the Trustee policies or certificates or binders evidencing the required insurance. Each required policy shall contain a provision that the insurer will not cancel or modify the policy without giving written notice to the Board and the Trustee at least thirty days before the cancellation or modification becomes effective.

Damage or Destruction

If the Project Facilities shall be damaged or partially or totally destroyed there shall be no abatement in the Loan Repayments, and to the extent that the claim for loss resulting from such damage or destruction is not greater than $100,000, the College will promptly repair, rebuild or restore the property damaged or destroyed with such changes, alterations and modifications (including the substitution and addition of other property) as will not impair the character or significance of the Project Facilities as educational facilities. To the extent that the claim for loss resulting from such damage or destruction exceeds $100,000, the College shall either repair, rebuild or restore the damaged facilities, or redeem and prepay the Bonds in whole or in part as more fully provided in the Loan Agreement.

If the Bonds are redeemed in part, the available Net Proceeds (or, if less, the pro rata portion as more fully set forth in Section 5.08(c) of the Loan Agreement) in respect of any Project Building which the College elects not to repair, rebuild or restore shall be used for redemption or purchase of outstanding Bonds.

Condemnation

If at any time before the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the Indenture), title to one or more of the Project Buildings or other College building containing any portion of the Project Equipment, and site thereof, shall be taken in any proceeding involving the exercise of the right of eminent domain, the College shall either redeem the Bonds in whole or in part or rebuild or restore such facilities, as more fully provided in the Loan Agreement.

Removal or Release of Project Equipment and Building Equipment

The College may remove or release Project Equipment and Building Equipment from the Project Facilities and release from the lien of the Mortgage, where applicable, if no Default exists and upon the following conditions:

(a) the College may substitute furnishings, equipment and related property for any Project Equipment, provided that such substitution shall not materially impair the character or revenue producing significance of the Project Facilities and the substituted property becomes subject to the lien of the Mortgage;

(b) the College may release any equipment from the definition of Project Equipment (with or without the physical removal thereof) without substitution therefor, provided that the College pays a sum equal to the then value of such Project Equipment as determined by an Independent Engineer selected by the College, to the Trustee for deposit in the Redemption Fund for the redemption and prepayment of the Three-U Bonds; provided that if the depreciated book value of any item of equipment so removed was less than $25,000, such removal without substitution and such deposit to the Redemption Account may be effected without such determination of value and Certificate by an Independent Engineer upon such showing by the College as may be satisfactory to the Trustee; and

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

In connection with (a), (b), and (c) above, if the depreciated book value of the Project Equipment or Building Equipment to be substituted, removed or released equals or exceeds $25,000 the College will deliver to the Trustee a certificate signed by the Authorized Institution Representative stating that the removal of such equipment will not materially impair the character or revenue producing significance of the Project Facilities.

Release of Real Property

The College may release Land from the Mortgage only upon receipt by the Trustee of a certificate of an Authorized Institution Representative stating, among other things, that no Default exists under the Loan Agreement and that the property to be released is not necessary for the operating unity and efficiency of the Project Facilities and that such release will not impair the structural integrity of the Project Facilities for their intended purposes nor inhibit ingress to or egress from the Project Facilities and provided further that the College pays to the Trustee for deposit in the Redemption Fund cash equal to the value of the Land as determined by an independent appraiser and obtain an opinion of bond counsel to the effect, among other things, that all conditions precedent to the Loan Agreement relating to such release have been complied with.

The College may grant to itself or others easements, licenses, rights of way and other rights or privileges in the nature of easements with respect to the Land, free from the lien of the Mortgage, or may release existing easements, licenses, rights of way and other rights or privileges with or without consideration; provided, however, that prior to any such grant or release, there shall have been supplied to the Trustee a Certificate of an Authorized Institution Representative and, if requested by the Trustee, of an Independent Engineer to the effect that (i) such grant or release is not detrimental to the proper operation of the Project Facilities and (ii) such grant or release will not impair the operating unity or the efficiency of the Project Facilities on such Land or materially and adversely affect the character thereof.

Indemnification

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

The College agrees to indemnify and hold harmless the Authority against any and all losses, claims, damages or liability to which the Authority may become subject under law, and to reimburse the Authority for any out-of-pocket legal and other expenses (including reasonable counsel fees) incurred by the Authority in connection with investigating any such losses, claims, damages, or liabilities or in connection with defending any actions, insofar as the same relate to information furnished to the Authority by the College in connection with the sale of the Bonds.

College to Maintain its Existence and Accreditation

The College agrees that during the term of the Loan Agreement it will maintain its existence as a nonprofit corporation and maintain the Institution as an institution of higher education under the laws of Minnesota and its accreditation as an institution of higher education by recognized accrediting agencies and that it will not consolidate with or merge into another corporation, or permit one or more other corporations to consolidate with or merge into it, or transfer all or substantially all of its assets to another institution except upon the conditions provided in the Loan Agreement. The conditions are the following: (a) if the surviving, resulting or transferee institution, as the case may be, is other than the College, such surviving, resulting or transferee corporation shall assume in writing all of the obligations of the College in the Loan Agreement and the Mortgage, and be either a state university or college or a nonprofit corporation and a nonprofit 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 discrimination and requiring that the institution be nonsectarian; and (b) the College shall furnish to the Trustee an opinion of bond counsel that such consolidation, merger or transfer shall have no effect upon the tax-exempt nature of the interest on the Bonds under the Internal Revenue Code and regulations thereunder.

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

The College has represented that the sum of the principal amount of the Bonds, plus the respective outstanding aggregate principal amounts of all tax-exempt non-hospital bonds issued on behalf of or for the benefit of the College and all organizations under common management or control with the College (other than qualified hospital bonds), within the meaning of Section 145 of the Internal Revenue Code, does not exceed $150,000,000. Under the Loan Agreement, unless the College obtains an opinion of nationally recognized bond counsel that the tax-exempt status of the Bonds will not be affected, in no event will the University affiliate or consolidate with or merge into another corporation or sell or otherwise transfer to another institution all or substantially all of its assets as an entirety if the effect of any such transaction would be to cause the sum of the principal amount of the Series Three-U Bonds, plus the respective outstanding aggregate principal amounts of all tax-exempt bonds issued by or on behalf of the College or such other resulting entity, and all organizations under common management or control with the College or such resulting entity (other than qualified hospital bonds), within the meaning of Section 145 of the Internal Revenue Code, to exceed $150,000,000.

Federal Income Tax Status

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

College To Be Nonsectarian

The College agrees that it 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.

