OFFICIAL STATEMENT DATED MARCH 23, 1994

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

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.")

$17,475,000
Minnesota Higher Education Facilities Authority
Revenue Bonds, Series Three-W
(College of Saint Benedict)
(Book Entry Only)

Dated Date: March 15, 1994 **Interest Due: March 1 and September 1, commencing September 1, 1994**

$7,495,000 serial bonds to mature annually on March 1 as follows:

Year	Amount	Interest Rate	Price	Year	Amount	Interest Rate	Price
1995	$165,000	3.60%	100.000%	2003	$515,000	5.60%	100.000%
1996	130,000	4.20	100.000	2004	600,000	5.75	100.000
1997	160,000	4.60	100.000	2005	640,000	5.90	100.000
1998	130,000	4.75	100.000	2006	675,000	6.00	100.000
1999	155,000	4.90	100.000	2007	715,000	6.00	100.000
2000	180,000	5.00	100.000	2008	760,000	6.00	99.527
2001	490,000	5.20	100.000	2009	805,000	6.00	99.023
2002	520,000	5.40	100.000	2010	855,000	6.10	98.990

$3,970,000 6.20% Term Bonds due March 1, 2014 Price 98.310%

$6,010,000 6.375% Term Bonds due March 1, 2020 Price 99.000%

At the option of the Minnesota Higher Education Facilities Authority (the "Authority"), the Bonds are subject to redemption prior to maturity, as described herein. See "The Bonds — Prior Redemption — Optional Redemption." The Bonds will also be subject to optional redemption in whole or in part in certain cases of damage to or destruction or condemnation of the Project Facilities described in the Loan Agreement and Indenture. The Bonds will be subject to mandatory redemption in whole 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). Norwest Bank Minnesota, National Association, Minneapolis, 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 College of Saint Benedict, St. Joseph, 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. The Bonds are additionally secured by a pledge of certain revenues pursuant to a Security Agreement, described herein.

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 and accepted by the Underwriter named below subject to the approval of legality by Faegre & Benson, Minneapolis, Minnesota, Bond Counsel. Certain legal matters will be passed upon for the College by Hughes, Thoreen, Matthews and Knapp, St. Cloud, Minnesota and for the Underwriter by its counsel, Leonard, Street and Deinard, Minneapolis, Minnesota. Bonds are expected to be available for delivery on or about April 7, 1994.

PIPER JAFFRAY INC.

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

No dealer, broker, sales representative or other person has been authorized by the Authority, the College, or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority, the College, or the Underwriter. The information contained herein, except as it relates to the Authority, has been obtained from the College and is not guaranteed as to accuracy or completeness. Except for information concerning the Authority, such information is not to be construed as a representation by the Authority. Information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority or the College since the date hereof.

References in this Official Statement to laws, rules, regulations, agreements, and any other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices hereto, they will be furnished on request.

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

The Bonds have not been registered with the Securities and Exchange Commission by reason of the provisions of Section 3(a)(2) of the Securities Act of 1933, as amended. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, and there shall not be any sale of the Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale. The registration or qualification of these securities in accordance with applicable provisions of securities laws of the jurisdictions in which the Bonds may be registered or qualified and the exemption from registration or qualification in other jurisdictions shall not be regarded as a recommendation thereof. Neither these jurisdictions nor any of their agencies have passed upon the merits of the Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

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

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

MEMBERS

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

* *Ms. Blomberg's term has expired. She will continue to serve until replaced.*

Dr. Joseph E. LaBelle, Executive Director

Bond Counsel
Faegre & Benson

Financial Advisor
Springsted Incorporated

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OFFICIAL STATEMENT

$17,475,000

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

REVENUE BONDS, SERIES THREE-W
(COLLEGE OF SAINT BENEDICT)

(Book Entry Only)

INTRODUCTORY STATEMENT

This Official Statement provides information concerning the Minnesota Higher Education Facilities Authority (the "Authority") and College of Saint Benedict(the "College"), a Minnesota non-profit corporation which owns and operates an institution of higher education located in St. Joseph, Minnesota, in connection with the issuance of the Authority's $17,475,000 Revenue Bonds, Series Three-W (College of Saint Benedict), (the "Bonds," the "Series Three-W 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 Norwest Bank Minnesota, National Association, Minneapolis, Minnesota as trustee (the "Trustee"). The Trustee will also be the Registrar and Paying Agent for the Issue.

