ADDENDUM DATED SEPTEMBER 26, 1995
TO OFFICIAL STATEMENT DATED SEPTEMBER 6, 1995

NEW ISSUE — **Rating: Aaa (Moody's) (AMBAC Insured)**

$3,300,000

Minnesota Higher Education Facilities Authority

Revenue Bonds, Series Four-B
(The Concordia College Corporation)
(Book Entry Only)

Schedule of Maturity Dates, Principal Amounts and Interest Rates

Maturity (October 1)	Amount	Interest Rate	Yield or Price	Maturity (October 1)	Amount	Interest Rate	Yield or Price
1998	$150,000	4.75%	4.10%	2005	$285,000	4.90%	Par
1999	$160,000	4.75%	4.25%	2006	$300,000	5.00%	Par
2000	$160,000	4.80%	4.40%	2007	$315,000	5.10%	Par
2001	$165,000	4.85%	4.50%	2008	$335,000	5.25%	Par
2002	$175,000	4.90%	4.60%	2009	$355,000	5.40%	Par
2003	$255,000	4.90%	4.70%	2010	$375,000	5.50%	Par
2004	$270,000	4.90%	4.80%				

An underwriting syndicate managed by FBS Investment Services, Inc. with Norwest Investment Services, Inc. and Merrill Lynch & Co., as joint managers and American Bank National Association and Dougherty, Dawkins, Strand & Bigelow, Inc. as members has agreed to purchase the Bonds from the Authority for an aggregate price of $3,250,500.00, plus accrued interest to the date of delivery.

Payment of principal of and interest on the Bonds when due will be insured by a municipal bond insurance policy to be issued by AMBAC Indemnity Corporation simultaneously with the delivery of the Bonds.

AMBAC

THIS ADDENDUM IS INCORPORATED BY REFERENCE AS OF THE DATE HEREOF INTO THE OFFICIAL STATEMENT OF THE AUTHORITY DATED SEPTEMBER 6, 1995, 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.

AMBAC INDEMNITY OFFICIAL STATEMENT DISCLOSURE

Payment Pursuant to Municipal Bond Insurance Policy

AMBAC Indemnity has made a commitment to issue a municipal bond insurance policy (the "Municipal Bond Insurance Policy") relating to the Bonds effective as of the date of issuance of the Bonds. Under the terms of the Municipal Bond Insurance Policy, AMBAC Indemnity will pay to the United States Trust Company of New York, in New York, New York or any successor thereto (the "Insurance Trustee") that portion of the principal of and interest on the Bonds which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the City (as such terms are defined in the Municipal Bond Insurance Policy). AMBAC Indemnity will make such payments to the Insurance Trustee on the later of the date on which such principal and interest become Due for Payment or within one business day following the date on which AMBAC Indemnity shall have received notice of Nonpayment from the Trustee/Paying Agent. The insurance will extend for the term of the Bonds and, once issued, cannot be canceled by AMBAC Indemnity.

The Municipal Bond Insurance Policy will insure payment only on stated maturity dates and on mandatory sinking fund installment dates, in the case of principal, and on stated dates for payment, in the case of interest. If the Bonds become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding Bonds, AMBAC Indemnity will remain obligated to pay principal of and interest on outstanding Bonds on the originally scheduled interest and principal payment dates including mandatory sinking fund redemption dates. In the event of any acceleration of the principal of the Bonds, the insured payments will be made at such times and in such amounts as would have been made had there not been an acceleration.

In the event the Trustee/Paying Agent has notice that any payment of principal of or interest on a Bond which has become Due for Payment and which is made to a Bondholder by or on behalf of the Authority has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from AMBAC Indemnity to the extent of such recovery if sufficient funds are not otherwise available.

The Municipal Bond Insurance Policy does **not** insure any risk other than Nonpayment, as defined in the Policy. Specifically, the Municipal Bond Insurance Policy does **not** cover:

1. payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity.

2. payment of any redemption, prepayment or acceleration premium.

3. nonpayment of principal or interest caused by the insolvency or negligence of any Trustee or Paying Agent, if any.

If it becomes necessary to call upon the Municipal Bond Insurance Policy, payment of principal requires surrender of Bonds to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such Bonds to be registered in the name of AMBAC Indemnity to the extent of the payment under the Municipal Bond Insurance Policy. Payment of interest pursuant to the Municipal Bond Insurance Policy requires proof of Bondholder entitlement to interest payments and an appropriate assignment of the Bondholder's right to payment to AMBAC Indemnity.

Upon payment of the insurance benefits, AMBAC Indemnity will become the owner of the Bond, appurtenant coupon, if any, or right to payment of principal or interest on such Bond and will be fully subrogated to the surrendering Bondholder's rights to payment.

AMBAC Indemnity Corporation

AMBAC Indemnity Corporation ("AMBAC Indemnity") is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin and licensed to do business in 50 states, the District of Columbia and the Commonwealth of Puerto Rico, with admitted assets of approximately $2,230,000,000 (unaudited) and statutory capital of approximately $1,260,000,000 (unaudited) as of June 30, 1995. Statutory capital consists of AMBAC Indemnity's policyholders' surplus and statutory contingency reserve. AMBAC Indemnity is a wholly owned subsidiary of AMBAC, Inc., a 100% publicly-held company. Standard & Poor's Ratings Group, Moody's Investors Service and Fitch Investors Service, Inc. have each assigned a triple-A claims-paying ability rating to AMBAC Indemnity.

AMBAC Indemnity has entered into pro rata reinsurance agreements under which a percentage of the insurance underwritten pursuant to certain municipal bond insurance programs of AMBAC Indemnity has been and will be assumed by a number of foreign and domestic unaffiliated reinsurers.

AMBAC Indemnity has obtained a ruling from the Internal Revenue Service to the effect that the insuring of an obligation by AMBAC Indemnity will not affect the treatment for federal income tax purposes of interest on such obligation and that insurance proceeds representing maturing interest paid by AMBAC Indemnity under policy provisions substantially identical to those contained in its municipal bond insurance policy shall be treated for federal income tax purposes in the same manner as if such payments were made by the issuer of the Bonds.

AMBAC Indemnity makes no representation regarding the Bonds or the advisability of investing in the Bonds and makes no representation regarding, nor has it participated in the preparation of, the Official Statement other than the information supplied by AMBAC Indemnity and presented under the heading "AMBAC Indemnity Official Statement Disclosure."

Available Information

The parent company of AMBAC Indemnity, AMBAC Inc. (the "Company"), is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and at the Commission's regional offices at 7 World Trade Center, New York, New York 10048 and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such material can be obtained from the public reference section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the aforementioned material may also be inspected at the offices of the New York Stock Exchange, Inc. (the "NYSE") at 20 Broad Street, New York, New York 10005. The Company's Common Stock is listed on the NYSE.

Copies of AMBAC Indemnity's financial statements prepared in accordance with statutory accounting standards are available from AMBAC Indemnity. The address of AMBAC Indemnity's administrative offices and its telephone number are One State Street Plaza, 17th Floor, New York, New York, 10004 and (212) 668-0340.

Incorporation of Certain Documents by Reference

The following documents filed by the Company with the Commission (File No. 1-10777) are incorporated by reference in this Official Statement:

(1) The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1994, filed with the Commission on March 31, 1995;

(2) The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995, filed with the Commission on August 14, 1995; and

(3) The Company's Current Report on Form 8-K, filed with the Commission on July 18, 1995.

All documents subsequently filed by the Company pursuant to the requirements of the Exchange Act after the date of this Official Statement, will be available for inspection in the same manner as described above in "Available Information."

AMBAC Municipal Bond Insurance Policy

AMBAC Indemnity Corporation
c/o CT Corporation Systems
44 East Mifflin St., Madison, Wisconsin 53703
Administrative Office:
One State Street Plaza, New York, NY 10004
Telephone: (212) 668-0340

Issuer:

Policy Number:

Bonds:

Premium:

AMBAC Indemnity Corporation (AMBAC) A Wisconsin Stock Insurance Company

in consideration of the payment of the premium and subject to the terms of this Policy, hereby agrees to pay to the United States Trust Company of New York, as trustee, or its successor (the "Insurance Trustee"), for the benefit of Bondholders, that portion of the principal of and interest on the above-described debt obligations (the "Bonds") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

AMBAC will make such payments to the Insurance Trustee within one (1) business day following notification to AMBAC of Nonpayment. Upon a Bondholder's presentation and surrender to the Insurance Trustee of such unpaid Bonds or appurtenant coupons, uncanceled and in bearer form and free of any adverse claim, the Insurance Trustee will disburse to the Bondholder the face amount of principal and interest which is then Due for Payment but is unpaid. Upon such disbursement, AMBAC shall become the owner of the surrendered Bonds and coupons and shall be fully subrogated to all of the Bondholder's rights to payment.

In cases where the Bonds are issuable only in a form whereby principal is payable to registered Bondholders or their assigns, the Insurance Trustee shall disburse principal to a Bondholder as aforesaid only upon presentation and surrender to the Insurance Trustee of the unpaid Bond, uncanceled and free of any adverse claim, together with an instrument of assignment, in form satisfactory to the Insurance Trustee, duly executed by the Bondholder or such Bondholder's duly authorized representative, so as to permit ownership of such Bond to be registered in the name of AMBAC or its nominee. In cases where the Bonds are issuable only in a form whereby interest is payable to registered Bondholders or their assigns, the Insurance Trustee shall disburse interest to a Bondholder as aforesaid only upon presentation to the Insurance Trustee of proof that the claimant is the person entitled to the payment of interest on the Bond and delivery to the Insurance Trustee of an instrument of assignment, in form satisfactory to the Insurance Trustee, duly executed by the claimant Bondholder or such Bondholder's duly authorized representative, transferring to AMBAC all rights under such Bond to receive the interest in respect of which the insurance disbursement was made. AMBAC shall be subrogated to all the Bondholders' rights to payment on registered Bonds to the extent of the insurance disbursements so made.

In the event the trustee or paying agent for the Bonds has notice that any payment of principal of or interest on a Bond which has become Due for Payment and which is made to a Bondholder by or on behalf of the Issuer of the Bonds has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from AMBAC to the extent of such recovery if sufficient funds are not otherwise available.

As used herein, the term "Bondholder" means any person other than the Issuer who, at the time of Nonpayment, is the owner of a Bond or of a coupon appertaining to a Bond. As used herein, "Due for Payment", when referring to the principal of Bonds, is when the stated maturity date or a mandatory redemption date for the application of a required sinking fund installment has been reached and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by application of required sinking fund installments), acceleration or other advancement of maturity; and, when referring to interest on the Bonds, is when the stated date for payment of interest has been reached. As used herein, "Nonpayment" means the failure of the Issuer to have provided sufficient funds to the paying agent for payment in full of all principal of and interest on the Bonds which are Due for Payment.

This Policy is noncancelable. The premium on this Policy is not refundable for any reason, including payment of the Bonds prior to maturity. This Policy does not insure against loss of any prepayment or other acceleration payment which at any time may become due in respect of any Bond, other than at the sole option of AMBAC, nor against any risk other than Nonpayment.

In witness whereof, AMBAC has caused this Policy to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon AMBAC by virtue of the countersignature of its duly authorized representative.

Lassiter
President

AMBAC INDEMNITY CORPORATION
CORPORATE
SEAL
WISCONSIN

Stephen D. Cooke
Secretary

Effective Date:

Authorized Representative

UNITED STATES TRUST COMPANY OF NEW YORK acknowledges that it has agreed to perform the duties of Insurance Trustee under this Policy.