Determination of Taxability

In the event a Determination of Taxability is made that interest payable on the Bond is includible in gross income for purposes of federal income taxation under the provisions of the Internal Revenue Code and regulations thereunder as in effect at the date of issuance of the Bonds, the Bonds shall bear additional interest at the rate of two percent (2.00%) per annum from the Date of Taxability until the respective dates on which the principal of the Bonds is paid. In addition, in the event of such Determination of Taxability, the Bonds shall be subject to optional redemption, in integral multiples of $5,000, as a whole or in part on the next practicable date and any date thereafter and the redemption price in either event shall be equal to par plus accrued interest.

Financial Covenants

The College covenants and agrees, so long as the Bonds shall remain outstanding, to comply with the financial covenants described under the heading "Summary of Security for the Bonds" in this Official Statement. In addition, the Loan Agreement includes provisions governing the calculation of Maximum Annual Debt Service covering, among other things, variable rate indebtedness, guarantees, balloon indebtedness, put indebtedness, refunded debt, subordinated debt, and capital appreciation bonds and notes.

Other Covenants

The College further agrees to provide financial statements and other information to the Authority and the Trustee; to comply with all applicable laws and regulations against discrimination, and not to discriminate on account of religion, race, color or creed in the use of the Project Facilities; to provide and file such financing statements and other instruments of further assurance as the Trustee may request; to perform all obligations imposed by the Internal Revenue Code and regulations thereunder with respect to the non-arbitrage status of the Bonds and to comply with the applicable rebate requirements under Section 148 of the Code and regulations thereunder; and to observe all applicable State laws and regulations, including those of the Authority and the Minnesota Higher Education Coordinating Board, subject to the right of contest. The College agrees to indemnify the Authority from losses arising from certain representations made by the College regarding the absence of hazardous waste on the Project Facilities.

The Authority further agrees to comply with the applicable rebate requirements imposed under Section 148 of the Internal Revenue Code with respect (but only with respect) to amounts paid by the College to the Authority as the Authority's annual fee under the Loan Agreement.

Events of Default

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

(a) If the College shall fail to make any Loan Repayment when due and either (i) the moneys on deposit in the Bond and Interest Sinking Fund Account, Reserve Account or Redemption Account, as the case may be, on a Bond principal or interest payment date or redemption date are insufficient to pay when due principal, premium, if any, and interest on the Bonds, or (ii) such failure shall continue for 5 Business Days after notice from the Trustee or the Authority to the College that such payment has not been made; or

(b) If the College shall fail to comply with the provisions of Section 6.09(f) of the Loan Agreement (relating to arbitrage calculation and rebate requirements); or

(c) If the College shall default in the observance of any of the covenants set forth in Section 6.13 of the Loan Agreement (relating to financial covenants), provided that failure to comply with Section 6.13(a) (relating to the ratio of Unrestricted Current Fund revenues to Unrestricted Current Fund expenditures) shall not become an Event of Default unless the College fails to restore the deficiency thereunder within a period of 180 days, from the close of the Fiscal Year in which such deficiency has occurred; or

(d) If the College shall fail to maintain the balance in the Reserve Account in the amount of the Reserve Requirement, provided failure to comply with such requirement shall not become an Event of Default unless the College fails to restore such deficiency within a period of thirty (30) days after written notice specifying such deficiency and requesting that it be remedied is given to the College by the Authority or the Trustee; or

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

(f) If there shall occur an event of default (as defined therein) under the Mortgage; or

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

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

(i) If, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the College or of the whole or any substantial part of its property, and such custody or control shall not be terminated within ninety 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 College. The provisions of paragraph (e) above, are subject to the further limitation that if the Default can be remedied but not within a period of thirty days after notice and if the College has taken all action reasonably possible to remedy such default within such thirty-day period, the default shall not become an Event of Default for so long as the College shall diligently proceed to remedy such default and in accordance with any directions or limitations of time made by the Trustee. The College agrees, however, to use its best efforts to remedy with all reasonable dispatch any cause or causes preventing the College from carrying out its agreements.

Remedies on Default

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

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

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

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

Any amounts collected by the Trustee pursuant to the actions set forth above shall be applied first to advances and expenses, and then to payment of interest, principal and premium, if any, on the Bonds as provided in Section 7.04 of the Indenture, and any excess to the College.

Amendments

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

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 III, contained herein.

Granting Clauses

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

(1) all right, title and interest of the Authority under the Loan Agreement and all Loan Repayments and other sums due under the Loan Agreement, except the Authority's annual fee and rights to indemnity and reimbursement;

(2) 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) moneys and investments in the Costs of Issuance Account not paid out for costs of issuance, and (iii) all accounts, contract rights, general intangibles, moneys and instruments arising therefrom or relating thereto and all proceeds and products of and accessions to any thereof; and

(3) any and all other property of every name and nature from time to time conveyed, mortgaged, assigned or transferred, or in which a security interest is granted, by the Authority or the College or by anyone in behalf of them or with their written consent, to the Trustee, including, but not limited to, the Mortgage.

Accounts

Bond proceeds and revenues derived under the Loan Agreement or Indenture shall be deposited into accounts held by the Trustee as described in "ACCOUNTS," contained in the body of this Official Statement.

Trustee's Right to Payment

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

Additional Bonds

In addition to the Bonds, the Indenture permits the issuance of one or more series of Additional Bonds by the Authority, acting at the request of the College, equally and ratably secured on a parity with the Bonds to provide funds for the following purposes: (i) refunding of all or any series or portion of series of then outstanding Bonds or Additional Bonds, (ii) improvements or alterations, repairs or replacement of the Project Facilities, or (iii) other project or projects as authorized by the Act.

The issuance of Additional Bonds requires, among other things, evidence satisfactory to the Authority of the College's ability to meet debt service on the Additional Bonds and comply with certain financial covenants set forth in the Loan Agreement. Furthermore, to the extent required by the Authority, the College shall make additional deposits to the Reserve Fund, grant additional collateral to be held by the Trustee under the Mortgage and Indenture and execute supplements to the Loan Agreement, the Indenture and Mortgage. Additional Bonds may not be issued unless in the opinion of bond counsel the interest on the outstanding Bonds remains excludable from gross income of the holders for federal income tax purposes.