Pursuant to a Loan Agreement between the College and the Authority, the College will covenant as a general obligation of the College to make Loan Repayments and deposits in amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due. A portion of the proceeds of the Issue will be loaned to the College to be used together with available College funds to refund the outstanding principal of the following Authority issues, which were issued on behalf of the College: Mortgage Revenue Bonds, Series Two-Q, dated May 1, 1988 (the "Series Two-Q Bonds") and Variable Rate Demand Revenue Bonds, Series Three-D, dated May 2, 1991 (the "Series Three-D Bonds"), together referred to as the "Prior Bonds." The balance of the proceeds of the Series Three-W Bonds will finance the acquisition, construction, furnishing and equipping of a residence hall for approximately 242 students, including appurtenant site improvements, all to be owned and operated by the College and located on the Project Site (the "Project") and to pay issuance costs. (See "Purpose of the Issue" herein.)

The Loan Repayments are a general obligation of the College to pay the principal of, interest on, premium, if any, on the Bonds and are secured by the rents, charges, fees and other payments for the use of the Project and Margretta Hall, an existing residence hall owned and operated by the College, pursuant to a Security Agreement between the College and the Trustee. (See "Summary of Security for the Bonds" herein.)

The Reserve Account will be funded in the amount of $1,538,137 from proceeds of the Bonds. (See "Reserve Account," page 12.)

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

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

RISK FACTORS

No person should purchase Bonds without carefully reviewing the following information which sets forth some, but not all, of the factors which may affect the Owners' receipt of payments of the principal of, premium, if any, or interest on the Bonds.

Risk of Insufficient Collateral

The Bonds are secured by (a) a pledge of amounts payable under the Loan Agreement, (b) a pledge of the rents, charges, fees and other payments for the use of the Project and Margretta Hall under the Security Agreement between the College and the Trustee and (c) a Reserve Account which will be held by the Trustee and applied to the payment of principal and interest on the Bonds. 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.

Construction Delays

The College expects to complete and occupy the Project in time for the 1994 Fall term. Any construction delays including, but not limited to, work stoppages, shortages of materials or sufficiency of funds to complete the Project, would adversely impact the College's ability to complete the Project in time, which in turn would delay its ability to house students and collect revenues pledged under the Security Agreement.

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 and auxiliary enterprise 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 room rents 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 84% of the College's students currently receive some Federal financial aid and 50% receive 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.

THE BONDS

The Bonds will be dated March 15, 1994 and will mature annually each March 1, commencing March 1, 1995, 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 March 1 and September 1, commencing September 1, 1994.

Book Entry System

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

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

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

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

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

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

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

Principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

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

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

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

Prior Redemption

Mandatory Sinking Fund Redemption

Bonds maturing on March 1, 2014 and March 1, 2020 shall be called for redemption on March 1 in the years 2011 through 2013 and 2015 through 2019, respectively, at the principal amount thereof to be redeemed, without premium, plus accrued interest to the date fixed for redemption, from moneys in the Sinking Fund Subaccount of the Bond and Interest Sinking Fund Account, in the respective amounts set forth on the following page:

Year	Principal Amount	Year	Principal Amount
2011	$ 905,000	2015	$1,155,000
2012	960,000	2016	1,225,000
2013	1,020,000	2017	825,000
2014*	1,085,000	2018	875,000
		2019	935,000
		2020*	995,000

* *Maturity.*

The Bonds or portions thereof to be so redeemed shall be selected by the Trustee by lot or in such other random manner as the Trustee shall determine.

The Bonds maturing in 2014 and 2020, to be retired pursuant to the mandatory redemption obligations set forth above, may, at the option of the College, be reduced by the principal amount of any Bonds of such maturity which at least 45 days prior to such redemption:

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

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

Mandatory Redemption for Taxability

The Bonds will be subject to mandatory redemption in whole upon a Determination of Taxability, on the first practicable date thereafter. See "Determination of Taxability," page 7.

Optional Redemption

Bonds maturing on or after March 1, 2005 are subject to optional redemption in whole or in part on March 1, 2004, and on any date thereafter if in whole and on any interest payment date thereafter if in part, in such order of maturity as the College shall direct and by lot or other random means within a maturity, in integral multiples of $5,000, at par plus accrued interest.

The Bonds will also be subject to optional redemption at par and accrued interest as a whole or in part, in integral multiples of $5,000, in certain cases of damage to or destruction or condemnation of the Project Facilities.

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 be subject to mandatory redemption in whole on the first practicable date thereafter at a price of par and accrued interest without premium. See "Tax Exemption" on pages 17 and 18 and Appendix III, "DEFINITION OF CERTAIN TERMS."