Cynthia Chaney
Authorized Officer

Form # 366-0005 (8/92)

OFFICIAL STATEMENT DATED SEPTEMBER 6, 1995

NEW ISSUE **Moody's Rating Applied for**

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.")

$3,300,000

Minnesota Higher Education Facilities Authority

Revenue Bonds, Series Four-B
(The Concordia College Corporation)
(Book Entry Only)

Dated Date: October 1, 1995 **Interest Due: April 1 and October 1, commencing April 1, 1996**

The Bonds will mature annually on October 1 as follows:

1998 $150,000	2002 $175,000	2005 $285,000	2008 $335,000
1999 $160,000	2003 $255,000	2006 $300,000	2009 $355,000
2000 $160,000	2004 $270,000	2007 $315,000	2010 $375,000
2001 $165,000			

The Authority may elect on October 1, 2005, and on any day thereafter to prepay Bonds due on or after October 1, 2006. The Bonds will also be subject to optional redemption in whole or in part in certain cases of damage to or destruction or condemnation of the Project Facilities described in the Loan Agreement and 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, Professional Limited Liability Partnership, 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 October 17, 1995.

This cover page contains certain information for quick reference only. It is <u>not</u> 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: September 20, 1995 (Wednesday) at 11:00 A.M., Central Time
AWARD: September 20, 1995 (Wednesday) at 3:00 P.M., Central Time

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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

Kathryn Balstad Brewer, Chair	Doctoral Candidate of University of Minnesota; New Brighton, Minnesota; Formerly Senior Vice President With FBS Investment Services, Inc.
Mollie N. Thibodeau, Vice Chair	CFRE, Fund Raising Consultant, Duluth, Minnesota
James R. Miller, Secretary	Owner and CEO, Rollin & Associates, Inc.,
Jack Amundson	Partner McMahon, Hartmann, Amundson & Co., Saint Cloud, 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
David B. Laird, Jr. (Ex Officio)	President, Minnesota Private College Council, Saint Paul, Minnesota. St. Paul, Minnesota
Timothy Medd (Ex Officio)	Minnesota Higher Education Services Office, Saint Paul, Minnesota.
Tom Martinson	Principal, City Planning & Economic Development
Christopher A. Nelson	Attorney, Pustorino, Pederson, Tilton & Parrington, Minneapolis, Minnesota

J. Luther Anderson, Executive Director

Bond Counsel
Faegre & Benson, Professional Limited Liability Partnership

Financial Advisor
Springsted Incorporated

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OFFICIAL TERMS OF OFFERING

$3,300,000

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
REVENUE BONDS, SERIES FOUR-B

(The Concordia College Corporation)

(BOOK ENTRY ONLY)

Bids for the Bonds will be received by J. Luther Anderson, Executive Director, Minnesota Higher Education Facilities Authority (the "Authority") or his duly appointed representative on Wednesday, September 20, 1995, until 11:00 A.M., Central Time, at Suite 450, Galtier Plaza, 175 East Fifth Street, Saint Paul, Minnesota 55101, telephone (612) 296-4690 after which time they will be opened and tabulated. Consideration for award of the Bonds will be by the Board of the Authority at 3:00 P.M., Central Time, of the same day.

SUBMISSION OF BIDS

Bids may be submitted in a sealed envelope or by fax (612) 223-3002 to Springsted. Signed bid forms, without final price or coupons, may be submitted to Springsted prior to the time of sale. The bidder shall be responsible for submitting to Springsted the final bid price and coupons, by telephone (612) 223-3000 or fax (612) 223-3002 for inclusion in the submitted bid form. Springsted will assume no liability for the inability of the bidder to reach Springsted prior to the time of sale specified above. Bids may also be filed electronically via PARITY, in accordance with PARITY Rules of Participation and the Official Terms of Offering, within a one-hour period prior to the time of sale established above, but no bids will be received after that time. If provisions in the Official Terms of Offering conflict with the PARITY Rules of Participation, the Official Terms of Offering shall control. The normal fee for use of PARITY may be obtained from PARITY and such fee shall be the responsibility of the bidder. For further information about PARITY, potential bidders may contact PARITY at 100 116th Avenue SE, Suite 100, Bellevue, Washington 98004, telephone (206) 635-3545. Neither the Authority nor Springsted Incorporated assumes any liability if there is a malfunction of PARITY. All bidders are advised that each bid shall be deemed to constitute a contract between the bidder and the Authority to purchase the Bonds regardless of the manner of the bid submitted.

DETAILS OF THE BONDS

The Bonds will be dated October 1, 1995, as the date of original issue, and will bear interest payable on April 1 and October 1 of each year, commencing April 1, 1996. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

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

1998	$150,000	2002	$175,000	2005	$285,000	2008	$335,000
1999	$160,000	2003	$255,000	2006	$300,000	2009	$355,000
2000	$160,000	2004	$270,000	2007	$315,000	2010	$375,000
2001	$165,000						

BOOK ENTRY SYSTEM

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 The 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 registrar 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 purchaser, as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

TRUSTEE/REGISTRAR/PAYING AGENT

First Trust National Association, Saint Paul, Minnesota will act as Trustee and will also act as registrar and paying agent.

OPTIONAL REDEMPTION

The Authority may elect on October 1, 2005, and on any day thereafter, to prepay Bonds due on or after October 1, 2006. Redemption may be in whole or in part and if in part at the option of the Authority and in such manner as the Authority shall determine. If less than all Bonds of a maturity are called for redemption, the Authority will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All prepayments shall be at a price of par plus accrued interest.

The Bonds are subject to redemption in whole or in part on any 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 or in part on any date in the event of a Determination of Taxability as defined therein. All prepayments shall be at a price of par and accrued interest.

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 thereto 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 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 renovate, refurnish and re-equip the Park Region Residence Hall and connect the Park Region Hall to the central heating and cooling system of the College.

TYPE OF BID

Bids shall be for not less than $3,250,500 and accrued interest on the total principal amount of the Bonds. 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 $33,000, 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 shall be in integral multiples of 5/100 or 1/8 of 1%. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity. No conditional bid will be accepted.

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 will reserve 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, and, (iii) reject any bid which the Authority determines to have failed to comply with the terms herein.

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.

CONTINUING DISCLOSURE

The College and Trustee will enter into a Continuing Disclosure Agreement to provide, or cause to be provided, annual financial information, including audited financial statements of the College, and notices of certain material events, as required by SEC Rule 15c2-12.

SETTLEMENT

It is expected that on or about October 17, 1995, 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, P.L.L.P. of Minneapolis, Minnesota, as to the validity and exemption of the Bonds from federal and State of Minnesota income tax 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, Grinnel, 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.

OFFICIAL STATEMENT

The Authority has authorized the preparation of an Official Statement containing pertinent information relative to the Bonds, and said Official Statement will serve as a nearly-final Official Statement within the meaning of 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 to the Authority, Springsted Incorporated, 85 East Seventh Place, Suite 100, Saint Paul, Minnesota 55101, telephone (612) 223-3000.

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 Authority with respect to the Bonds, as that term is defined in Rule 15c2-12. By awarding the Bonds to any underwriter or underwriting syndicate submitting an Official Bid Form therefor, the Authority 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 150 copies of the Official Statement and the addendum or addenda described above. The Authority 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 Authority (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.

Dated August 16, 1995

BY ORDER OF THE MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

/s/ J. Luther Anderson
Executive Director

SCHEDULE OF BOND YEARS

$3,300,000
MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
REVENUE BONDS, SERIES FOUR-B
(THE CONCORDIA COLLEGE CORPORATION)

Year	Principal	Bond Years	Cumulative Bond Years	
1998	$150,000	450.0000	450.0000	______
1999	$160,000	640.0000	1,090.0000	______
2000	$160,000	800.0000	1,890.0000	______
2001	$165,000	990.0000	2,880.0000	______
2002	$175,000	1,225.0000	4,105.0000	______
2003	$255,000	2,040.0000	6,145.0000	______
2004	$270,000	2,430.0000	8,575.0000	______
2005	$285,000	2,850.0000	11,425.0000	______
2006	$300,000 c	3,300.0000	14,725.0000	______
2007	$315,000 c	3,780.0000	18,505.0000	______
2008	$335,000 c	4,355.0000	22,860.0000	______
2009	$355,000 c	4,970.0000	27,830.0000	______
2010	$375,000 c	5,625.0000	33,455.0000	______

Average Maturity: 10.14 Years

Bonds Dated: October 1, 1995

Interest Due: April 1, 1996 and each April 1 and October 1 to maturity.

Principal Due: October 1, 1998-2010 inclusive.

Optional Call: Bonds maturing on or after October 1, 2006 are callable commencing October 1, 2005 and any date thereafter at par. (See Official Terms of Offering.)

c: subject to optional call

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OFFICIAL STATEMENT

$3,300,000

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

REVENUE BONDS, SERIES FOUR-B
(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 $3,300,000 Revenue Bonds, Series Four-B (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 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 renovate, refurnish and re-equip the Park Region Residence Hall and connect the Park Region Hall to the central heating and cooling system of the College. See "PURPOSE OF THE ISSUE", herein.

The Bonds are secured by a pledge of the Loan Repayments and a Reserve Account. The Loan Repayments are a general obligation of the College.

The Reserve Account will be funded in the amount of 10% of the proceeds (par value less original issue discount according to the reoffering scale)(the "Reserve Requirement").

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 and (b) a Reserve Account which will be held by the Trustee and applied to the payment of principal and interest on the Bonds and 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 74% 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, 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 and the Indenture.

Bankruptcy

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

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934 (the "Rule"), the College will enter into an undertaking (the "Undertaking") with the Trustee for the benefit of holders of the Bonds to provide certain financial information and operating data relating to the College to certain information repositories annually, and to provide notices of the occurrence of certain events enumerated in the Rule to certain information repositories or the Municipal Securities Rulemaking Board and to the Minnesota state information depository, if any. The specific nature of the Undertaking, as well as the information to be contained in the annual report or the notices of material events is set forth in the Continuing Disclosure Agreement to be executed and delivered by the College at the time the Bonds are delivered in substantially the form attached hereto as Appendix III. The College has never failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of material events. A failure by the College to comply with the Undertaking will not constitute an event of default on the Bonds (although holders will have any available remedy at law or in equity). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

THE BONDS

The Bonds will be dated October 1, 1995 and will mature annually each October 1, commencing October 1, 1998, 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, 1996.

Book Entry Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the bonds (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 Security certificate will be issued for the Bonds, in the aggregate principal amount of such issue, 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 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 of each actual purchaser of each Security ("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 interests 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 interests in 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.

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 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 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 Agent, 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 or the Agent, 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 or the Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security 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 system 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 Authority may elect on October 1, 2005, and on any day thereafter, to prepay Bonds due on or after October 1, 2006. Redemption may be in whole or in part and if in part at the option of the Authority and in such manner as the Authority shall determine. If less than all Bonds of a maturity are called for redemption, the Authority will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All prepayments shall be at a price of par plus accrued interest.

The Bonds will also 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").

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 or the Loan Agreement to the extent of the portion of its principal amount (and accrued interest to the date fixed for redemption and applicable premium, if any) represented by such $5,000 unit or units of principal amount, nor shall new Bonds be thereafter issued corresponding to said unit or units.

Notice of Redemption

Notice of any redemption shall be mailed to the registered Owners at their addresses shown on the registration books of the Authority and maintained by the Trustee not less than 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 15 through 16 and Appendix IV, "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 Four-B Bond Principal	$3,300,000
Available Funds of the College	912,000
Total Sources	$4,212,000
Uses of Funds	
Project Costs	$3,772,000
Debt Service Reserve	330,000
Discount and Costs of Issuance	110,000
Total Uses	$4,212,000

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, together with other funds of the College, will be used to renovate, refurnish and re-equip the Park Region Residence Hall and connect the Park Region Hall to the central heating and cooling system of the College.