Covenants of the Authority

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

Events of Default

The following are Events of Default under the Indenture:

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

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

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

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

Remedies

Upon the occurrence of an Event of Default, the Trustee may, and upon written request of the Holders of a majority in aggregate principal amount of Bonds outstanding shall, by notice in writing delivered to the Authority, declare the principal of all Bonds then outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable subject, however, to the right of the Holders of a majority in aggregate principal amount of Bonds then outstanding, by written notice to the Authority and to the Trustee, to annul such declaration and destroy its effect at any time if all covenants with respect to which default shall have been made shall be fully performed or made good, and all arrears of interest upon all Bonds outstanding and the reasonable expenses and charges of the Trustee, its agents and attorneys, and all other indebtedness secured by the Indenture (except the principal of any Bonds which have not then attained their stated maturity and interest accrued on such Bonds since the last interest payment date) shall be paid, or the amount thereof shall be paid to the Trustee for the benefit of those entitled thereto.

In the case of the breach of any of the covenants or conditions of the Loan Agreement, the Mortgage, or the Indenture, the Trustee, anything therein contained to the contrary notwithstanding and without any request from any Bondholder (subject, however to its rights to indemnity and notice provided in the Indenture), shall be obligated to take such action or actions for the enforcement of its rights and the rights of the Bondholders and the rights of the Authority under the Loan Agreement and the Mortgage as due diligence, prudence and care would require and to pursue the same with like diligence, prudence and care.

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

Concerning the Trustee

The Trustee has no responsibility to use its own funds under the Indenture, but it may make advances at a rate equal to its reference or prime rate, which advances are given priority of payment. The Trustee also has a lien with right of payment prior to payment of Bond interest or principal for reasonable compensation, expenses, advances and counsel fees. The responsibilities of the Trustee prior to an Event of Default are limited to express provisions of the Indenture, and at all times the Trustee shall not be liable unless it acts negligently or in bad faith. The Trustee is not required to institute suit or take other steps to enforce its rights and powers unless indemnified to its satisfaction against all costs and expenses. The Trustee and its officers and directors are authorized to acquire and hold Bonds and otherwise deal with the Authority or the College to the same extent as if it were not Trustee. Provision is made for the succession or replacement of the Trustee by another corporate Trustee with a minimum capital, surplus and undivided profits of $10 million 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.

Concerning the Bondholders

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

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

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

Defeasance

If the Authority and the College shall:

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

(b) provide for the payment of principal and interest on the outstanding Bonds by depositing with the Trustee at or at any time before maturity an amount either in cash or direct obligations of or obligations whose principal and interest are guaranteed by the United States in such aggregate face amount, bearing interest at such rates, and maturing on such dates sufficient to pay the entire amount due or to become due for principal and premium, if any, and interest to maturity of all Bonds outstanding, or

(c) deliver to the Trustee (1) proof 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, or that arrangements have been made insuring that such notice will be given or waived, or (2) a written instrument executed by the Institution 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 such outstanding Bonds, and in any case, deposit with the Trustee before the date on which such Bonds are to be redeemed, the entire amount of the redemption price, including interest accrued and to accrue, and premium, if any, either in cash or direct obligations of or obligations guaranteed by the United States of America in such aggregate face amount, bearing interest at such rates and maturing at such dates as shall be sufficient to provide for the payment of the redemption price on the date such Bonds are to be redeemed and on any interest payment dates, or

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

and shall also pay or provide for the payment of the unpaid fees and expenses of the Trustee and the rebate of all amounts due or to become due to the United States under Section 148 of the Internal Revenue Code, then at the request of the Authority or the College all the Trust Estate shall revert to the Authority and the College as their interests appear, and the entire estate, right, title and interest of the Trustee, and of registered owners of such Bonds in respect thereof, shall thereupon cease, determine and become void; and the Trustee in such case, upon cancellation of all such Bonds for the payment of which cash or government obligations shall not have been deposited in accordance with the provisions of the Indenture, shall, upon receipt of a written request of the Authority and of a certificate of the Authority and an opinion of counsel as to compliance with conditions precedent (and, in the case of defeasance under paragraph (b) above, as to effect on tax exempt status), and at its cost and expense, execute to the Authority, or its order, proper instruments acknowledging satisfaction of the Indenture and surrender to the Authority or its order, all cash and deposited securities, if any (except that held for the payment of the Bonds), which shall then be held thereunder.

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

Supplemental Indentures

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

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

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

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

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

(e) to create a series of and authorize Additional Bonds; and.

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

In addition and subject to the provisions set forth below, the Holders of not less than 65% in aggregate principal amount of the Bonds under the Indenture then outstanding shall have the right to consent to and approve such supplemental indentures as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding in any particular, any of the terms or provisions of the Indenture or in any supplemental indenture; provided, however, that such provision shall not be construed as permitting without the consent of the Holders of all such Bonds (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 (except as provided in Section 2.09 of 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 or Mortgage.

Amendments to the Loan Agreement and the Mortgage

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

Except for amendments, changes or modifications provided for in the preceding paragraph, neither the Authority nor the Trustee may consent to any amendment, change or modification of the Loan Agreement or the Mortgage without the written approval or consent of the Holders of not less than 65% in aggregate principal amount of the Bonds at the time outstanding, given and procured as provided in the Indenture. However, the Indenture does not permit a reduction in, or a postponement of, the loan repayments under the Loan Agreement without the consent of the Holders of all the Bonds then outstanding.

Registration

The Bonds shall be fully registered as to principal and interest at the 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. Bonds may be exchanged only for a new Bond or Bonds of the same series, aggregate principal amount, maturity and basic interest rate of any authorized denominations. Payment of principal will be at the principal corporate trust office of the Trustee and interest shall be by check or draft of the Trustee mailed (or, pursuant to an agreement with the Trustee, by wire transfer) to the registered Owner at his address as shown on the registration books of the Trustee.

THE MORTGAGE

At or prior to the closing, the College will execute and deliver to the Authority, and the Authority will assign to the Trustee, a Combination Mortgage, Security Agreement and Fixture Financing Statement (the "Mortgage"), to be dated as of August 1, 1993, to secure the Bonds. The following is a summary of certain provisions of the Mortgage.

Under the Mortgage, in order to secure its obligations under the Loan Agreement, including payment of Loan Repayments in amounts and at times sufficient to pay the principal of, premium, if any, and interest on the Bonds, the College grants to the Authority a first mortgage lien on its right, title and interest in and to the land described in Exhibit A to the Mortgage (the "Land"), and any buildings now standing or hereafter constructed or placed upon the Land, including the Science South Building, constituting the Project Facilities (collectively, the "Mortgaged Property"). The Authority is also granted a security interest in all of the general intangibles, rents, issues, condemnation awards, insurance proceeds and similar revenues and income (the "Revenues and Income") arising from the ownership of the Mortgaged Property.