Additional Bonds

In addition to the Bonds, the Authority may in its discretion and with the consent of the College issue Additional Bonds (i) to provide funds to complete the Project, or (ii) to refund all or any series or portion of series of the then outstanding Bonds, or (iii) to provide funds for improvements to or alterations, repairs or replacement of the Project Facilities or (iv) for another project or projects, as defined in and authorized by the Act, provided that no such Additional Bonds will be issued under the Indenture or secured by the Trust Estate on a parity with the Bonds then outstanding unless:

1. The exclusion of interest on the outstanding Bonds from gross income of the holders of the Bonds for purposes of federal income taxation under the Code shall not be jeopardized by the issuance of the Additional Bonds.

2. Supplements to the Loan Agreement, Indenture and the Security Agreement are executed and delivered describing the Additional Bonds as additional indebtedness secured thereby.

3. No Default or Event of Default on the part of the College exists under the Loan Agreement or the Security Agreement.

4. The College furnishes evidence satisfactory to the Authority of the College's ability to meet debt service on the Additional Bonds and comply with certain financial covenants

as further provided in Section 6.14 of the Loan Agreement and deposits additional monies or investments in the Reserve Account, to be held by the Trustee under the Indenture in such amount and value as shall bring the amount on deposit in the Reserve Account to the Reserve Requirement, calculated after giving effect to the issuance of the Additional Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds will be approximately as follows:

Sources of Funds

Bond Principal	$17,475,000	
Less: Original Issue Discount	(147,288)	$17,327,712
Accrued Interest to Settlement		64,467
Debt Service Reserve and Bond Fund from Prior Issue		679,721
Funds of the College		44,900
Total Sources		$18,116,800

Uses of Funds

Deposit to Construction Fund:	
Project Costs	$ 6,002,270
Capitalized Interest	154,564
Deposit to Escrow for Series Two-Q Bonds	4,882,762
Deposit to Redeem Series Three-D Bonds	5,144,900
Underwriting Discount and Issuance Costs	329,700
Deposit to Reserve Account	1,538,137
Deposit to Bond and Interest Sinking Fund Account:	
Accrued Interest to Settlement	64,467
Total Uses	$18,116,800

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.

USE OF PROCEEDS

Refunding of the Prior Bonds

The Series Two-Q Bonds

A portion of the net proceeds of the Bonds will refund the Authority's Series Two-Q Bonds which were issued on behalf of the College. The Series Two-Q Bonds are outstanding in the amount of $4,550,000 as of bond closing and mature semi-annually on March 1 and September 1 through March 1, 2003. Series Two-Q Bonds maturing on and after March 1, 1999 will be called for prior redemption on September 1, 1998 at a price of par. Principal maturing prior to March 1, 1999 will be paid as scheduled from the Escrow Account, established pursuant to an Escrow Agreement.

At bond closing, the required net proceeds of the Series Three-W Bonds together with funds on deposit in the Series Two-Q Bond Account and Reserve Account and available general funds of the College, if necessary, will be deposited, pursuant to an Escrow Agreement, with Norwest Bank Minnesota, National Association, who has served as trustee for the Series Two-Q Bonds.

Verification services necessary to insure the adequacy of the escrow account to provide timely payment of the debt service for which the escrow account is obligated will be performed by McGladrey & Pullen, Certified Public Accountants.

The Series Three-D Bonds

A portion of the proceeds of the Bonds together with amounts on deposit in the Series Three-D Bond Account and available general funds of the College, if necessary, will be used to redeem the outstanding Series Three-D Bonds on May 2, 1994, pursuant to the Series Three-D Indenture. Said funds will be deposited with the Series Three-D Trustee into the Series Three-D Redemption Account at bond closing.

The Project

A portion of the proceeds of the Bonds will finance the acquisition, construction, furnishing and equipping of a three-story, 242-bed residence hall on a 2.35 acre site on the campus of the College. The entire Project is expected to cost $6 million. The College has entered into a guaranteed maximum price contract with the general contractor, W. Gohman Construction Company of St. Joseph, Minnesota, for labor only. The College will purchase materials itself. However, the general contractor has been engaged to provide certain cost controls through monitoring of materials purchases. Ground was broken for the Project in early January and the College expects to have it completed in time for the 1994 fall term.

The 242 beds are intended to be replacements for living space being vacated in other campus buildings and the College expects the Project to be fully occupied at once. Upon completion the College will vacate Evin Hall, a 100-bed residence, which it has been renting from the Sisters of the Order of St. Benedict. Richarda Hall, which currently houses 102 students, will be converted to faculty office space except for 60 units which will house girls attending St. John's Preparatory School, a high school owned and operated by the Order of St. Benedict. Also, upon construction of the Project, space in West Apartments, which temporarily housed 42 students, will be converted to other uses.