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 $330,000.

The Bonds are secured by the pledge of the Loan Repayments and a Reserve Account. The Loan Repayments are a general obligation of the College. 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. 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.

The College will also covenant that so long as the Bonds shall remain outstanding:

a. For at least two of the preceding three complete Fiscal Years, the Revenue/Expenditure Test must be met.

b. The College shall incur no Funded Debt with a maturity in excess of two years (except for a refunding or refinancing of Funded Debt which does not increase the amount of the 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 the average Debt Service Coverage Ratio for the last two Fiscal Years for which audited financial statements are available 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 for the most recent complete Fiscal Year, for purposes of this paragraph (b), the estimated amount of 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 unrestricted net assets, as shown on the most recent audited financial statements.

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

"Adjusted Increase (Decrease) in Unrestricted Net Assets" means the Increase (decrease) in Unrestricted Net Assets, as reported in the Statement of Activities section of the audited financial report of the College; excluding: (a) depreciation expense, (b) net assets released from restriction representing acquisition of land, buildings and equipment, (c) extraordinary gains or losses on refinancing, and (d) unrealized net gains or losses on investments.

"Board-controlled" means, when used with reference to quasi-endowment funds, funds designated by the Board of Regents, and not by the donor, to function as quasi-endowment funds and which may be transferred to the Unrestricted Current Fund by action of the Board of Regents and used for the general purposes of the College.

"Debt Service Coverage Ratio" means for any particular period, the ratio (expressed as a percentage) determined by dividing Net Income Available for Debt Service by the total amount of principal of and interest on Funded Debt.

"Funded Debt" shall mean indebtedness for borrowed money having a maturity date of more than one year from the date of creation thereof and which, under generally accepted accounting principles, is shown on the balance sheet as a liability, including obligations whenever payable if renewable pursuant to the terms thereof or of a revolving loan agreement for a period of more than one year from the date of creation thereof and including lease rental obligations which, under generally accepted accounting principles, are shown on the balance sheet as a liability.

"Maximum Annual Debt Service" means 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 subject to the following: (i) If any part of the Funded Debt is outstanding variable rate indebtedness, the rate of interest on the variable rate indebtedness for future Fiscal Years shall be computed at the average rate of interest for the then most recent Fiscal Year or, at the election of the College, for the then current interest period; if variable rate indebtedness is proposed to be issued, the rate of interest shall be the initial variable rate as estimated by an Independent Management Consultant, or an investment banking firm selected by the College to underwrite the sale of such variable rate indebtedness. (ii) If any part of the Funded Debt outstanding or to be issued is a guarantee by the College of indebtedness of a third person or so-called "pass-through" or "covered" indebtedness (the College having borrowed money to relend to a third person), such Funded Debt shall be excluded if the third person (whose debt is guaranteed or whose payments are expected to service the College's obligations with respect to such Funded Debt) had a Debt Service Coverage Ratio (including the amount of debt proposed to be incurred in the computation of debt service) of at least 125%. (iii) The amount of debt service with respect to "balloon indebtedness" may, at the option of the College be calculated on a level debt service basis over the period ending the Fiscal Year when the balloon is payable; as used herein, "balloon indebtedness" means Funded Debt 25% or more of the principal of which is due in any 12 month period. (iv) The amount of debt service with respect to "put'" indebtedness shall be calculated at the maximum amount of principal of or interest on such indebtedness which the College may be required to purchase or redeem in any Fiscal Year; provided that if there is a written commitment from a bank or other financial institution to refinance the amount of any indebtedness which the College may be required to redeem or purchase, the debt service with respect to such put indebtedness may, at the option of the College, be calculated on the basis of the repayment schedule contemplated by such written commitment, commencing the date such commitment will (unless renewed) expire; "put" indebtedness means Funded Debt which the College may be required, at the option of the holder thereof, to prepay or purchase prior to the stated maturity date thereof, in whole or in part, but if in part, in an amount 25% or more of the original principal amount thereof. (v) There shall not be taken into account any part of the Funded Debt of the College which has been refunded, refinanced or otherwise defeased under an arrangement whereby all future payments of such indebtedness will be met from monies and investments held by an indenture trustee or escrow agent, provided that any such investments shall be direct obligations of or obligations fully guaranteed by the United States of America. (vi) If any part of such Funded Debt consists of crossover refunding debt, no part of the debt service with respect to such crossover refunding debt shall be taken into account prior to the crossover date, and after the crossover date, no part of the debt service of the refunded debt shall be taken into account. (vii) If any part of such Funded Debt is "nonrecourse" indebtedness or "subordinated" indebtedness, no part of the debt service with respect thereto shall be taken into account; "nonrecourse" indebtedness means indebtedness payable only from a limited fund and secured only by property purchased or acquired from the proceeds of such indebtedness; "subordinated" indebtedness means indebtedness the principal and interest on which are subordinated to payment of the Bonds by a written instrument of the holder, a copy of which is filed with the Trustee. (viii) If any part of the Funded Debt outstanding or to be issued constitutes capital appreciation bonds or notes, and all such capital appreciation bonds or notes mature in a single year, the amount of debt service to be taken into account shall be the excess of accreted value of such bonds or notes in a Fiscal Year over the accreted value in the prior Fiscal Year; "capital appreciation bonds or notes" includes zero coupon bonds and notes and discount bonds or notes issued at less than 95% of the par value at maturity, provided that accreted values per year are established at the date of issuance thereof. (ix) The amount of any reserve fund for any Funded Debt or redemption fund which may be used only to pay, redeem or purchase such Funded Debt issued or proposed to be issued may be deducted from debt service for the Fiscal Year or Years in which such Funded Debt finally matures and for payment of which the reserve or redemption fund moneys may be used without creating a default.

"Net Income Available for Debt Service" means (i) for the Fiscal Year ended April 30, 1995 and prior Fiscal Years, Unrestricted Current Fund revenues over Unrestricted Current Fund expenditures (excluding depreciation, amortization and interest from expenditures), plus income from investment of Accounts held by the Trustee under the Indenture, as determined by generally accepted accounting principles as applied in preparation of the College financial statements for such Fiscal Years and (ii) for any Fiscal Year ended after April 30, 1995, the Adjusted Increase (Decrease) in Unrestricted Net Assets (plus interest payments on funded debt).

"Revenue/Expenditure Test" means (i) for the Fiscal Year ended April 30, 1995 and prior Fiscal Years, that Unrestricted Current Fund revenues were at least equal to Unrestricted Current Fund expenditures, including mandatory transfers, according to principles of accounting used in the preparation of the College's financial statements for such Fiscal Years; and (ii) for any Fiscal Year ending after April 30, 1995, the Adjusted Increase in Unrestricted Net Assets shall not be less than zero.

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 & Company in the report of the College's financial statements for the Fiscal Year ended April 30, 1995, if relating to such Fiscal Year or prior Fiscal Years and for the Fiscal Year ended April 30, 1996 if relating to such Fiscal Year or any subsequent Fiscal Year.

The above-described covenants may be modified to reflect changes in presentation of the financial statements. The College may elect on or before April 30, 1997 to submit modifications to the Trustee accompanied by, among other things, evidence that the rating on the Bonds will not be adversely affected by the modification to the covenants and certain representations of the College. Any modifications are intended to enable the College's auditors to certify compliance with the covenants based upon the financial statements as presented under new standards and not intended to make the covenants less restrictive. See Appendix I - "Financial Statements", for a discussion on the changes in financial reporting for not-for-profit organizations which may require modification of the above-described covenants.

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 Construction 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 Construction 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.

Construction Account

There should be deposited initially into the Construction Account certain proceeds of the Bonds, except as otherwise required to be deposited into the Bond and Interest Sinking Fund Account or the Reserve Account. In addition to such proceeds of the Bonds, by the Loan Agreement, the College has covenanted that it will provide and apply additional funds, if any, which, together with Bond proceeds, will be sufficient to provide for the payment of all Project Costs and all other costs relating to the Project. The Authority shall have no obligation to deposit any moneys in said Construction Account or apply moneys to Project Costs except proceeds of the Bonds or funds made available therefor by the College.

The moneys in the Construction Account shall be held in trust by the Trustee and applied to the payment and reimbursement of Project Costs and pending such application shall be subject to a lien and charge in favor of the Holders of the Bonds issued and shall be held for the further security of such Holders until paid out.

Payments may be made from the Construction Account for costs of improvement, acquisition, construction and equipping of the Project ("Project Costs"), provided, however, that proceeds of the Bonds may not be applied to the costs of issuance thereof (including underwriting discount) in an amount in excess of two percent of the proceeds (par value less original issue discount according to the reoffering scale) of the Bonds.

Project Costs shall be paid only upon written order of the Authorized Institution Representative provided that interest accruing on the Bonds during the Construction Period may be paid from the Construction 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, 1996 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. A representative of the Minnesota Higher Education Services Office and the President of the Minnesota Private College Council, who is a non-voting member, are also members of the Authority.

J. Luther Anderson has been the Executive Director of the Authority since June 30, 1995.

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 88 issues (including refunded and retired issues) totaling $415,394,189 of which $211,798,821 (excluding the Bonds) is outstanding as of September 1, 1995. 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 twice 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 and parking 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.

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

An application for a rating of the Bonds has been made to Moody's Investors Service ("Moody's"), 99 Church Street, New York, New York. If a rating is assigned, it will reflect only the opinion of Moody's. Any explanation of the significance of the rating may be obtained only from Moody's.

There is no assurance that a rating, if assigned, will continue for any given period of time, or that such rating will not be revised or withdrawn, if in the judgment of Moody's, circumstances so warrant. A revision or withdrawal of the 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 overtly threatened in writing 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, Professional Limited Liability Partnership 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, Professional Limited Liability Partnership, 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.

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 Services Office 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:

<u>Board of Regents</u>

Gladys M. Bain	Retired teacher, community volunteer, Bismarck, North Dakota
Donald Bottemiller*	President and CEO, Homecrest Industries, Inc., Wadena, Minnesota
Gordon L. Eid	Senior Vice President and General Counsel, IDS Financial Services, Inc., Minneapolis, Minnesota
James L. Eidsvold	Vice President of Henry Foods Inc. Alexandria, Minnesota

C. Harry Forse*	Registered Representative of CFS Brokerage Corp. First National Bank of Walker Park Rapids, Minnesota
Rev. Richard Foss*	Bishop, Eastern North Dakota Synod of the ELCA, Fargo, North Dakota
Bobby I. Griffin	President of MedTronics Pacing Business Minneapolis, Minnesota
Norman M. Jones*	Chairman, First Bank Edina, Minnesota
Vicki Larson***	Parish Education Director for First Lutheran Church Fargo, North Dakota
Lenora Lee, Secretary of the Board of Regents and Secretary of the Corporation*	Co-Owner of Lee Seed Farms and Lee Bean and Seed, Inc. Borup, Minnesota
Jennie Lightfoot	Member of the Top Management Team of Little Six, Inc. Prior Lake, Minnesota
Richard K. Nelson	Principal Scientist, Cray Research, Eagan, Minnesota
Ronald Offutt*	President, R.D. Offutt, Inc., Fargo, North Dakota
Rev. Paul Ofstedal, Vice Chair of the Board of Regents and Vice Chair of the Corporation*	Pastor, St. Anthony Park Lutheran Church, St. Paul, Minnesota
Marilyn J. Olson	Secretary/Treasurer of Blue Rock Product Corporation and President of Blue Rock Beverage Company Sidney, Montana
Dr. Paul E. Peterson	Professor of Government and Director of the Center of American Studies, Harvard University, Cambridge, Massachusetts
Rev. Wayne Pris	Pastor, Eidsvold Lutheran Church, Somers, Montana
Rev. Mark Ramseth	Bishop, Montana Synod, ELCA Great Falls, Montana
Rev. Arthur Rimmereid*	Bishop, Northwestern Minnesota Synod, ELCA, Moorhead, Minnesota
Roger L. Sanders	Farmer, Alexander, North Dakota
Judith Siegle	Medical Social Worker for Meritcare Fargo, North Dakota

Dr. W. Robert Sorensen***	Executive Director, Division for Education, ELCA, Chicago, Illinois
Earl Stein, Jr., Chairman of the Board of Regents and President of the Corporation*	Former President (Retired), Stein's Inc. Moorhead, Minnesota
Rev. Robert Stoskopf	Assistant to the Bishop of the Northeastern Minnesota Synod, ELCA Duluth, Minnesota
Patricia E. Swanson	Community volunteer, Hallock, Minnesota
Wayne Thorson	President, Thorson, Inc., Thorson Oil and Thorson International Bemidji, Minnesota
Loanne Thrane	Consultant, Baily Group Insurance Consultants St. Paul, Minnesota
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.*

*** *Advisory members of the Board.*

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 president of the Lutheran Educational Conference of North America. He is currently Vice Chair of the Board of Directors of the Council of Independent Colleges and immediate past Chair of the Minnesota Private College Council. 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 1994-95 academic year, the College awarded 586 Bachelor of Arts degrees and six 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 56 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 1994-95 academic year, 71 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 $108 million. 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, was completed in 1994 at a cost of $6.1 million.