The Loan Agreement provides that the College may release land and equipment from the lien of the Mortgage upon certain conditions more fully described under the captions "The Loan Agreement - Removal or Release of Project Equipment and Building Equipment" and "The Loan Agreement - Release of Real Property" in this Appendix.

Events of Default

The following are Events of Default under the Mortgage:

(a) If an event of default (as defined therein) under the Loan Agreement has occurred and is continuing; or

(b) If an event of default (as defined therein) under the Indenture has occurred and is continuing; or

(c) If the College violates or fails to perform any covenant under the Mortgage for a reason other than force majeure (as defined in the Loan Agreement) for a period of thirty days after written notice from the Authority or the Trustee specifying the default and requesting that it be remedied or for such further period of time as the Trustee shall permit; or

(d) If any representation of the College in the Mortgage or the Loan Agreement is incorrect in any material respect.

CONCORDIA COLLEGE
MOORHEAD, MINNESOTA

AUDITED FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 1992
WITH COMPARATIVE FIGURES FOR 1991

Virchow, Krause, Helgeson & Company
Certified Public Accountants & Consultants

Gerald R. Brown, CPA
John C. Burke, CPA
Floyd F. Florey, CPA
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INDEPENDENT AUDITORS' REPORT

July 2, 1992

To The Board of Regents
Concordia College
Moorhead, Minnesota

We have audited the accompanying balance sheet of Concordia College as of April 30, 1992 and the related statements of changes in fund balances and current funds revenues, expenditures, and other changes for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Concordia College at April 30, 1992 and the changes in fund balances and the current funds revenues, expenditures and other changes for the year then ended in conformity with generally accepted accounting principles.

Virchow, Krause, Helgeson & Company
Certified Public Accountants

CONCORDIA COLLEGE

BALANCE SHEET

APRIL 30, 1992

WITH COMPARATIVE FIGURES FOR 1991

ASSETS

	1992	1991
Current Funds		
Unrestricted		
Cash	$ 26,281	$ 25,622
Short-Term Investments	9,011,683	9,959,852
Student Receivables (Less Allowance for Doubtful Receivables of $393,161 and $443,918)	842,046	941,796
Contracts for Deed Receivable	1,288,415	385,613
Other Receivables	284,387	322,143
Other Investments	299,946	329,265
Inventories	455,391	534,444
Real Estate	936,807	1,177,651
Prepaid Expenses (May Seminars, Summer School and Other)	522,960	454,556
Prepaid Expenses (Language Camps)	1,769,576	1,547,972
Due from Perkins Loan Fund	357,274	385,257
Due from Unexpended Plant Funds		1,190,356
Due from Investment in Plant Fund	652,169	893,467
Due from Agency Funds	42,288	
	16,489,223	18,147,994
Restricted		
Stocks (Market Value $760)	970	
Real Estate	35,800	18,800
Government Grants Receivable	400,788	255,624
Due from Unrestricted Current Fund	1,150,025	1,622,507
	1,587,583	1,896,931
Totals	$18,076,806	$20,044,925

LIABILITIES AND FUND BALANCES

	1992	1991
Current Funds		
Unrestricted		
Accounts Payable	$ 950,131	$ 976,080
Accrued Salaries and Related Benefits	3,088,810	3,198,689
Accrued Vacation Benefits	313,926	294,543
Accrued Unemployment Compensation Benefits	18,000	18,000
Deposits	971,816	726,840
Deferred Revenue (May Seminars and Summer School)	351,482	385,118
Deferred Revenue (Language Camps)	1,979,086	1,842,362
Due to Restricted Current Funds	1,150,025	1,622,507
Due to College Loan Funds	184,504	177,181
Due to Endowment Funds	1,306,893	1,096,119
Due to Deferred Gift Funds	616,471	2,101,433
Due to Unexpended Plant Funds	395,648	
Due to Renewal and Replacement Funds	585,946	343,441
Due to Retirement of Indebtedness Funds	507,937	1,516,762
Due to Agency Funds		125,861
Total Liabilities	12,420,675	14,424,936
Fund Balance		
Appropriated	150,380	279,219
Unappropriated	3,918,168	3,443,839
Total Fund Balance	4,068,548	3,723,058
	16,489,223	18,147,994
Restricted		
Accounts Payable	20,961	31,070
Fund Balances	1,566,622	1,865,861
	1,587,583	1,896,931
Totals	$18,076,806	$20,044,925

CONCORDIA COLLEGE

BALANCE SHEET

APRIL 30, 1992

WITH COMPARATIVE FIGURES FOR 1991

ASSETS - Continued

	1992	1991
Loan Funds		
College Loan Funds		
Deposit - United Student Aid Funds, Inc.	$ 29,149	$ 29,149
Student Notes Receivable	13,322	13,682
Due from Unrestricted Current Fund	184,504	177,181
Due from Perkins Loan Fund	388,386	388,386
	615,361	608,398
Perkins Loan Fund		
Cash Held by Servicing Agency	83,186	111,636
Student Notes Receivable (Less Allowance for College Portion of Doubtful Notes of $50,469)	7,946,405	7,835,279
Due from U.S. Government	28,991	33,866
	8,058,582	7,980,781
Totals	$ 8,673,943	$ 8,589,179
Endowment Funds		
Savings Account	$ 50,535	
Money Market Fund	227,007	$ 174,740
Mutual Fund Shares (Market Value $104,079 and $184,198)	109,026	187,806
ELCA Loan Fund Certificates	15,000	15,000
Stocks and Bonds (Market Value $1,032,706 and $991,386)	689,636	702,673
Funds Held in Trust (Market Value $680,685 and $641,150)	460,091	460,091
Funds Held by Managing Agent		
Cash and Short-Term Investments	5,230,425	5,584,553
Stocks and Bonds (Market Value $23,671,799 and $20,106,699)	20,499,648	18,100,420
Notes Receivable	65,352	78,517
Other Receivables	91,352	92,384
Real Estate	505,484	508,124
Due from Unrestricted Current Fund	1,306,893	1,096,119
Due from Plant Funds for Investment in Institutional Property	448,213	502,286
Due from Agency Funds	531,492	557,455
Totals	$30,230,154	$28,060,168

LIABILITIES AND FUND BALANCES - Continued

	1992	1991
Loan Funds		
College Loan Funds		
Fund Balances - Restricted	$ 615,361	$ 608,398
Perkins Loan Fund		
Due to College Loan Funds	388,386	388,386
Due to Unrestricted Current Fund	357,274	385,257
Fund Balances		
U.S. Government Grants Refundable	6,872,988	6,777,782
College Fund Balance - Restricted	439,934	429,356
	8,058,582	7,980,781
Totals	$ 8,673,943	$ 8,589,179
Endowment Funds		
Accounts Payable	$ 1,366	$ 1,141
Fund Balances		
Endowment	18,591,127	17,684,571
Term Endowment	368,769	364,909
Funds Functioning as Endowment	11,268,892	10,009,547
Totals	$30,230,154	$28,060,168