The College has estimated the Project will provide additional net revenue of approximately $329,000 per year in the first year of operation (Fiscal Year 1994-95). That figure is based on estimated net revenue of $538,000 for the new residence hall, offset by foregone net revenues of $229,000 from the vacated facilities described in the previous paragraph (taking into account elimination of lease payments to the Order for use of Evin Hall), plus estimated net revenues of $20,000 from housing of students attending St. John's Preparatory School.

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 the Reserve Requirement.

The Bonds are secured by the pledge of the College of its full faith and credit. The College will agree pursuant to the terms of the Loan Agreement and the Indenture to make payments directly to the Trustee in such amounts and at such times as to assure that the Trustee has sufficient funds with which to pay the principal of and interest on the Bonds. The College agrees to make such payments out of its operating funds or any other moneys legally available.

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 enter into a Security Agreement with the Trustee granting a security interest in the rents, charges, fees and other payments for use of the Project and Margretta Hall to secure payments due under the Loan Agreement and the Indenture.

The College will also covenant that:

a. At June 30, 1994 and at the end of each Fiscal Year thereafter, for at least two of the preceding three Fiscal Years (including such Fiscal Year), Unrestricted Current Fund revenues shall be not less than Unrestricted Current Fund expenditures, including mandatory transfers, according to the principles of accounting used in the preparation of the College's financial statements for the Fiscal Year ended June 30, 1993 audited by Ernst & Young. In the event that, following any Fiscal Year, the College shall not be in compliance with this paragraph (a), the College may cure such deficiency by making a deposit to the Unrestricted Current Fund, during or within 90 days of the close of such Fiscal Year, sufficient to cure the deficiency. Such deposit may be made from unencumbered Unrestricted Quasi-Endowment Funds, but not if such deposit will cause the sum of the College's unencumbered Unrestricted Quasi-Endowment Funds to be less than $1,500,000. No such deposit may be made from any proceeds of borrowed funds.

b. At June 30, 1994 and at the end of each Fiscal Year thereafter, the total market value of investments and cash included in unencumbered Unrestricted Quasi-Endowment Funds shall not be less than $1,500,000. Within 60 days after the end of each Fiscal Year, the College shall furnish to the Trustee a certificate of an authorized institution representative accompanied by a valuation report of an independent investment manager showing the amounts of Unrestricted Quasi-Endowment Funds, the investments thereof, the valuations of such investments, and the amount thereof (if any), which is pledged to secure obligations of the College or is otherwise encumbered, all as of the end of the Fiscal Year. If at the end of any Fiscal Year, the market value of investments and cash included in unencumbered Unrestricted Quasi-Endowment Funds does not equal or exceed $1,500,000, the College shall obtain (from gifts, removal of encumbrance or restriction, sale of tangible property or otherwise) and cause to be credited to unencumbered Unrestricted Quasi-Endowment Funds additional unencumbered moneys or investments at least equal to the amount of the deficiency as promptly as possible, but in any event within 180 days after the close of the Fiscal Year, and shall report the same to the Trustee, but proceeds of borrowed funds or from the sale of tangible property leased back by the College for a term of more than two years or with a repurchase option shall not be included in computation of amounts eligible to cure the deficiency.

c. For so long as the Bonds remain outstanding, the College shall incur no Funded Debt with a maturity in excess of two years (except for a refunding or refinancing of Funded Debt outstanding, 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 in each of the last two preceding Fiscal Years for which audited financial statements are available the Debt Service Coverage Ratio was at least 110% of Maximum Annual Debt Service of (A) then outstanding Funded Debt and (B) Funded Debt thereafter issued or proposed to be issued; provided that if the additional Funded Debt proposed to be issued is to finance student housing, student dining, student union or other revenue producing facilities, there shall be added to the amount of Net Income Available for Debt Service for the earlier Fiscal Year 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 Trustees has increased tuition, student fees or other rates or charges at or after the end of such Fiscal Year, for purposes of this paragraph (c), there shall be added to Net Income Available for Debt Service for the earlier Fiscal Year 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.

For purposes of this section, the capitalized terms used in paragraph (c) above are defined as:

Debt Service Coverage Ratio: 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 and interest on Funded Debt.

Funded Debt: Indebtedness for borrowed money having a maturity date of more than one year and as defined in the Loan Agreement.

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

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

For purposes of (a), (b), and (c) above, all capitalized terms used but not otherwise defined above shall have the meanings provided for audits of colleges and universities, as applied in the College's audited financial statements for the Fiscal Year ended June 30, 1993.

For so long as any Bonds are outstanding, the College shall not issue or cause or permit to be issued any obligation (other than Additional Bonds) secured by a lien on the revenues and income from the Project Facilities which is on a parity with or prior to the lien of the Security Agreement nor a lien on the Project Facilities, except as set forth in the Loan Agreement.