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	FTE
Historic:	1990-91	2,948	2,910
	1991-92	2,933	2,898
	1992-93	2,942	2,914
	1993-94	2,999	2,993
	1994-95	2,970	2,945
Projected:	1995-96	2,900	2,862
	1996-97	2,900	2,862
	1997-98	2,900	2,862
	1998-99	2,900	2,862
	1999-2000	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 Student Body

The following schedule shows the geographic distribution of the students for the first semester of the 1994-1995 academic year.

State	Number of Students
Minnesota	1,834
North Dakota	561
Montana	201
South Dakota	51
Wisconsin	39
Washington	23
California	20
Other	148
Subtotal	2,877
Foreign Country	
Norway	24
Canada	19
Germany	4
Russia	4
Other	42
Subtotal	93
Total Students	2,970

A total of 38 states and 34 foreign countries are represented in the 1994-95 student population. Sixty-two percent of the students reside in Minnesota.

Freshmen Applications, Acceptances and Enrollments

	1990-91	1991-92	1992-93	1993-94	1994-95
Applications	1,767	1,772	1,824	1,908	2,032
Acceptances	1,608	1,638	1,643	1,718	1,761
Percent Accepted	91.0%	92.4%	90.1%	90.0%	86.7%
Enrolled	750	738	746	806	792
Percent Enrolled to Accepted	46.6%	45.1%	45.4%	46.9%	45.0%
Median ACT Score of Enrolled Freshmen	23	23	24	24	24
Percent of entering freshman from the top 20% of their high school class	50.0%	49.0%	50.0%	48.0%	49.0%

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
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	65.7
1989	740	82.6	72.3	70.5	58.7	66.5
1990	756	81.6	72.9	70.4	59.9	
1991	754	79.4	70.4	65.5		
1992	794	83.3	73.6			
1993	829	75.6				
1994	811					

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 (comprehensive fees) charged to all students residing on campus for the five most recent years.

	1990-91	1991-92	1992-93	1993-94	1994-95
Tuition	$ 8,045	$ 8,610	$ 9,105	$ 9,602	10,110
Room	1,100	1,200	1,300	1,365	1,405
Board	1,425	1,510	1,600	1,685	1,760
Student Activity Fee	80	80	95	98	100
Total	$10,650	$11,400	$12,100	$12,750	$13,375

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

A comparison of comprehensive fees for the last academic year between the College and public and private institutions with which the College directly competes for students demonstrates that the College has historically charged lower comprehensive fees than any of the competing private colleges.

	1994-95
Carleton College	$23,375
Macalester College	20,782
St. Olaf College	18,100
Gustavus Adolphus College	17,725
Hamline University	17,603
Luther College	16,800
Concordia College	**13,375**
Univ. of Minnesota	7,264
Montana State Univ.	5,774
Moorhead State University	5,181
North Dakota State Univ.	4,774

Financial Aid

Approximately 86% 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.

	1989-90	1990-91	1991-92	1992-93	1993-94
College:					
Scholarships & Grants	$ 2,803,747	$ 3,465,840	$ 3,923,023	$ 4,351,679	$ 5,007,044
Endowed & Restricted	1,047,785	1,052,394	1,093,020	1,128,883	1,102,342
Loans	0	1,838	1,200	14,645	5,100
Work Study	1,125,275	1,235,480	1,331,786	1,299,482	1,284,936
Federal:					
Pell & Other Grants	1,254,850	1,220,702	1,347,762	1,268,567	1,210,880
SEOG Grants	543,091	610,822	638,718	689,671	655,550
Perkins Loans	1,035,606	1,053,018	985,625	1,025,199	876,156
Guaranteed Loans (FFELP)	3,545,330	4,052,171	4,991,368	5,901,786	7,594,504
Work Study	197,633	196,696	174,403	176,049	224,671
State:					
Scholarships & Grants	2,729,861	3,049,261	3,204,290	3,453,095	3,518,551
SELF Loans	946,005	989,812	982,535	946,429	583,518
Work Study	112,519	72,548	79,422	80,000	87,437
Other:					
Scholarships & Grants	626,153	660,679	708,029	816,103	851,761
Loans	0	0	1,000	58,891	56,234
Total	$15,967,855	$17,661,251	$19,462,181	$21,210,479	$23,058,684
Students Receiving Aid	2,402	2,478	2,541	2,588	2,675

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.

The number of full-time equivalent faculty and staff for the 1994-95 academic year:

	FTE
Faculty	212.11*
Administrators	85.75
Support Staff	222.83
Student	148.62
Total FTE's	669.31

* *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

The following table shows the faculty rank and average salary by rank for 1994-1995.

Rank	Number*	Range	Average
Professors	43	$44,975-$60,700	$52,605
Associate Professors	38	$35,700-$48,350	$42,113
Assistant Professors	65	$32,000-$45,575	$36,160
Instructors	19	$27,000-$34,750	$31,082

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

Approximately 51% of the faculty are tenured.

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 1991 to 1995.

	1991	1992	1993	1994	1995
Unrestricted Current Fund					
Appropriation					
Evangelical Lutheran Church in America	$ 226,990	$ 185,124	$186,628	$163,234	$132,776
Minnesota Private College Fund	132,463	114,058	106,356	93,366	80,769
Alumni, Corporations, Organizations and Other	1,504,102	1,666,399	1,468,426	1,555,296	1,155,348
Subtotal	$1,863,555	$1,965,581	$1,761,410	$1,811,896	$1,368,893
Restricted Current Funds					
Governmental	$ 2,208,341	$2,168,808	$2,164,956	$ 2,335,099	$1,915,705
Nongovernmental	955,365	1,476,912	806,096	1,436,742	624,151
Subtotal	$ 3,163,706	$3,645,720	$2,971,052	$ 3,771,841	$2,539,856
Endowment Funds	$ 2,022,231	$ 734,530	$ 612,262	$ 1,232,777	$1,940,004
Deferred Gift Funds	3,123,315	1,630,076	2,712,076	3,193,832	165,396
Combined Plant Funds	916,582	553,394	1,311,220	724,959	576,688
Totals	$11,089,389	$8,529,301	$9,368,020	$10,735,305	$6,590,837

Capital Campaign

The College is currently in the planning phase of a multi-year campaign which will solicit funds for annual operations, endowment and facilities.

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 17,000 members and provides more than $600,000 per year in support of College operations, building and scholarship programs. Since 1955, the Club has supported 14 major projects.

Endowment Funds

Following is a five-year history of the 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
1991	18,050,621	10,009,547	28,060,168	30,532,612
1992	18,961,262	11,268,892	30,230,154	33,961,753
1993	20,955,215	11,554,825	32,510,040	36,717,732
1994	23,847,529	11,967,742	35,815,271	39,475,769
1995	25,567,834	12,581,692	38,149,526	40,925,716

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
1991	$16,569,447	$12,094,969
1992	16,626,093	10,098,923
1993	18,991,700	11,549,738
1994	22,146,115	14,746,820
1995	22,180,300	14,781,623

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 have historically been maintained on the fund accounting system and financial statements are prepared on the accrual basis of accounting. Appendix VI sets forth the financial statements of the College for the years ended April 30, 1995, audited by Virchow, Krause & Company, Certified Public Accountants & Consultants, Minneapolis, Minnesota. The firm has not participated in the preparation of this Official Statement and expresses no opinion on its contents.

The College expects that the presentation of financial statements prepared for the Fiscal Year ended April 30, 1996 will be significantly different from the presentation contained in Appendix VI. The Financial Accounting Standard Board ("FASB") has adopted two Statements of Financial Accounting Standards ("SFAS"), SFAS No. 116 and SFAS No. 117, which affect financial reporting by not-for-profit organizations. These standards will affect the College's financial statements beginning with the Fiscal Year ended April 30, 1996. Changes in presentation will impair the comparability between financial statements for the Fiscal Years ended prior to April 30, 1996 and financial statements for Fiscal Years thereafter.

SFAS No. 116 establishes accounting standards for contributions and applies to all entities that receive or make contributions. Generally, contributions received, including unconditional promises to give, will now be recognized as revenues, at their fair values, in the period received. This is a departure from prior standards under which colleges did not recognize promises to give until the asset was in hand.

SFAS 117 establishes standards for general-purpose external financial statements that will be more comparable to for-profit entities. The new statement requires classification of an organization's net assets, as well as its revenues, expenses, gains and losses based on the existence or absence of donor-imposed restriction. It requires three classes of net assets—permanently restricted, temporarily restricted and unrestricted—to be displayed in a statement of financial position. It also requires the amount of change in each of those classes of net assets to be displayed in a statement of activities. Revenues that are classified as temporarily restricted or permanently restricted consist almost entirely of donor-restricted contributions. Most other types of revenue will be accounted for in the unrestricted asset class.

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 and the budget for the Unrestricted Current Fund for the Fiscal Years 1994-95 and 1995-96. These tables should be read in conjunction with the financial statements found in Appendix VI.