CONCORDIA COLLEGE

BALANCE SHEET

APRIL 30, 1992

WITH COMPARATIVE FIGURES FOR 1991

ASSETS - Continued

	1992	1991
Deferred Gift Funds		
Annuity Contracts		
Bonds (Market Value $69,714 and $40,418)	$ 71,691	$ 45,480
Stocks (Market Value $60,739 and $186,958)	158,107	265,289
Funds Held in Special Agency Account		
Cash and Short-Term Investments	77,438	49,145
Stocks and Bonds (Market Value $1,500,041 and $1,453,443)	1,325,113	1,327,907
ELCA Loan Fund Certificates	30,000	30,000
Investment in Limited Partnership	429,748	526,793
Real Estate Mortgages and Contracts for Deed	615,693	617,632
Real Estate	432,811	483,586
Due from Unrestricted Current Fund	811,111	1,789,024
	3,951,712	5,134,856
Life Income Contracts		
Funds Held in Special Agency Account		
Cash and Short-Term Investments	3,112	5,195
Stocks and Bonds (Market Value $67,525 and $62,825)	27,279	27,279
Mutual Fund Shares (Market Value $53,862 and $50,975)	51,736	49,774
Real Estate	642,857	584,357
Other Investments	108,900	108,900
	833,884	775,505
Unitrust Agreements		
Savings Account	255	640
Certificates of Deposit	493,078	614,832
Mutual Fund Shares (Market Value $1,038,022 and $1,245,683)	1,016,728	1,061,471
Stocks (Market Value $225,409 and $134,382)	275,851	182,131
Bonds (Market Value $453,637 and $56,126)	462,264	52,598
Funds Held in Special Agency Account		
Cash and Short-Term Investments	474,206	91,461
Stocks and Bonds (Market Value $2,101,482 and $1,921,406)	1,819,648	1,645,275
Cash Value of Life Insurance	5,000	1,062
Notes Receivable	987,474	1,974,445
Mineral Rights	35,000	
Real Estate	1,137,643	1,957,289
Due from Unrestricted Current Fund		240,563
	6,707,147	7,821,767
Annuity Trust Agreements		
Certificates of Deposit	605,408	
Bonds (Market Value $1,521,123 and $1,228,137)	1,487,416	1,212,177
Mutual Fund Shares (Market Value $339,075 and $353,012)	341,475	328,966
Funds Held in Special Agency Accounts		
Cash and Short-Term Investments	56,080	
Stocks and Bonds (Market Value $1,430,813)	1,414,237	
Mortgage-Backed Securities	237,572	288,951
Other Receivables	100,593	33,493
Real Estate (Net of Accumulated Depreciation of $18,015 for 1992)	882,743	900,758
Due from Unrestricted Current Fund	7,826	72,974
	5,133,350	2,837,319
Totals	$16,626,093	$16,569,447

LIABILITIES AND FUND BALANCES - Continued

	1992	1991
Deferred Gift Funds		
Annuity Contracts		
Earnest Money Deposit	$ 500	
Notes Payable		$ 2,150
Annuities Payable	1,575,462	1,411,774
Total Liabilities	1,575,962	1,413,924
Fund Balances	2,375,750	3,720,932
	3,951,712	5,134,856
Life Income Contracts		
Due to Unrestricted Current Fund	1,448	1,128
Fund Balances	832,436	774,377
	833,884	775,505
Unitrust Agreements		
Notes Payable		584
Earnest Money Deposits	6,000	
Mortgages Payable		229,888
Annuities Payable	181,836	193,533
Funds Held for Others	945,557	821,543
Due to Unrestricted Current Fund	201,018	
Total Liabilities	1,334,411	1,245,548
Fund Balances	5,372,736	6,576,219
	6,707,147	7,821,767
Annuity Trust Agreements		
Annuities Payable	3,534,459	1,772,821
Funds Held for Others	80,890	41,057
Total Liabilities	3,615,349	1,813,878
Fund Balances	1,518,001	1,023,441
	5,133,350	2,837,319
Totals	$16,626,093	$16,569,447

CONCORDIA COLLEGE

BALANCE SHEET

APRIL 30, 1992

WITH COMPARATIVE FIGURES FOR 1991

ASSETS - Continued

	1992	1991
Plant Funds		
Unexpended		
Cash and Short-Term Investments	$ 11,825	$ 8,957
U.S. Government Securities (Market Value $19,397)	18,186	
Stocks (Market Value $101,927 and $51,380)	92,079	46,118
Held by Trustee		
Cash and Short-Term Investments	830,359	1,551,504
Notes Receivable	31,770	33,203
Construction in Progress	5,252,070	3,405,995
Real Estate	379,600	379,600
Due from Unrestricted Current Fund	395,648	
	7,011,537	5,425,377
Renewal and Replacement		
Other Receivable	108,010	
Held by Trustee		
Cash	55,423	84,526
U.S. Government Securities (Market Value $152,004 and $532,836)	146,388	519,365
Due from Unrestricted Current Fund	585,946	343,441
	895,767	947,332
Retirement of Indebtedness		
Held by Trustee		
Cash and Short-Term Investments	133,080	111,391
U.S. Government Securities (Market Value $1,503,379 and $1,454,686)	1,352,900	1,330,692
Bonds (Market Value $29,962 and $29,987)	29,412	29,412
General Bond Reserve Deposit	563,068	534,892
Due from Unrestricted Current Fund	507,937	1,516,762
	2,586,397	3,523,149
Investment in Plant		
Land	1,984,882	1,949,882
Improvements Other than Buildings	1,416,979	851,368
Buildings	40,144,628	40,139,614
Equipment	11,269,926	10,178,243
	54,816,415	53,119,107
Less: Accumulated Depreciation	17,854,870	16,192,116
	36,961,545	36,926,991
Totals	$47,455,246	$46,822,849