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 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 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 Escrow Account held by the Series Two-Q Trustee, the Series Three-D Redemption Account or into the Construction Account, except that the amount of the initial Reserve Requirement ($1,538,137) will be deposited into the Reserve Account and accrued interest 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, or the Redemption Account, as required by the Loan Agreement and used, to the extent needed, to redeem or pay the principal of and interest on the Bonds.

Construction Account

There shall be deposited initially into the Construction Account the balance of the proceeds received from the sale of the Bonds, exclusive of accrued interest and the initial Reserve Requirement, less the amount of the underwriter's discount and the amount of the deposit to the Escrow Account and the Series Three-D Redemption Account. In addition, the College will agree in the Loan Agreement to provide for payment of all Project Costs in excess of the proceeds of the Bonds available therefor and to pay out of available general funds (other than Bond proceeds) all costs of issuance of the Bonds (including underwriting discount) in excess of 2.00% of the proceeds of the Bonds (par value minus original issue discount according to the reoffering scale). Upon receipt of proper documentation, the Trustee will reimburse or pay for the account of the College costs incurred in connection with the construction, furnishing and equipping of the Project. When work on the Project has been completed and the Project Equipment has been installed and a certificate to that effect has been furnished to the Trustee, any balance in the Construction Account shall be deposited into the Bond and Interest Sinking Fund Account or the Redemption Account.

Bond and Interest Sinking Fund Account; Sinking Fund Subaccount

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 earnings on other accounts established under the Indenture and from Loan Repayments made by the College. A separate Sinking Fund Subaccount will be maintained within the Bond and Interest Sinking Fund Account for the retirement of Term Bonds on each Sinking Fund redemption date. Deposits into the Sinking Fund Subaccount shall be made at least 10 Business Days prior to March 1 in amounts to equal the redemption price of the principal specified for mandatory redemption on the next succeeding March 1. 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 September 1, 1994 and semiannually thereafter. If upon any valuation date, the amount on deposit in the Reserve Account (exclusive of accrued but unrealized interest on moneys or investments therein) is more than the amount of the Reserve Requirement, or more than the amount (if less than the Reserve Requirement) permitted 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 Construction Account or the Redemption Account shall be invested by the Trustee only in investments as authorized by law from time to time which currently and generally are as follows: Direct obligations of the United States government and certain obligations issued or guaranteed by certain of its agencies; direct and general obligations of states and local governments and state housing finance agencies, rated at least A; revenue bond obligations of states and local governments rated at least AA or Aa; mutual funds or unit trusts which invest solely in the foregoing obligations of the United States government, its agencies, state and local governments or in repurchase agreements or reverse repurchase agreements collateralized by the foregoing obligations; time deposits and other accounts fully insured by the Federal Deposit Insurance Corporation or collateralized by certain government obligations; certain guaranteed investment contracts issued by a bank or insurance company rated at least A; certain types of repurchase agreements; and certain commercial paper maturing in 270 days or less. Section 5.04 of the Indenture sets forth further restrictions as to type and maturity of investments.

THE AUTHORITY

The Minnesota Higher Education Facilities Authority was created by Chapter 868, Laws of Minnesota, 1971 (Sections 136A.25 through 136A.42, Minnesota Statutes), for the purpose of assisting institutions of higher education within the State in the construction and financing of projects. The Authority consists of eight members appointed by the Governor with the advice and consent of the Senate. The Executive Director of the Minnesota Higher Education Coordinating Board, and the President of the Minnesota Private College Council, who is a non-voting member, are also members of the Authority.

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

The Authority is authorized and empowered to issue revenue bonds whose aggregate outstanding principal amount at any time shall not exceed $350 million. The Authority has had 83 issues (including refunded and retired issues) totaling $389,297,189 of which $213,892,479 (excluding the Bonds) is outstanding as of February 1, 1994. 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 issued bonds on behalf of a State owned and operated post-secondary institution. In addition, State community and technical colleges are eligible for assistance in financing child-care facilities, but not other types of projects. Sectarian institutions are not eligible for assistance; however, the fact that an institution is sponsored by a religious denomination does not of itself make the institution sectarian. Application to the Authority is voluntary.

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

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

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

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

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

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

FINANCIAL ADVISOR

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

UNDERWRITING

The Bonds are being purchased by Piper Jaffray Inc. (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a purchase price of $17,118,011.85 (representing the aggregate principal amount of the Bonds less an Underwriter's discount of $209,700 and original issue discount of $147,288.15.)

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

The College has agreed in the Bond Purchase Agreement to indemnify the Underwriter and the Authority against certain civil liabilities, including certain potential liabilities under federal securities laws.