THE CONCORDIA COLLEGE CORPORATION

STATEMENT OF UNRESTRICTED CURRENT FUND
REVENUES, EXPENDITURES AND OTHER CHANGES

For the Fiscal Years Ended April 30, 1991 – 1995

	1991	1992	1993	1994	1995
REVENUES					
Tuition & Fees	$24,439,350	$26,027,455	$27,762,483	$29,728,378	$30,863,659
Government Grants	80,906	59,255	3,030	14,600	38,886
Private Gifts and Grants	1,863,555	1,965,581	1,761,410	1,811,896	1,368,893
Endowment Income	283,295	603,859	473,685	841,020	1,117,447
Education Activities Sales	96,263	133,822	144,351	195,261	218,249
Other Sources	581,564	821,281	1,055,297	990,582	1,108,742
Matured Deferred Gifts	649,238	2,786,588	454,598	105,818	732,231
Total Revenues Before Auxiliary Enterprises	$27,994,171	$32,397,841	$31,654,854	$33,687,555	$35,448,107
Auxiliary Enterprises	6,555,831	6,948,411	7,349,104	7,838,615	8,001,015
Independent Operations	4,066,395	4,486,647	4,979,691	5,079,980	5,636,170
Total Revenues	$38,616,397	$43,832,899	$43,983,649	$46,606,150	$49,085,292
EXPENDITURES AND MANDATORY TRANSFERS					
Educational and General					
Instruction	$11,662,548	$12,336,839	$13,219,825	$13,824,105	$14,567,707
Public Service	593,335	583,076	918,700	629,312	475,702
Academic Support	1,331,922	1,352,185	1,466,051	1,565,611	1,675,050
Student Services	2,808,888	2,733,317	2,970,662	2,913,133	2,959,225
Institutional Support	4,377,639	4,731,704	4,784,526	3,989,335	4,874,657
Operation and Maintenance	2,267,586	2,622,286	2,529,777	2,599,096	2,765,470
Scholarships and Grants	3,451,102	3,895,823	4,385,678	4,935,702	5,237,404
Educational and General Expenditures	$26,493,020	$28,255,230	$30,275,219	$30,456,294	$32,555,215
Mandatory Transfers for Principal and Interest	323,506	837,454	874,886	488,021	908,197
Total Education and General	$26,816,526	$29,092,684	$31,150,105	$30,944,315	$33,463,412
Auxiliary Enterprises					
Expenditures	$5,283,438	$5,878,093	$6,051,613	$6,404,758	$6,499,491
Mandatory Transfers for Principal and Interest	371,600	376,089	379,488	383,417	381,246
Total Auxiliary Enterprises	$5,655,038	$6,254,182	$6,431,101	$6,788,175	$6,880,737
Independent Operations	$3,683,647	$4,113,610	$4,554,955	$4,583,672	$5,091,839
Total Expenditures and Mandatory Transfers	$36,155,211	$39,460,476	$42,136,161	$42,316,162	$45,435,988
Excess of Revenues Over Expenditures and Mandatory Transfers	$2,461,186	$4,372,423	$1,847,488	$4,289,988	$3,649,304
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)					
Unrestricted Current Fund to:					
Restricted Current Funds	($95,655)	$0	($92,989)	($324,465)	($29,440)
Loan Funds	0	(26,930)	0	(211,966)	0
Endowment Funds	(11,173)	(1,217,656)	(138,908)	(2,279,175)	(429,315)
Unexpended Plant Funds	(1,071,182)	(2,114,008)	(1,121,538)	(858,465)	(1,982,351)
Renewal & Replacement Fund	(904,329)	(1,043,339)	(679,844)	(153,894)	(979,734)
Retirement of Indebtedness Funds	0	0	0	0	426
Endowment Funds to:					
Unrestricted Current Fund	225,000	375,000	453,000	0	0
Total Other Transfers and Additions (Deductions)	($1,857,339)	($4,026,933)	($1,580,279)	($3,827,965)	($3,420,414)
Increase (Decrease) in Fund Balance	$603,847	$345,490	$267,209	$462,023	$228,890
FUND BALANCE					
Fund Balance – Beginning of Year	$3,119,211	$3,723,058	$4,068,548	$4,335,757	$4,797,780
Increase (Decrease) in Fund Balance	603,847	345,490	267,209	462,023	228,890
Fund Balance – End of Year	$3,723,058	$4,068,548	$4,335,757	$4,797,780	$5,026,670

Source: Audited Financial Statements

THE CONCORDIA COLLEGE CORPORATION
1994-95 BUDGET COMPARED TO 1995-96 BUDGET
UNRESTRICTED CURRENT FUND

	APPROVED BUDGET 1994-95	APPROVED BUDGET 1995-96	% ANNUAL INCREASE
REVENUE:			
Tuition	$27,450,000	$28,939,000	5.42%
Fees	342,000	354,000	3.51%
Government Grants	285,000	295,000	3.51%
Private Gifts	2,481,000	2,481,000	0.00%
Endowment	1,621,000	1,788,000	10.30%
Auxiliary (net)	679,000	703,000	3.53%
Other	902,000	933,000	3.44%
TOTAL REVENUE	33,760,000	35,493,000	5.13%
EXPENDITURES:			
Services and Supplies	5,049,122	5,334,216	5.65%
Student Employment	842,063	828,335	-1.63%
Telephones	220,456	228,130	3.48%
Utilities	584,584	567,330	-2.95%
Library Capital	360,700	368,350	2.12%
Misc. Capital	351,000	363,000	3.42%
Debt	433,000	433,000	0.00%
Reserve	307,000	322,000	4.89%
Major Projects	516,000	567,000	9.88%
Financial Aid	6,620,000	7,245,000	9.44%
Credits from Charge Backs	(183,780)	(228,740)	24.46%
SUBTOTAL	15,100,145	16,027,621	6.14%
Salaries and Benefits	18,659,855	19,465,379	4.32%
TOTAL EXPENDITURES	33,760,000	35,493,000	5.13%
BALANCE	0	0	

Long-Term Debt of the College As of April 30, 1995

1. Mortgage payable in monthly payments of $2,325 including plus interest with final payment of $198,000 due October 1, 1997. Interest in charged at the prime rate. The mortgage is secured by real property of the College. $233,158 is outstanding.

2. A contract for deed due in monthly installments aggregating $2,000, including interest at 8%. The contract for deed is secured by apartment buildings and other real estate. $182,711 is outstanding.

3. The plant funds were indebted on Investment and Loan Fund Certificates in the amount of $16,700. The certificates are payable in varying amounts and bear interest rates of 7.5 to 8%.

4. $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. $2,880,000 is outstanding.

5. $6,420,000 Minnesota Higher Education Facilities Authority Mortgage Revenue Bonds, Series Three-U, dated August 1, 1993, final maturity October 1, 2002. The Series Three-U Bonds are secured by the full faith and credit of the College and a debt service reserve of $642,000. $5,895,000 is outstanding.

6. The Bonds.

As of April 30, 1995, the total of long-term debt outstanding, including the Bonds is $12,507,569.

THE CONCORDIA COLLEGE CORPORATION

ANNUAL DEBT SERVICE BY FISCAL YEAR AND COVERAGE STATEMENT

FISCAL YEAR ENDING APRIL 30	EXISTING LONG TERM DEBT SERVICE	- The FOUR-B Bonds (a) - PRINCIPAL	PRINCIPAL & INTEREST	TOTAL LONG TERM DEBT SERVICE	COVERAGE (b) (times)
1996	$1,397,325	$0	$91,850	$1,489,175	3.32
1997	1,386,463	0	183,700	1,570,163	3.15
1998	1,674,532	0	183,700	1,858,232	2.66
1999	1,339,510	150,000	329,987	1,669,497	2.96
2000	1,355,731	160,000	332,194	1,687,925	2.93
2001	1,367,330	160,000	323,994	1,691,324	2.92
2002	841,776	165,000	320,543	1,162,319	4.25
2003	797,423	175,000	321,574	1,118,997	4.41
2004		255,000	390,051	390,051	12.66
2005		270,000	390,808	390,808	12.64
2006		285,000	390,541	390,541	12.65
2007		300,000	389,232	389,232	12.69
2008		315,000	386,854	386,854	12.77
2009		335,000	388,161	388,161	12.72
2010		355,000	387,973	387,973	12.73
2011		375,000	386,250	386,250	12.79
TOTALS	$10,160,090	$3,300,000	$5,197,412	$15,357,502	

(a) Debt service for the Series Four-B Bonds assumed at average annual rate of 5.67%.

(b) Coverage is based on the amount available for debt service (Unrestricted Current Fund) from audited financial statements for the fiscal year ended April 30, 1995.

Unrestricted Current Fund ("UCF") Educational & General Revenues:		$35,448,107
UCF Auxiliary Enterprise and Independent Operations Revenues:		13,637,185
Subtotal:		$49,085,292
Less UCF Expenditures and Mandatory Transfers		
Educational and General Expenditures:	$32,555,215	
Auxiliary Enterprise and Independent Operations Expenditures:	11,591,330	
E&G Mandatory Transfers:	908,197	
Auxiliary Enterprises Mandatory Transfers:	381,246	
Subtotal:		45,435,988
Excess of Revenues Over Expenditures and Mandatory Transfers:		3,649,304
Add: Mandatory Transfers for Debt Service:		1,289,443
Amount Available for Debt Service:		$4,938,747

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PROPOSED FORM OF LEGAL OPINION

FAEGRE & BENSON
PROFESSIONAL LIMITED LIABILITY PARTNERSHIP
2200 NORWEST CENTER, 90 SOUTH SEVENTH STREET
MINNEAPOLIS, MINNESOTA 55402-3901
TELEPHONE 612-336-3000
FACSIMILE 612-336-3026

$3,300,000
Minnesota Higher Education Facilities Authority
Revenue Bonds, Series Four-B
(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 book entry system) Revenue Bonds, Series Four-B (The Concordia College Corporation) (the "Bonds"), dated as of October 1, 1995. The Bonds are issued for the purpose of funding a loan from the Authority to the The Concordia College Corporation, a Minnesota nonprofit corporation (the "College"), as owner and operator of the Concordia College, a Minnesota nonprofit institution of higher education having its main campus in the City of Moorhead, Minnesota (the "Institution"), in order to finance the costs of a project consisting of the construction, improving, furnishing and equipping, including appurtenant site improvements, of certain existing facilities on the campus of the Institution (as further described in the Loan Agreement and Indenture, the "Project"). 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 ____________, (Trustee not chosen), National Association, in ____________, Minnesota, as Trustee, both dated as of October 1, 1995, the opinion of Gunhus, Grinnell, Klinger, Swenson & Guy as counsel to the College, the form of the Bonds prepared for execution, and such other documents as we deemed necessary for the purpose of the following opinion.

As to questions of fact material to our opinion, we have relied upon certified proceedings, documents and certifications furnished to us by public officials and officials of the College without undertaking to verify such facts by independent investigation. We have also relied upon the opinion of counsel to the College, as to the Loan Agreement having been duly authorized and executed and being binding upon the College, as to the corporate organization, good standing and powers of the College and as to the title to the Project Site (as defined in the Loan Agreement and Indenture) 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, as amended, to issue the Bonds, to loan the proceeds thereof to the College and to execute and deliver the Loan Agreement and the Indenture to secure the Bonds.

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

3. The Bonds are secured by the assignment of the loan repayments payable by the College under the Loan Agreement to the Trustee, 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 the purpose of determining the "alternative minimum taxable income" of corporations under Section 55 of the Code and is subject to the Minnesota franchise tax imposed upon corporations, including financial institutions, measured by taxable income and the alternative minimum tax base. The Bonds are not arbitrage bonds within the meaning of Section 148 of the Code. The Bonds are "private activity bonds" within the meaning of Section 141(a) and "qualified 501(c)(3) bonds" within the meaning of Section 145 of the Code. 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 and the Loan Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in accordance with general principles of law.

Dated at Minneapolis, Minnesota, October __, 1995.

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement"), by and between The Concordia College Corporation, a Minnesota nonprofit corporation ("College") and First Trust National Association, as trustee under the Indenture described below (the "Trustee"), is dated as of October 1, 1995.

RECITALS

A. Pursuant to a Trust Indenture of even date herewith between the Minnesota Higher Education Facilities Authority, an agency of the State of Minnesota (the "Issuer") and the Trustee (the "Indenture"), the Issuer is issuing $3,300,000 Revenue Bonds, Series Four-B (the "Bonds"). The Bonds will be offered for sale pursuant to an Official Statement dated September ____, 1995 (together with any amendments thereof or supplements thereto, the "Final Official Statement").