LIABILITIES AND FUND BALANCES - Continued

	1992	1991
Plant Funds		
Unexpended		
Notes Payable		$ 23,000
Accounts Payable	$ 86,483	152,942
Lease Obligation Payable	1,675,775	2,620,516
Accrued Interest Payable	21,695	21,695
Due to Unrestricted Current Fund		1,190,356
Total Liabilities	1,783,953	4,008,509
Fund Balances		
Restricted	1,453,560	953,877
Unrestricted	3,774,024	462,991
Total Fund Balances	5,227,584	1,416,868
	7,011,537	5,425,377
Renewal and Replacement		
Accounts Payable	17,255	19,821
Fund Balances		
Restricted	50,000	54,099
Unrestricted	828,512	873,412
	895,767	947,332
Retirement of Indebtedness		
Accrued Interest Payable	50,894	53,091
Fund Balances		
Restricted	2,245,809	2,216,442
Unrestricted	289,694	1,253,616
	2,586,397	3,523,149
Investment in Plant		
Mortgages and Contract for Deed Payable	478,658	491,454
Capitalized Lease Obligations Payable	9,949,225	9,738,425
Investment and Loan Fund Certificates Payable	17,700	17,700
Due to Unrestricted Current Fund	652,169	893,467
Due to Endowment Funds for Investment in Institutional Property	448,213	502,286
Total Liabilities	11,545,965	11,643,332
Net Investment in Plant	25,415,580	25,283,659
	36,961,545	36,926,991
Totals	$47,455,246	$46,822,849

CONCORDIA COLLEGE

BALANCE SHEET

APRIL 30, 1992

WITH COMPARATIVE FIGURES FOR 1991

ASSETS - Continued

	1992	1991
Agency Funds		
Stocks (Market Value $218,520 and $188,685)	$ 202,528	$ 202,528
Funds Held by Managing Agent		
Cash and Short-Term Investments	141,963	61,465
Stocks and Bonds (Market Value $1,381,572 and $1,380,381)	1,020,155	1,068,393
Notes Receivable	22,784	8,122
Due from Unrestricted Current Fund		125,861
Totals	$ 1,387,430	$ 1,466,369

LIABILITIES AND FUND BALANCES - Continued

	1992	1991
Agency Funds		
Accounts Payable		$ 1,320
Due to Unrestricted Current Fund	$ 42,288	
Due to Endowment Funds	531,492	557,455
Deposits Held in Custody for Others	813,650	907,594
Totals	$ 1,387,430	$ 1,466,369

See accompanying Notes to Financial Statements.

CONCORDIA COLLEGE

STATEMENT OF CHANGES IN FUND BALANCES

FOR THE YEAR ENDED APRIL 30, 1992

	Current Fund					Plant Funds			
	Unrestricted	Restricted	Loan Funds	Endowment Funds	Deferred Gift Funds	Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment in Plant
Revenues and Other Additions									
Unrestricted Current Fund Revenues	$43,832,899								
Governmental Grants - Restricted		$2,156,811						$ 14,389	
Private Gifts and Grants - Restricted		1,085,431		$ 734,530	$ 1,630,076	$ 375,092	$ 3,000		$ 160,913
Investment Income - Restricted				95,738		56,453	49,024	178,253	
Endowment Fund Income - Restricted		886,212	$ 2,708						
Matured Deferred Gifts				9,330					
Realized Gains on Sale of Investments				580,602			9,645		
Other Income - Restricted		192,523	5,716			25,463			
Interest on Loans Receivable			173,296						
U.S. Government Advance			1,695						
Service Cancellation Recoveries			36,527						
Expended for Plant Facilities ($1,808,768 Net of $535,800 Related Debt, Including $1,085,754 Charged to Current Funds Expenditures)									1,272,968
Retirement of Indebtedness						431,941			579,094
Recovery of MHEFA Series 1983-A Bond Reserve								50,936	
Total Revenues and Other Additions	43,832,899	4,320,977	219,942	1,420,200	1,630,076	888,949	61,669	243,578	2,012,975
Expenditures and Other Deductions									
Educational and General Expenditures	28,255,230	4,432,788							
Auxiliary Enterprises Expenditures	5,878,093	129,846							
Independent Operations Expenditures	4,113,610	106,961							
Indirect Cost Recoveries Earned		28,300							
Transfer to Agency Accounts		15,416							
Loan Cancellations and Write-Offs			48,952						
Administrative and Collection Costs			85,343						
Realized Loss on Sale of Investments						475			
Expended for Plant Facilities (Including Noncapitalized Expenditures of $1,034,221)						69,825	1,151,610		
Retirement of Indebtedness								1,011,035	
Interest on Indebtedness								754,809	
Disposal of Plant Assets									218,300
Matured Deferred Gifts					2,795,918				
Adjustment of Actuarial Liability for Annuities Payable					580,204				
Depreciation									1,662,754
Total Expenditures and Other Deductions	38,246,933	4,713,311	134,295		3,376,122	70,300	1,151,610	1,765,844	1,881,054

CONCORDIA COLLEGE

STATEMENT OF CHANGES IN FUND BALANCES

FOR THE YEAR ENDED APRIL 30, 1992

	Current Funds					Plant Funds			
	Unrestricted	Restricted	Loan Funds	Endowment Funds	Deferred Gift Funds	Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment In Plant
Transfers Among Funds - Additions (Deductions)									
Mandatory									
Loan Fund Matching Grant	($ 170)		$ 170						
Principal and Interest	(1,213,373)					($ 431,941)		$1,645,314	
Nonmandatory									
Unrestricted Current Fund to									
Loan Funds	(26,930)		26,930						
Endowment Funds	(1,217,656)			$ 1,217,656					
Unexpended Plant Funds	(2,114,008)					2,114,008			
Renewal and Replacement Funds	(1,043,339)						$1,043,339		
Endowment Funds to									
Restricted Current Funds		$ 93,095		(93,095)					
Appropriated Capital Gains	375,000			(375,000)					
Renewal and Replacement Funds to									
Retirement of Indebtedness Funds							(2,397)	2,397	
Deferred Gift Funds to									
Unexpended Plant Funds					($ 250,000)	250,000			
Retirement of Indebtedness Funds to									
Unexpended Plant Funds						1,060,000		(1,060,000)	
Total Transfers	(5,240,476)	93,095	27,100	749,561	(250,000)	2,992,067	1,040,942	587,711	
Net Increase (Decrease) for Year	345,490	(299,239)	112,747	2,169,761	(1,996,046)	3,810,716	(48,999)	(934,555)	$ 131,921
Fund Balance at Beginning of Year	3,723,058	1,865,861	7,815,536	28,059,027	12,094,969	1,416,868	927,511	3,470,058	25,283,659
Fund Balance at End of Year	$4,068,548	$1,566,622	$7,928,283	$30,228,788	$10,098,923	$5,227,584	$ 878,512	$2,535,503	$25,415,580

See accompanying Notes to Financial Statements.