RATING

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

LITIGATION

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

LEGALITY

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

Certain legal matters will be passed upon for the College by Hughes, Thoreen, Matthews and Knapp, St. Cloud, Minnesota and for the Underwriters by Leonard, Street & Deinard, Minneapolis, Minnesota.

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 mandatory redemption without premium. (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 will not give rise to a Determination of Taxability.

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

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

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

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

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

Bondholders should consult their tax advisors with respect to collateral consequences arising from the receipt of interest on the Bonds, including without limitation the calculations of alternative minimum tax, environmental tax or foreign branch profits tax liability, or the inclusion of social security or other retirement payments in taxable income.

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

The dollar amount of the initial offering price to the public of the Bonds with stated maturities in 2008 through 2010 and in 2014 and 2020 (the "Discount Bonds") is less than the principal amount of Bonds of such maturity. The difference between the initial public offering price of each such Discount Bond (assuming a substantial amount of the Discount Bonds is sold at such price) and its principal amount represents original issue discount. Under existing laws, regulations, rulings and decisions, Bond Counsel is of the opinion with respect to the Discount Bonds that the amount of original issue discount constitutes tax-exempt interest to the extent that it is deemed to accrue to an owner for federal and State of Minnesota income tax purposes (other than Minnesota corporate franchise taxes measured by taxable income and the alternative minimum tax base). Original issue discount is deemed to accrue for such purposes on the basis of a constant yield to maturity taking into account semiannual compounding. The amount of original issue discount that accrues during any accrual period to a holder of a Discount Bond who acquires the Discount Bond in this offering generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes to the same extent as stated interest and will increase the holder's tax basis in such Discount Bond. Any gain realized by a holder from a sale, exchange, payment or redemption of a Discount Bond would be treated as gain from the sale or exchange of such Discount Bond.

It is possible under the applicable provisions governing state and local income taxation in states other than Minnesota that interest on Discount Bonds may be taxable in the year of accrual, and may be deemed to accrue earlier than under federal law.

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.

APPENDIX I

THE COLLEGE

Located in St. Joseph, Minnesota, the College of Saint Benedict (the "College") is one of the oldest colleges in the Upper Midwest established for the undergraduate education of women. The Sisters of the Order of St. Benedict received an educational charter in 1887; the first college-level course was offered in 1913.

The College and the Sisters of the Order of St. Benedict have been two separate corporate entities since the College was incorporated October 13, 1961. The Bonds do not represent a debt of the Sisters of the Order of St. Benedict and the Order has no legal or financial obligations to the College.

The College continues to enroll only women but also educates men through its coordinate relationship with St. John's University, a four-year undergraduate college for men, which is four miles distant from the College of Saint Benedict. The two schools cooperate in virtually all aspects of college life. They share a common academic calendar, maintain a single registrar's and admissions office and operate a combined library system and joint academic and administrative computing services. Requirements for most major programs are the same for students from both colleges. Students may generally attend classes on either campus.

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

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

Governance

The College is governed by a Board of Trustees who serve three-year terms renewable twice. The current Board has 28 members.

Sister Jean Juenemann OSB	CEO, Queen of Peace Hospital, New Prague, Minnesota
Mary Hubbard Kelly	Mayor Pro Tem, City of Edina, Edina, Minnesota
Richard E. Kemper	President, R.E. Kemper & Associates, Elkhart, Indiana
Edward J. Kocourek	Vice President, The Egan Companies, Minneapolis, Minnesota
Al J. Kremers	Consultant, General Signal, St. Cloud, Minnesota
George E. Maas	President, Telelect, Inc., Watertown, South Dakota
Sister Kevyn Maiers OSB	Administrator, Cathedral High School, St. Cloud, Minnesota
Larraine R. Matusak**	Director of Kellogg National Fellowship Program/Coordinator of Leadership Programing, W.K. Kellogg Foundation, Battle Creek, Michigan
Wenda Weekes Moore	Coordinator, Westminster Presbyterian Church, Minneapolis, Minnesota
John K. Moorhead	Executive, Moorhead Machinery and Boiler Company, Minneapolis, Minnesota
Susan M. Mundale**	President, Mundale Communications, Minneapolis, Minnesota
Sister Colman O'Connell OSB**	President, College of Saint Benedict, St. Joseph, Minnesota
Rev. Michael J. O'Connell	Rector, Basilica of Saint Mary, Minneapolis, Minnesota
Michael C. O'Donnell**	Assistant Director, Department of Taxation, Ramsey County, Saint Paul, Minnesota
Dr. William L. Pickett**	President, St. John Fisher College, Rochester, New York
Mary W. Pomeroy	Consultant, South St. Paul, Minnesota
Herman Ratelle**	Attorney, Moss & Barnett Law Office, Minneapolis, Minnesota
Claudia M. Ryan-Mosley	Consultant to the Minnesota Business Partnership, Minnetonka, Minnesota
Sister Mariterese Woida, OSB	Planning Facilitator, Sisters of the Order of St. Benedict, St. Joseph, Minnesota