B. Proceeds of the Bonds will be loaned to College pursuant to a Loan Agreement between the Issuer and College (the "Loan Agreement") dated as of even date herewith, with all principal of and interest on the Bonds intended to be repaid from Loan Repayments as defined in the Loan Agreement.

C. This Agreement is being entered into in response to promulgation by the Securities and Exchange Commission (the "Commission") of certain amendments to Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, restricting participating underwriters from purchasing municipal securities unless an agreement has been entered into to provide certain continuing disclosure concerning the municipal securities after their issuance.

NOW THEREFORE, in consideration of the Issuer's issuance of the Bonds, the purchase of the Bonds by participating underwriters, and other good and valuable consideration, the parties hereto agree as follows:

SECTION 1. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Agreement unless otherwise defined in this Section or the foregoing Recitals, the following capitalized terms shall have the following meanings:

"Annual Report" means, with respect to the Reporting Party, a document or set of documents which contains (or includes by reference as provided in Section 2 hereof) substantially all material financial and operating data with respect to the Reporting Party described in the Exhibit hereto.

"Annual Report Date" means, with respect to each Annual Report, the date so designated in the Exhibit hereto, or such other date as the applicable Reporting Party shall designate in writing to the Trustee and each Repository.

"Disclosure Representative" means, with respect to the Reporting Party, the person identified in Section 11 hereof as the recipient of notices to be sent hereunder or such other person as the Reporting Party shall designate by written notice to the Trustee.

"Listed Events" shall mean any of the events listed in Section 3(a) of this Agreement.

"National Repository" shall mean, as of the date of determination, any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. Currently, the following are National Repositories:

Bloomberg Municipal Repositories
P.O. Box 840
Princeton, N.J. 08542-0840

The Bond Buyer Repository
Attn: Municipal Disclosure
395 Hudson Street
New York, NY 10004

Disclosure, Inc.
Attn: Document Acquisitions/Municipal Securities
5161 River Road
Bethesda, Md. 20816

Kenny Information Systems, Inc.
Attn: Kenny Repository Service
16th Floor
65 Broadway
New York, N.Y. 10006

Moody's NRMSIR
Public Finance Information Center
99 Church Street
New York, N.Y. 10007

"Participating Underwriters" shall mean ________________________.

"Reporting Party" shall mean, subject to release as provided in Section 4 hereof, the College; together with any successors or assigns as provided in Section 4 hereof.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time, or any successor provision thereto.

"State Repository" shall mean any public or private repository or entity designated by the State of Minnesota as a state repository for the purpose of the Rule. As of the date of this Agreement, there is no State Repository.

"Tax-exempt" shall mean that interest on the Bonds is excluded from the gross income, for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax or environmental tax.

SECTION 2. Provision of Annual Report.

(a) On or before the 15th calendar day before the Annual Report Date, the Reporting Party shall cause the Annual Report of the Reporting Party to be delivered to the Issuer, the Trustee and each Repository; provided that if the Annual Report consists of a final Official Statement within the meaning of the Rule it shall also be delivered to the Municipal Securities Rulemaking Board (the "MSRB").

(b) To the extent included in an Annual Report, financial statements shall be audited and prepared in accordance with generally accepted accounting principles.

(c) Each Annual Report may incorporate by reference any information on file with each Repository or the Commission, instead of setting forth such information in the Annual Report.

(d) Concurrent with delivery of an Annual Report to the Trustee there shall be also delivered to the Trustee a written certification from the Reporting Party stating whether or not the Annual Report has been provided to each Repository.

(e) If the Trustee has not received an Annual Report by the 15th calendar day prior to the applicable Annual Report Date, together with certification by the Reporting Party that the Annual Report has been provided to each Repository, the Trustee shall promptly notify the Disclosure Representative of the failure to receive the Annual Report and certification. If the Trustee does not verify by the Annual Report Date that an Annual Report was provided to each Repository and if the Trustee has received such Annual Report, the Trustee shall at the expense of the Reporting Party promptly provide the Annual Report to each Repository for whom verification was not obtained.

SECTION 3. Reporting of Listed Events.

(a) The Trustee shall promptly notify the Reporting Party of any of the following occurrences of which it has actual knowledge; and no later than three Business Days after receiving actual notice of the occurrence of any of the following, the Reporting Party shall notify the Trustee in writing of the specific occurrence:

(i) Delinquency in payment when due of any principal of or interest on the Bonds.

(ii) Occurrence of any Event of Default under and as defined in the Indenture (other than as described in clause (i) above) or under and as described in the Loan Agreement (as defined in the Loan Agreement).

(iii) Transfers from the Reserve Fund and the reason therefor, except no notice is required because of a transfer due to the prepayment or defeasance of the Bonds or because amounts in the Reserve Fund exceed the Reserve Requirement for such account.

(iv) Amendment of the Indenture or this Agreement modifying the rights of the Holders of any Bonds or an amendment to the Loan Agreement reducing or deferring the payment of Loan Repayments.

(v) The giving of notice to redeem any Bonds other than for a sinking fund redemption.

(vi) Defeasance of the Bonds or any portion thereof.

(vii) Any change in or withdrawal of any credit rating on the Bonds.

(viii) (A) The rendering of an opinion of Faegre & Benson Professional Limited Liability Partnership, or any other nationally recognized bond counsel who is acceptable to the Trustee, to the effect that interest on the Bonds is not Tax-exempt; or

(B) Any audit, investigation or other challenge of the Tax-exempt status of the Bonds by the Internal Revenue Service or in any administrative or judicial proceeding; or

(C) The issuance of any regulation, decision or other official pronouncement by the Internal Revenue Service or other official tax authority or by any court adversely affecting the Tax-exempt status of the Bonds or bonds of the same type as the Bonds or financing structures similar to the structure with respect to the Bonds.

(ix) Any unscheduled draws on credit enhancements relating to the Bonds (this is not applicable to the Bonds).

(x) Any substitution of credit or liquidity providers and any failure of either provider to perform contractual obligations relating to the Bonds (this is not applicable to the Bonds).

(xi) Any release, substitution or sale of property subject to a mortgage lien securing the Bonds (this is not applicable to the Bonds).

(b) No later than five Business Days after the Reporting Party is required to give notice of a Listed Event to the Trustee, the Reporting Party shall give notice of the occurrence of the Listed Event to each Repository, except that with respect to any Listed Event (other than a Listed Event in subparagraphs (i), (vi), (vii) and (viii) of paragraph (a)), no notice need be given if prior to giving such notice the Trustee receives written instruction from the Reporting Party that such notice should not be given because it is not deemed material.

SECTION 4. Termination of Reporting Obligation. The Reporting Party's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds. The obligations hereunder of the Reporting Party shall also terminate upon the release of the obligation of such party to pay any amounts due or to become due under the Loan Agreement; provided that if such release occurs because of any transfer of assets or the merger of the Reporting Party and the transferee or resultant organization assumes such obligations of the Reporting Party, the Reporting Party shall first require such transferee or resultant organization to assume the obligations of the Reporting Party hereunder.

SECTION 5. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Reporting Party and the Trustee may amend any provision of this Agreement (and the Trustee shall agree to any amendment so requested by the Reporting Party so long as, in the judgment of the Trustee, its burdens or liabilities are not increased thereby), subject to the following conditions:

(a) the amendment is in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Reporting Party or type of business conducted.

(b) this Agreement, after giving effect to the amendments, would have complied with the requirements of the Rule as of the date of the Official Statement, after taking into account any subsequent amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the Trustee either determines, in its discretion, that the amendment does not materially impair the interest of the holders of the Bonds or obtains the consent of holders of at least 50% in aggregate principal amount of the Bonds then outstanding.

In addition, any Annual Report containing amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information. If the amendment relates to a change in the accounting principles to be followed in preparing financial statements, the Annual Report in which the change is made should present a comparison between the financial statements of information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles, with a qualitative discussion and (to the extent feasible) a quantitative comparison of the differences in principles and the impact of the change on the presentation of the financial information. A notice in any change in accounting principles should be sent to the Repository and the MSRB.

Subject to the foregoing, this Agreement may be amended or supplemented from time to time without notice to or consent of the Holders of any Bonds or the Participating Underwriters.

SECTION 6. Additional Information. Nothing in this Agreement shall be deemed to prevent the Reporting Party from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Reporting Party chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Reporting Party shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 7. Default. In the event of a failure of the Reporting Party to provide a timely Annual Report or to report the occurrence of a Listed Event, the Trustee or any beneficial owner of Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Reporting Party to provide the reports. In the event of a failure of the Reporting Party to comply with provisions other than Sections 2 and 3 of this Agreement or a challenge to the adequacy of any report under Sections 2 and 3, the Trustee may (and, at the request the Holders of at least 50% of the aggregate principal amount of Bonds then outstanding , shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Reporting Party to comply with its obligations under this Agreement . A default under this Agreement shall not be deemed an Event of Default under the Bonds, the Indenture or the Loan Agreement, and the sole remedy under this Agreement in the event of any failure of a Reporting Party to comply with this Agreement shall be an action to compel performance. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. The Trustee may condition the taking of any action under this Section on receiving indemnification satisfactory to it.

SECTION 8. Beneficiaries. This Agreement shall inure solely to the benefit of the parties hereto, the Participating Underwriters and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 9. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 10. Notices. All notice, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been duly given or made when delivered personally or by mail to the party to which such notice, request, demand or other communication is required or permitted to be given or made under this Agreement and addressed as set forth below or telecopied to the telecopier number of the recipient, with confirmation of transmission, indicated below:

(a) If to the Reporting Party, at:
Concordia College
901 South Eighth Street
Moorhead, Minnesota 56562
Attention: Controller

(b) If to Trustee, at:

First Trust National Association
180 East Fifth Street
St. Paul, MN 55101
Attn: Corporate Trust Department

SECTION 11. Changes with respect to Repositories. Promptly after actual knowledge by the Trustee or the Reporting Party of a change in the identity or address of any Repository, the Trustee or the Reporting Party shall notify in writing the other parties of such fact.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written but actually on this ____ day of October, 1995.

THE CONCORDIA COLLEGE CORPORATION

By ______________________________

Its ___________________________

[Signature Page for Continuing Disclosure Agreement]

FIRST TRUST NATIONAL ASSOCIATION
as Trustee

By ______________________________
Authorized Officer

[Signature Page for Continuing Disclosure Agreement]

EXHIBIT

ANNUAL REPORT INFORMATION

The Annual Report Date will be November 15, 1996 and each November 15 thereafter, subject to modification as provided in the Continuing Disclosure Agreement.

1. Audited financial statements for the most recent complete fiscal year.

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

a. Provide information as of the end of the most recent complete academic or fiscal year, as appropriate, for each of the Sections entitled:

- Student Enrollment
- Geographic Distribution of Student Body
- Freshmen Applications, Acceptances And Enrollments
- Student Retention
- Tuition And Fees
- Financial Aid
- Faculty And Staff
- Faculty And Average Salary By Rank

b. Provide information as to gift and grant support for the most recent complete fiscal year, identifying major sources.

c. Provide information as to publicly announced capital campaign, including stated goals and progress toward the goals.

d. For the Annual Report to be filed on or before November 15, 1996, a comparison of the financial statements prepared for the fiscal year ended April 30, 1996 and the financial statements included in the Official Statement, with a qualitative discussion and, to the extent feasible, a quantitative comparison of the differences in standards and the impact of the change on the presentation of the financial information resulting from the Statement of Financial Accounting Standards Nos. 116 and 117.