CONCORDIA COLLEGE

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES

FOR THE YEAR ENDED APRIL 30, 1992

WITH COMPARATIVE FIGURES FOR 1991

	1992				1991	
	Unrestricted	Restricted	Total	Percentage	Total	Percentage
Revenues						
Tuition and Fees	$26,027,455		$26,027,455	70.2%	$24,439,350	76.2%
Governmental Grants	59,255	$2,168,808	2,228,063	6.0	2,289,247	7.1
Private Gifts and Grants	1,965,581	1,476,912	3,442,493	9.3	2,818,920	8.8
Endowment Income	603,859	871,499	1,475,358	4.0	1,068,546	3.3
Sales and Services of Educational Activities	133,822		133,822	.4	96,263	.3
Other Sources	821,281	152,376	973,657	2.6	719,581	2.3
Matured Deferred Gifts	2,786,588		2,786,588	7.5	649,238	2.0
Total Revenues Before Auxiliary Enterprises and Independent Operations	32,397,841	4,669,595	37,067,436	100.0%	32,081,145	100.0%
Sales and Services of Auxiliary Enterprises	6,948,411		6,948,411		6,555,831	
Sales and Services of Independent Operations	4,486,647		4,486,647		4,066,395	
Total Revenues	43,832,899	4,669,595	48,502,494		42,703,371	
Expenditures and Mandatory Transfers						
Educational and General						
Instruction	12,336,839	378,372	12,715,211	37.9%	12,038,335	39.2%
Public Service	583,076	194,077	777,153	2.3	795,341	2.6
Academic Support	1,352,185	238,551	1,590,736	4.8	1,431,951	4.6
Student Services	2,733,317	328,220	3,061,537	9.1	3,074,927	10.0
Institutional Support	4,731,704	342,577	5,074,281	15.1	4,539,223	14.8
Operation and Maintenance of Plant	2,622,286	12,795	2,635,081	7.9	2,275,300	7.4
Scholarships and Grants	3,895,823	2,938,196	6,834,019	20.4	6,264,084	20.4
Educational and General Expenditures	28,255,230	4,432,788	32,688,018	97.5	30,419,161	99.0
Mandatory Transfers for						
Loan Fund Matching Grant	170		170			
Principal and Interest	837,284		837,284	2.5	323,506	1.0
	837,454		837,454	2.5	323,506	1.0
Total Educational and General	29,092,684	4,432,788	33,525,472	100.0%	30,742,667	100.0%

CONCORDIA COLLEGE

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES

FOR THE YEAR ENDED APRIL 30, 1992

WITH COMPARATIVE FIGURES FOR 1991

	1992				1991	
	Unrestricted	Restricted	Total	Percentage	Total	Percentage
Expenditures and Mandatory Transfers (Continued)						
Auxiliary Enterprises						
Expenditures	$ 5,878,093	$ 129,846	$ 6,007,939		$ 5,351,124	
Mandatory Transfers for						
Principal and Interest	376,089		376,089		371,600	
Total Auxiliary Enterprises	6,254,182	129,846	6,384,028		5,722,724	
Independent Operations						
Expenditures	4,113,610	106,961	4,220,571		3,776,794	
Total Expenditures and Mandatory Transfers	39,460,476	4,669,595	44,130,071		40,242,185	
Excess of Revenues Over Expenditures and Mandatory Transfers	4,372,423		4,372,423		2,461,186	
Other Transfers and Additions (Deductions)						
Unrestricted Current Fund to						
Loan Funds	(26,930)		(26,930)			
Endowment Funds	(1,217,656)		(1,217,656)		(11,173)	
Unexpended Plant Funds	(2,114,008)		(2,114,008)		(1,071,182)	
Renewal and Replacement Funds	(1,043,339)		(1,043,339)		(904,329)	
Endowment Funds to						
Restricted Current Funds		93,095	93,095		63,368	
Appropriated Capital Gains	375,000		375,000		225,000	
Deficiency of Restricted Receipts Over Transfers to Revenues		(392,334)	(392,334)		(332,109)	
Net Increase (Decrease) in Fund Balances	$ 345,490	($ 299,239)	$ 46,251		$ 430,761	

See accompanying Notes to Financial Statements.

CONCORDIA COLLEGE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 1992

Note 1. Significant Accounting Policies

Concordia College is a four-year liberal arts college of the Evangelical Lutheran Church in America. The accounting policies of the College reflect practices common to colleges and universities and conform to generally accepted accounting principles. The more significant accounting policies are summarized below:

Accounting Basis - The financial statements of Concordia College have been prepared on the accrual basis. The statement of Current Funds Revenues, Expenditures and Other Changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures, in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt amortization and interest and equipment renewal and replacement; and (3) as transfers of a nonmandatory nature for all other cases.

Fund Accounting - In accordance with generally accepted accounting principles for educational institutions, the accounts of the College are segregated into six groups or funds - current, loan, endowment, deferred gift, plant and agency. Each group is treated as a separate entity, having its own assets, liabilities and fund balances to be used for the purpose for which it is designated.

Within each fund group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes by action of the Governing Board. Externally restricted funds may only be utilized in accordance with the purposes established by the donor or grantor of such funds and are in contrast with unrestricted funds over which the Governing Board retains full control to use for any institutional purpose.

Revenues - All gains and losses arising from the sale, collection or other disposition of investments and other noncash assets are accounted for in the fund which owns such assets. Ordinary income derived from investments, receivables and the like is accounted for in the fund owning such assets, except for income from investments of endowment funds, which is accounted for in the fund to which it is restricted or, if unrestricted, as revenues in the unrestricted current fund.

Income from investments of pooled endowment funds (all investments except those which are specifically assigned to certain endowment funds) is distributed to each participating fund. Gains and losses on the sale of investments are distributed to the principal of each fund or transferred to the unrestricted current fund, depending on the endowment fund income for the year and the spending rate.

All other unrestricted revenue (including gifts, grants and bequests) is accounted for in the unrestricted current fund. Restricted gifts, grants, appropriations, endowment income, and other restricted resources are accounted for in the appropriate restricted funds. Restricted current funds are reported as revenues and expenditures when expended for current operating purposes.

Note 1. Significant Accounting Policies (Continued)

Investments - Investments are recorded at cost, except those items received as gifts, which are valued at fair market value on the date acquired.

Physical Plant and Equipment - Physical plant assets are stated at cost at date of acquisition less accumulated depreciation. The College depreciates its assets on the straight-line basis over estimated useful lives as follows: buildings, 50 years; improvements, 20 years; and equipment, 5-12 years. Normal repair and maintenance expenses and equipment replacement costs are charged to current funds operations as incurred.