* *Mr. Amundson is also a member of the Authority. He has neither discussed nor voted on matters relating to the College during Authority meetings.*

** *Executive Committee*

President of the College

Sister Colman O'Connell was named President of the College of Saint Benedict in 1986. Prior to being named President, she served as Executive Vice President of the College from 1983 to 1986. Her professional career has included teaching in high school and college, and she has held these positions at the College: Chairperson of the Theater and Dance Department, Director of Alumnae and Parent Relations, Director of the Annual Fund, and Director of Planning.

Sister Colman currently is active in the following educational organizations: National Association of Independent Colleges and Universities, Association of Catholic Colleges and Universities (ACCU), Neylan Commission (a unique group of colleges founded by women religious and closely associated with ACCU), Women's College Coalition, Public Leadership Education Network Consortium, Association of Governing Board of Universities and Colleges, Minnesota Women in Higher Education and National Catholic Education Association. She serves on the Board of Minnesota Public Radio (MPR), the Minnesota Private College Council (MPCC), the Central Minnesota Community Foundation (CMCF) and the Association of Benedictine Colleges and Universities (ABCU).

Her publications include articles on faculty development in higher education and journals and reports for the Fund for the Improvement of Post Secondary Education.

She received her BA at the College of Saint Benedict, where she majored in English and Speech. Sister Colman completed her MFA (Theater and English) at Catholic University of America, Washington, D.C. She was awarded a Ph.D. in Higher Education Administration from the University of Michigan in Ann Arbor.

Advanced courses in radio and theater, Shakespeare, arts and theater were taken at Northwestern University, Birmingham University (Stratford, England), Denver University, Stanford University and Sophia University in Tokyo, Japan.

Academic Information

The College confers the Bachelor of Science degree in dietetics, nutrition, nursing, medical technology and physical therapy. All other four-year programs lead to a Bachelor of Arts degree. In the music department, a Bachelor of Music degree is also awarded.

The College follows the four-one-four academic calendar of two, 14-week semesters, separated by a one-month interim term in January. A normal course load is considered four, 4-credit classes per semester.

The College offers an extension program in Nassau, the Bahamas, for women from the Bahamas wishing to complete a bachelor's degree. There are approximately 250 women enrolled in that program. A minimum of one semester's residency at the College in Minnesota is required for graduation.

The libraries at the College of Saint Benedict and St. John's University serve the combined student body with a joint staff and coordinated programs and services. Joint holdings of the two libraries are 500,000 volumes, 2,100 periodical subscriptions, 223,100 government documents and 91,000 microforms. MINITEX, a computerized interlibrary exchange program, provides access to the collections of the University of Minnesota and other libraries in the state and region.

The 54,000 square foot Clemens Library at the College of Saint Benedict opened in the fall of 1986. The library is air-conditioned and provides study space for over 500 students. The library has a fine collection of juvenile books, a media center with slides, audio tapes, video cassettes, an extensive visual production center and computer terminals. The collection is particularly strong in the fields of literature, religion, women's studies, education, fine arts and nursing. The resources of the Education Department Curriculum Library and Music Library of the Benedicta Arts Center complete the list of bibliographic support available on the College of Saint Benedict campus.

Campus and Buildings

The College's campus is located on 67 acres at the City of St. Joseph. The physical facilities include 18 main campus buildings. The physical plant and contents are insured at replacement values of approximately $66,000,000. Three buildings used by the College are leased from the Sisters of the Order of St. Benedict ("Order"). The three buildings are Evin Hall, a dormitory with a capacity of 100 (which will be returned to the Order on July 1, 1994), Richarda Hall, also a dormitory, with a capacity of 102, and Henrita Academic Building. Leases are in effect until September 1, 1998, with an option to renew for an additional five years. The College, as of August 1, 1993, assumed a three-year management contract of the campus power plant, owned and formerly managed by the Order.

The oldest building on campus is St. Gertrude Hall, constructed in 1898. St. Teresa Hall and the Chapel were constructed in the 1910's. The College has experienced building programs during the 1950's, 1960's, 1970's, 1980's and 1990's with the most recent being Ardolf Science Center which opened in the fall of 1992.