M1:0045473.02

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, Secretary or Executive Director or other officer authorized to act on behalf of the foregoing officer. 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 Revenue Bonds, Series Four-B (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 September 20, 1995, 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 Four-B Bonds is determined to be includable 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 includable 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 October 1, 1995, 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 October 1, 1995, 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.

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 and (iv) those additional encumbrances set forth in Exhibit C to the Loan Agreement.

Project Building: The residence facility known as Park Region Hall renovated or improved with proceeds of the Bonds, including investment earnings.

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

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

Project Site: The land on which the Project Building is 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 $330,000 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 Four-B Bonds: The Minnesota Higher Education Facilities Authority Revenue Bonds, Series Four-B (The Concordia College Corporation).

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, Saint Paul, Minnesota.

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SUMMARY OF DOCUMENTS

THE LOAN AGREEMENT

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

Construction of Project

The College represents that the acquisition, construction and installation of the Project are to be substantially completed by no later than October 1, 1998 subject only to "force majeure," as provided in the Loan Agreement. The College may apply to the Authority at any time to delete from the Project any building, system or equipment proposed to be acquired, constructed or improved as part of the Project, or to add any building, system or equipment to the Project, or both, and upon approval of the Authority, the description of the Project shall accordingly be amended by a supplement to the Loan Agreement executed by the Authority and the College, a copy of which shall be furnished to the Trustee, provided that no such amendment of the description of the Project shall be approved if the Project, as so amended, will not constitute an authorized "project" under the Act or will adversely affect the tax exempt status of interest on the Bonds and an opinion of counsel to such effects is furnished. The College agrees that it has previously paid or will itself pay all costs relating to the acquisition, construction, improving and equipping of the Project, including costs of issuance of the Bonds, to the extent such payments and costs exceed the proceeds of the Bonds in the Construction Account.

Loan Repayments

Under the Loan Agreement, the College agrees to make Loan Repayments in amounts and at times sufficient to provide for payment in full of all principal of and interest 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, 1996, into the Bond and Interest Sinking Fund Account a sum which will be equal to the amount payable as interest, or as principal and interest, on the Series Four-B Bonds on the next succeeding interest 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 Four-B 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 Four-B 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 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, or the Act, and the College shall remain fully obligated under the Loan Agreement 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 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 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 and workers compensation insurance 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, 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 College 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 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 the Project Building, 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 if no Default exists and upon the following conditions:

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

(b) the College may release any equipment from the definition of Project Equipment (with or without the physical removal thereof) without substitution therefor, provided that the College pays a sum equal to the then value of such Project Equipment as determined by an Independent Engineer selected by the College, to the Trustee for deposit in the Redemption Account; 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.

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 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 College affiliate or consolidate with or merge into another corporation or sell or otherwise transfer to another institution all or substantially all of its assets as an entirety if the effect of any such transaction would be to cause the sum of the principal amount of the 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.

Institution To Be Nonsectarian

The College agrees that the Institution will continue to be nonsectarian; will not require or forbid attendance by students or any other persons at religious worship or acceptance of any religious creed; and will not promulgate the distinctive doctrines, creeds or tenets of any particular religious sect.

Determination of Taxability

In the event a Determination of Taxability is made that interest payable on the Bond is includable 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 date for which due notice can be given or any date thereafter and the redemption price in either event shall be equal to par plus accrued interest (including additional interest from the Date of Taxability).

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 Services Office, subject to the right of contest.

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 revenue to expenditures) shall not become an Event of Default unless the College fails to restore the deficiency in Unrestricted Current Fund revenues 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 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 the Institution; or

(g) 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 or the Institution, 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

(h) 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 the Institution 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 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 IV, contained herein.

Granting Clauses

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

(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

Construction Account not paid out for Project Costs, and (iii) all accounts, contract rights, general intangibles, moneys and instruments arising therefrom or relating thereto and all proceeds and products of and accessions to any thereof; and

(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.

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 first 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) completion of the Project, (ii) refunding of all or any series or portion of series of then outstanding Bonds or Additional Bonds, (iii) improvements or alterations, repairs or replacement of the Project Facilities, or (iv) 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, and execute supplements to the Loan Agreement and the Indenture. 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(f) 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, 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 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 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 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 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, if any, 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 the United States of America 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 College for the Authority and expressed to be irrevocable, authorizing the Trustee to give such notice for and on behalf of the Authority, or (3) file with the Trustee a waiver of such notice of redemption signed by the Holders of all 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 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.

Amendments to the Loan Agreement

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 as may be required (a) by the provisions of the Loan Agreement, or Indenture, or (b) for the purpose of curing any ambiguity or formal defect or omission, or (c) so as to add additional rights acquired in accordance with the provisions of the Loan Agreement or (d) in connection with any other change therein which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Holders of the Bonds.

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

CONCORDIA COLLEGE
MOORHEAD, MINNESOTA

AUDITED FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 1995
WITH COMPARATIVE FIGURES FOR 1994

Virchow, Krause & Company
Certified Public Accountants & Consultants

1100 TCF Tower • 121 S. Eighth Street
Minneapolis, MN 55402-2848

INDEPENDENT AUDITORS' REPORT

To The Board of Regents
Concordia College
Moorhead, Minnesota

We have audited the accompanying balance sheet of Concordia College as of April 30, 1995 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, 1995 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 & COMPANY

Virchow, Krause & Company

Minneapolis, Minnesota
June 23, 1995

CONCORDIA COLLEGE

BALANCE SHEET

APRIL 30, 1995

WITH COMPARATIVE FIGURES FOR 1994

					Plant Funds						
ASSETS	Current Funds	Loan Funds	Endowment Funds	Deferred Gift Funds	Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment in Plant	Agency Funds	1995 Total	1994 Total
Cash and Cash Equivalents	$ 8,406,990		$ 66,866	$ 2,602	$ 7,432	$ 30,318	$ 8,010			$ 8,522,218	$ 9,678,800
Due from Other Funds	1,852,322	$ 162,996	700,147			1,078,382	505,390		$ 3,576	4,302,813	5,004,697
Receivables											
Student Notes Receivable, Net of Allowance for Doubtful Notes of $50,000		8,103,750								8,103,750	8,009,953
Student Receivables, Net of Allowance for Doubtful Accounts of $226,000 and $196,000	1,166,595									1,166,595	1,136,394
Other Receivables	367,490	48,060	23,562	146,300						585,412	599,604
Inventories	536,611									536,611	450,758
Prepaid Expenses and Other Assets	3,084,806	29,149								3,113,955	2,464,726
Investments											
Cash and Cash Equivalents	102,383	83,315	12,098,052	487,723			1,029,830		401,673	14,202,976	8,109,469
Marketable Securities (Note 2)	957,636		24,519,810	15,830,905	208,582	204,477	392,698		1,487,548	43,601,656	45,972,081
Mortgages and Contracts for Deed	972,563		160,000	370,513	65,963					1,569,039	1,607,602
Notes Receivable			165,934	1,532,582					804,985	2,503,501	2,548,018
Real Estate	458,101		415,155	3,235,695	390,000					4,498,951	4,781,789
Other Investments	598,000			573,980					410,143	1,582,123	1,413,649
Construction in Progress (Note 3)					596,942					596,942	5,120,432
Property, Plant and Equipment (Note 4)								$50,006,159		50,006,159	42,873,160
Total Assets	$18,503,497	$8,427,270	$38,149,526	$22,180,300	$1,268,919	$1,313,177	$1,935,928	$50,006,159	$3,107,925	$144,892,701	$139,771,132
LIABILITIES											
Due to Other Funds	$ 1,750,343		$ 113,284	$ 676,386	$1,062,653			$ 360,062	$ 340,085	$ 4,302,813	$ 5,004,697
Accounts Payable	697,469		134	41	127,696	$ 26,357				851,697	1,149,803
Accrued Liabilities	4,196,798						$ 39,824			4,236,622	3,888,448
Deposit Accounts	948,257									948,257	1,241,664
Deferred Revenue	3,571,074									3,571,074	4,059,481
Long-Term Debt (Note 5)								9,207,569		9,207,569	10,079,417
Annuities Payable				4,944,577						4,944,577	5,625,133
Deposits Held in Custody for Others				1,777,673					2,767,840	4,545,513	3,440,100
Total Liabilities	11,163,941		113,418	7,398,677	1,190,349	26,357	39,824	9,567,631	3,107,925	32,608,122	34,488,743
FUND BALANCES											
Unrestricted	5,026,670		12,581,692		132,387	1,286,820	904,377			19,931,946	23,499,303
Restricted	2,312,886	$1,219,815	25,454,416	14,781,623	(53,817)		991,727			44,706,650	42,520,277
Net Investment in Plant								40,438,528		40,438,528	32,173,463
U.S. Government Grants Refundable		7,207,455								7,207,455	7,089,346
Total Fund Balances	7,339,556	8,427,270	38,036,108	14,781,623	78,570	1,286,820	1,896,104	40,438,528		112,284,579	105,282,389
Total Liabilities and Fund Balances	$18,503,497	$8,427,270	$38,149,526	$22,180,300	$1,268,919	$1,313,177	$1,935,928	$50,006,159	$3,107,925	$144,892,701	$139,771,132

See accompanying Notes to Financial Statements.

CONCORDIA COLLEGE

STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED APRIL 30, 1995

	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	$49,085,292								
Governmental Grants - Restricted		$1,915,705							
Private Gifts and Grants - Restricted		624,151		$ 1,940,004	$ 165,396	$ 524,488			$ 52,200
Investment Income - Restricted				84,987		6,607	$ 11,900	$ 79,331	
Endowment Fund Income - Restricted		1,100,313	$ 49,713						
Matured Deferred Gifts				326,975					
Realized Gains on Sale of Investments				890,560		11,059			
Other Income - Restricted		230,655	19,027			27,742	965		
Interest on Loans Receivable			190,940						
U.S. Government Advance			1,687						
Service Cancellation Recoveries			29,979						
Adjustment of Actuarial Liability for Annuities Payable					946,628				
Expended for Plant Facilities ($1,121,073 Charged to Current Funds Expenditures)									9,515,041
Retirement of Indebtedness									1,092,161
Total Revenues and Other Additions	49,085,292	3,870,824	291,346	3,242,526	1,112,024	569,896	12,865	79,331	10,659,402
Expenditures and Other Deductions									
Educational and General Expenditures	32,555,215	4,086,487							
Auxiliary Enterprises Expenditures	6,499,491	96,294							
Independent Operations Expenditures	5,091,839	78,416							
Indirect Cost Recovery		30,232							
Transfer to Agency Accounts		42,128							
Loan Cancellations and Write-Offs			49,376						
Administrative and Collection Costs			65,318						
Expended for Plant Facilities (Including Noncapitalized Expenditures of $156,575)						6,784,746	1,452,647		
Retirement of Indebtedness								1,092,161	
Interest on Indebtedness								525,408	
Disposal of Plant Assets									292,435
Matured Deferred Gifts					1,059,206				
Depreciation					18,015				2,101,902
Total Expenditures and Other Deductions	44,146,545	4,333,557	114,694		1,077,221	6,784,746	1,452,647	1,617,569	2,394,337
Transfers Among Funds - Additions (Deductions)									
Mandatory									
Principal and Interest	($ 1,289,443)					($ 54,058)		$1,343,501	
Nonmandatory									
Unrestricted Current Fund (to) from									
Restricted Current Funds	(29,440)	$ 29,440							
Endowment Funds	(429,315)			$ 429,315					
Unexpended Plant Funds	(1,982,351)					1,982,351			
Renewal and Replacement Funds	(979,734)						$ 979,734		
Retirement of Indebtedness Funds	426							(426)	
Endowment Funds to									
Restricted Current Funds		217,008		(217,008)					
Unexpended Plant Funds to									
Renewal and Replacement Funds						(234,585)	234,585		
Total Transfers	(4,709,857)	246,448		212,307		1,693,708	1,214,319	1,343,075	
Net Increase (Decrease) for Year	228,890	(216,285)	$ 176,652	3,454,833	$ 34,803	(4,521,142)	(225,463)	(195,163)	$ 8,265,065
Fund Balance At Beginning of Year	4,797,780	2,529,171	8,250,618	34,581,275	14,746,820	4,599,712	1,512,283	2,091,267	32,173,463
	[illegible]	[illegible]	$8,427,270	$38,036,108	$14,781,623	$ 78,570	$1,286,820	$1,896,104	$40,438,528