Inventories - Bookstore inventories are valued at a percentage of retail value, which approximates cost. Other inventories are valued at cost.

Pension Plans - The College has certain contributory pension plans for academic and nonacademic personnel. Contributions for employees are determined on a percentage of annual compensation. The cost of the retirement plans is paid currently and approximated $816,000 for the year ended April 30, 1992.

Unemployment Compensation - Educational institutions have the option of paying state unemployment tax at the rate in effect for the year on the applicable compensation of all employees or paying unemployment claims as they arise. The College has elected the second option. A provision of $18,000 has been provided for claims incurred but not reported.

Minnesota State Tuition Grants - During the year ended April 30, 1992 the State of Minnesota awarded scholarships to Concordia students approximating $3.2 million. The College considers these awards to be agency accounts and accordingly, they are not included in the accompanying financial statements as revenue or expenditures.

Note 2. Mortgage and Contract for Deed

The College had the following mortgage and contract for deed outstanding at April 30, 1992:

American Bank and Trust Company of Moorhead	$271,063
Contract for Deed Payable	207,595
	$478,658

The mortgage payable to American Bank and Trust Company is payable over ten years in monthly payments of $2,325 including interest with final payment of $150,000 due October 1, 1997. The note bears interest at the prime rate and is secured by real property.

The contract for deed is due in monthly payments of $1,975, including interest at 10%, and is secured by apartment buildings and other real estate.

Note 3. Capitalized Lease Obligations

The College has capitalized lease obligations with the Minnesota Higher Education Facilities Authority (MHEFA) under which the related projects were financed through issuance of revenue bonds by MHEFA as follows:

	Original Amount	Outstanding April 30, 1992
Unexpended Plant Funds		
1990 Series Two-Y - Various Projects	$1,675,775	$1,675,775
Investment in Plant Fund		
1976 Series Q - Bogstad Manor	$ 800,000	$ 230,000
1979 Series Z - Academic Building	6,500,000	5,275,000
1983 Series Two-F - Brown Hall Renovation	3,055,000	2,320,000
1990 Series Two-Y - Various Projects	2,124,225	2,124,225
		$9,949,225

The Series Q bonds have an interest rate of 6.375% and mature in amounts from $65,000 to $165,000 annually on April 1 through 1994. The bonds are secured by a first lien on the gross revenues of Bogstad Manor and Brown and Fjelstad Halls.

The Series Z bonds have interest rates varying from 6.3% to 6.7% and mature in amounts from $175,000 to $425,000 annually on April 1, 1993 to April 1, 2005 and $1,550,000 on April 1, 2006.

The Series Two-F bonds have interest rates varying from 7.5% to 8.8% and mature in amounts from $120,000 to $290,000 annually on October 1, 1992 to October 1, 2003. The bonds are guaranteed by The American Municipal Bond Assurance Corporation. The lease includes certain financial covenants which limit the College's ability to expend or grant a security interest in its unrestricted funds.

The Series Two-Y bonds have interest rates varying from 6.4% to 7.1% and mature in amounts from $290,000 to $455,000 annually on October 1, 1992 to October 1, 1999 and $875,000 on October 1, 2000. The bonds are secured by a first interest in all contributions and pledge receipts designated for the various projects. The lease includes certain financial covenants which limit the College's ability to incur additional long-term debt.

Payments under each of the leases are the amounts sufficient to pay required debt service, an annual fee to MHEFA, fees and expenses of the trustee and certain other expenses. The College has an option to purchase the leased property under each of the leases for $500 at the end of the lease periods. The College also is required to maintain debt service reserve funds under the various bond issues in amounts aggregating $1,247,180 and a repair and replacement reserve, under the Series Q issue, of $50,000. MHEFA maintains a general bond reserve account as security for certain of its currently outstanding bonds. The College's share of this account amounted to $563,068 at April 30, 1992.

Note 4. Other Long-Term Debt

At April 30, 1992 the plant funds were indebted on Investment and Loan Fund Certificates in the amount of $17,700. The Certificates are payable in varying amounts and bear interest rates of 7.5 - 8%.

The maturities of long-term debt for each of the five years subsequent to April 30, 1992 approximate $672,0 $824,000, $691,000, $753,000 and $795,000, respectively.

Note 5. Lease Commitment

Effective December 31, 1990, the College, as trustee of a Charitable Annuity Trust, exchanged real property owned by the Trust for an 88 1/2% interest in Bogstad East Dormitory owned by the College. The College has leased the Trust's interest in the Dormitory for a period of twenty years at an annual rental of $93,440, subject to change every five years based on changes in the Consumer Price Index and limited to a maximum rent of $110,840. The Trust pays annual rent to the College for the land on which the Dormitory is located approximating $14,000. During the year ended April 30, 1992, net lease payments under these agreements amounted to $77,600.

Note 6. Pledges

Concordia College had outstanding pledges receivable of approximately $5,350,000 as of April 30, 1992. It was not practicable to estimate the net realizable value of such pledges.

Note 7. Construction in Progress

At April 30, 1992 the following major building projects were in progress:

	Estimated Total Cost	Cost To Date	Funding Plan
Centennial Mall	$1,335,000	$1,296,436	Gifts
Fitness Forum	5,900,000	450,008	Gifts
Heating Plant	1,670,000	1,596,574	Current Operations
German Village	450,000	137,248	Gifts
French Village	1,130,000	630,109	Gifts
Finnish Village	900,000	32,818	Gifts
Other	Various	1,108,877	Current Operations
		$5,252,070	

Note 8. Interfund Borrowings

Interfund borrowings at Concordia College are primarily a result of capital additions not currently funded and combining cash resources for pooled investments.

At April 30, 1992, the investment in plant fund was indebted to the unrestricted current fund in the amount of $652,169. Of this amount, $44,281 was for capital additions which are being repaid with an annual transfer of $40,000 and the remaining $607,888 was for prepayment of the U.S. Government Bonds which occurred in fiscal year 1987. The prepayment is being amortized over an eight-year period. In addition, the endowment funds had invested $448,213 in capital additions which are being amortized over varying periods up to ten years. It is the intention of the College to continue to make use of pooled investments, and therefore, there is no plan for repayment of other interfund borrowings. The earnings for the pooled investments are being recognized in the unrestricted current fund with an 8% per annum allocation to endowment funds and deferred gift funds.

Note 9. Appropriated Fund Balance

The Board of Regents has appropriated $150,380 of the unrestricted current fund balance for the Reserve f Rural Scholarships.