CONCORDIA COLLEGE

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES

FOR THE YEAR ENDED APRIL 30, 1995

WITH COMPARATIVE FIGURES FOR 1994

	1995				1994	
	Unrestricted	Restricted	Total	Percentage	Total	Percentage
Revenues						
Tuition and Fees	$30,863,659		$30,863,659	77.8%	$29,728,378	78.1%
Governmental Grants	38,886	$2,014,318	2,053,204	5.2	2,219,569	5.8
Private Gifts and Grants	1,368,893	1,026,376	2,395,269	6.0	2,856,665	7.5
Endowment Income	1,117,447	1,050,726	2,168,173	5.5	1,840,869	4.8
Sales and Services of Educational Activities	218,249		218,249	0.5	195,261	0.5
Other Sources	1,108,742	169,777	1,278,519	3.2	1,126,024	3.0
Matured Deferred Gifts	732,231		732,231	1.8	105,818	0.3
Total Revenues Before Auxiliary Enterprises	35,448,107	4,261,197	39,709,304	100.0%	38,072,584	100.0%
Sales and Services of Auxiliary Enterprises	8,001,015		8,001,015		7,838,615	
Sales and Services of Independent Operations	5,636,170		5,636,170		5,079,980	
Total Revenues	49,085,292	4,261,197	53,346,489		50,991,179	
Expenditures and Mandatory Transfers						
Educational and General						
Instruction	14,567,707	478,946	15,046,653	40.0%	14,223,995	40.5%
Public Service	475,702	44,949	520,651	1.4	704,909	2.0
Academic Support	1,675,050	232,243	1,907,293	5.1	1,874,164	5.3
Student Services	2,959,225	349,270	3,308,495	8.8	3,258,006	9.3
Institutional Support	4,874,657	142,495	5,017,152	13.4	4,125,152	11.7
Operation and Maintenance of Plant	2,765,470	12,770	2,778,240	7.4	2,610,674	7.4
Scholarships and Grants	5,237,404	2,825,814	8,063,218	21.5	7,867,705	22.4
Educational and General Expenditures	32,555,215	4,086,487	36,641,702	97.6	34,664,605	98.6
Mandatory Transfers for						
Principal and Interest	908,197		908,197	2.4	488,021	1.4
Total Educational and General	33,463,412	4,086,487	37,549,899	100.0%	35,152,626	100.0%
Auxiliary Enterprises						
Expenditures	6,499,491	96,294	6,595,785		6,508,068	
Mandatory Transfers for						
Principal and Interest	381,246		381,246		383,417	
Total Auxiliary Enterprises	6,880,737	96,294	6,977,031		6,891,485	
Independent Operations						
Expenditures	5,091,839	78,416	5,170,255		4,657,080	
Total Expenditures and Mandatory Transfers	45,435,988	4,261,197	49,697,185		46,701,191	
Excess of Revenues Over Expenditures and Mandatory Transfers	3,649,304		3,649,304		4,289,988	
Other Transfers and Additions (Deductions)						
Unrestricted Current Fund (to) from						
Restricted Current Funds	($ 29,440)	$ 29,440				
Endowment Funds	(429,315)		($ 429,315)		($ 211,966)	
Unexpended Plant Funds	(1,982,351)		(1,982,351)		(2,279,175)	
Renewal and Replacement Funds	(979,734)		(979,734)		(858,465)	
Retirement of Indebtedness Funds	426		426		(153,894)	
Endowment Funds to						
Restricted Current Funds		217,008	217,008		97,343	
Transfer to Agency Accounts		42,128	42,128		21,221	
Excess (Deficiency) of Restricted Receipts Over						
Transfers to Revenues		(504,861)	(504,861)		549,458	
Net Increase (Decrease) in Fund Balances	$ 228,890	($ 216,285)	$ 12,605		$ 1,454,510	

See accompanying Notes to Financial Statements

CONCORDIA COLLEGE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 1995

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. Concordia records appropriated capital gains as endowment income.

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.

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

CONCORDIA COLLEGE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 1995

Note 1. Significant Accounting Policies (Continued)

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 $1,050,000 for the year ended April 30, 1995.

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, 1995, the State of Minnesota awarded scholarships to Concordia students approximating $3.1 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.

Recent Statements issued by the Financial Accounting Standards Board - In June 1993, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards Nos. 116 and 117, Accounting for Contributions Received and Contributions Made and Financial Statements of Not-for-Profit Organizations, respectively. Statement 116 requires, among other things, the recognition at fair value of contributions received, including unconditional promises to give, in the period received. Statement 117 establishes standards for general-purpose external financial statements. Focusing on the entity as a whole, this Statement requires that all not-for-profit organizations provide a statement of financial position, a statement of activities, and a statement of cash flows, and that net assets and the changes in net assets be classified as permanently restricted, temporarily restricted, or unrestricted.

Statements 116 and 117 must be adopted by the College no later than the fiscal year ending April 30, 1996. The effect of these new standards on the College's financial statements is unknown at this time.

Reclassifications - Certain amounts appearing in the 1994 financial statements have been reclassified to conform with the 1995 presentation.

Note 2. Marketable Securities

The following summarizes the College's marketable securities:

	April 30, 1995 Cost	April 30, 1995 Market	April 30, 1994 Cost	April 30, 1994 Market
Stocks	$17,913,334	$21,178,000	$18,165,839	$20,757,000
Corporate and Government Bonds	24,316,213	24,443,000	22,061,639	22,460,000
Mutual Funds	1,372,109	1,365,000	5,744,603	6,425,000
	$43,601,656	$46,986,000	$45,972,081	$49,642,000
Fund Allocation				
Current Fund	$ 957,636	$ 1,013,000	$ 316,958	$ 352,000
Endowment Funds	24,519,810	27,296,000	28,667,502	32,328,000
Deferred Gift Funds	15,830,905	16,153,000	14,622,411	14,497,000
Plant Funds	805,757	859,000	877,551	874,000
Agency Funds	1,487,548	1,665,000	1,487,659	1,591,000
	$43,601,656	$46,986,000	$45,972,081	$49,642,000

Note 3. Construction in Progress

At April 30, 1995, the following major building projects were in progress:

	Estimated Total Cost	Cost To Date	Funding Plan
Park Region Remodeling	$3,660,000	$ 24,120	Financing and Other College Funds
German Village	507,000	373,587	Gifts and Other Language Village Funds
French Village	375,000	43,416	Gifts and Other Language Village Funds
Finnish Village	450,000	85,596	Gifts and Other Language Village Funds
Other Projects	100,000	70,223	Gifts and Other College Funds
		$596,942	

Note 4. Property, Plant and Equipment

Property, plant and equipment consist of the following:

	April 30, 1995	April 30, 1994
Land	$ 2,997,487	$ 2,902,949
Improvements Other Than Buildings	5,044,196	4,295,144
Buildings	50,117,998	42,965,716
Equipment	15,549,650	14,330,567
	73,709,331	64,494,376
Less: Accumulated Depreciation	23,703,172	21,621,216
Totals	$50,006,159	$42,873,160

CONCORDIA COLLEGE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 1995

Note 5. Long-Term Debt

The College had the following long-term debt outstanding at April 30, 1995:

Mortgage payable - American Bank and Trust Company of Moorhead	$ 233,158
Contract for Deed Payable	182,711
Investment and Loan Fund Certificates	16,700
Minnesota Higher Education Facilities Authority (MHEFA) Revenue Bonds:	
1990 Series Two-Y	2,880,000
1993 Series Three-U	5,895,000
	$9,207,569

The mortgage payable requires monthly payments of $2,325 including interest with a final payment of $198,000 due October 1, 1997. The note bears interest at the prime rate and is secured by real property.

The contract for deed payable is due in monthly payments of $2,000 including interest at 8%, and is secured by apartment buildings and other real estate.

The plant funds were indebted on Investment and Loan Fund Certificates in the amount of $16,700. The certificates are payable in varying amounts and bear interest rates of 7.5 - 8%.

The College has loans outstanding with the Minnesota Higher Education Facilities Authority (the Authority) in connection with revenue bonds issued by the Authority:

The Series Two-Y bonds were issued to finance various projects. The bonds have interest rates varying from 6.7% to 7.1% and mature in amounts from $350,000 to $455,000 annually on October 1, 1995 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 bonds include certain covenants which limit the College's ability to incur additional long-term debt.

The Series Three-U bonds were issued during 1993 to advance refund the Authority's First Mortgage Revenue Bonds, Series Z in the amount of $5,100,000 and the Authority's Revenue Bonds, Series Two-F in the amount of $2,200,000, and to pay certain costs of issuing the Series Three-U Bonds. Debt service reserve funds held by the trustee and a general bond reserve account held by the Authority, were released in connection with the advance refunding. The bonds have interest rates varying from 3.4% to 4.9% and mature annually on October 1, 1995 through October 1, 2001 in amounts from $555,000 to $755,000 with the final payment of $1,405,000 due October 1, 2002. The bonds are secured by a pledge of the amounts payable under the Loan Agreement, a mortgage on and security interest in the biology and home economics building and a debt service reserve fund amounting to ten percent of the issue.

Payments under each of the bonds are the amounts sufficient to pay required debt service, an annual fee to the Authority, fees and expenses of the trustee and certain other expenses. The College also is required to maintain debt service reserve funds under the bond issues in amounts aggregating $1,022,000.

The maturities of long-term debt for each of the five years subsequent to April 30, 1995 approximate $928,000, $965,000, $1,216,000, $1,201,000, and $1,125,000, respectively.

CONCORDIA COLLEGE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 1995

Note 6. 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 $15,840. During the year ended April 30, 1995, net lease payments under these agreements amounted to $77,600.

Note 7. Pledges

The College has outstanding pledges receivable approximating $3,627,000 designated for the following purposes:

Unrestricted	$1,604,000
Restricted	240,000
Endowment	727,000
Plant	1,056,000
	$3,627,000

The pledges are expected to be collected over the next three-year period. It was not practicable to estimate the net realizable value of these pledges.

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.

The endowment funds had invested $360,062 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 $85,802 of the unrestricted current fund balance for the Reserve for Rural Scholarships and Academic Equipment.

Note 10. Concentrations of Credit Risk

Financial instruments that potentially subject the College to concentrations of credit risk consist principally of cash, short-term investments, marketable securities and other investments, accounts receivable and notes, mortgages and contracts for deed. The College places substantially all of its cash and liquid investments with high-quality financial institutions and limits the amount of credit exposure to any one financial institution; however, cash balances periodically exceed federally insured limits. Marketable securities, consisting of both debt and equity instruments, are generally placed in a variety of managed funds administered by different investment managers in order to limit credit risk. Concentrations of credit risk with respect to the notes, mortgages and contracts for deed are limited due to the College holding a secured position in agreements. Student notes and receivables and other receivables are due from a variety of sources concentrated primarily in the Midwestern United States. As of April 30, 1995, management considers the College to have no significant concentration of credit risk.