The Ardolf Science Center is a 42,857 square foot science building which is divided into three separate sections: faculty offices, laboratories/curriculum support and general classrooms. The Science Center houses two departments, chemistry and nutrition, and, in that physical placement, recognizes the connection between the two disciplines. It also provides a biology lab and classrooms which are used by other departments. The center is a state-of-the-art science facility. The labs have 57 fume hoods which provide maximum safety, completely exchanging the air in the labs 11-45 times an hour.

The College is currently undertaking an extensive campus-wide computer upgrade and enhancement project in coordination with St. John's University. Departmental networking, Internet, specialized software according to disciplines, public access in both academic and residence areas comprise part of the project. The project is intended to lead into a permanent state-of-the-art computer availability for the College and St. John's University.

In 1964 the Benedicta Arts Center was completed and is a primary academic facility for art, music, theater and dance as well as a main cultural resource center for the region. The Arts Center contains a 1,000-seat auditorium, a 300-seat theater, two art galleries and other supporting facilities for the arts.

During the 1980's the College built additions to residence halls and constructed a student residence; built Claire Lynch Hall, the College's $1,000,000 athletic building; and the $5,000,000 Clemens Library and Margretta Hall, a dormitory constructed in 1988 as well as restored Teresa Hall which was built in the early 1900's.

Currently, the College houses approximately 76% of the student body in nine residence facilities which have a total residence capacity of 1,430.

Student Body

The College's full-time equivalent (FTE) enrollment on campus, actual and projected, are:

Fall Term	FTE (Actual)	Fall Term	FTE (Projected)
1989	1,865	1994	1,726
1990	1,820	1995	1,730
1991	1,722	1996	1,756
1992	1,716	1997	1,802
1993	1,738	1998	1,868

Additionally, the College maintains a continuing education program on campus and in the Bahamas, which, for the 1993 fall term, had a total head-count enrollment of 248 (111 FTE's).

Concerning the 1993/94 freshman class of 511, 434 or 85% are from Minnesota. A total of 17 states and two foreign countries are represented.

Freshman Applications, Acceptances and Enrollments

	1989-90	1990-91	1991-92	1992-93	1993-94
Applications	891	802	734	795	938
Acceptances	822	758	686	746	864
Percent Accepted	92%	95%	93.5%	93.8%	92.1%
Enrolled	520	430	397	443	511
Percent Enrolled to Accepted	63%	57%	57.9%	59.4%	59.1%
SAT - Verbal	454	449	453	475	484
SAT - Math	489	503	509	507	526
ACT	21	22.6	22.8	22.8	23.2

Tuition and Fees

The College meets the costs of its educational programs primarily through tuition and fees. The following table lists the fees charged full-time students for the past five academic year.

	1989-90	1990-91	1991-92	1992-93	1993-94
Tuition for First Year Student	$ 8,810	$ 9,430	$10,055	$10,498	$11,340
Room[(a)]	1,830	1,940	2,010	2,025	2,126
Board	1,330	1,420	1,740	1,862	1,914
Activity Fee	70	80	80	88	88
Registration Fee	10	10	10	-0-	-0-
Total	$12,050	$12,880	$13,895	$14,473	$15,468

(a) *Average room charges; may be more or less depending on residence hall and number of students per room.*

Certain other fees may be charged depending on the course of study.

1993-94 Undergraduate Rate Comparison of Minnesota Private Colleges (Ranked by 1993-94 Comprehensive Fee)

	Tuition & Fees	Room & Board	Comprehensive Fee
Carleton College	$18,405	$3,750	$22,155
Macalester College	$15,107	$4,502	$19,609
St. Olaf College	$13,560	$3,640	$17,200
Hamline University	$13,022	$4,100	$17,122
Gustavus Adolphus College	$13,400	$3,500	$16,900
University of St. Thomas	$11,712	$4,037	$15,749
College of St. Catherine	$11,530	$4,210	$15,740
Augsburg College	$11,404	$4,204	$15,608
College of St. Benedict	**$11,428**	**$4,040**	**$15,468**
St. John's University	$11,428	$3,936	$15,364
Bethel College	$11,050	$4,000	$15,050
College of St. Scholastica	$11,280	$3,588	$14,868
Minneapolis College of Art & Design	$12,014	$2,700	$14,714
Saint Mary's College of Minnesota	$10,380	$3,470	$13,850
Concordia College (St. Paul)	$9,720	$3,480	$13,200
Concordia College (Moorhead)	$9,700	$3,050	$12,750
Average	**$12,196**	**$3,763**	**$15,959**

NOTE: *Charges apply to new entering students only. Several colleges have differential tuition for upperclassmen, housing cost freezes for returning students or other policies that result in variation in costs.*

Source: *Minnesota Private College Council.*

Financial Aid

Approximately 84% of the student body annually receives some form of financial aid. The following table is a five-year summary of financial aid received from both College and non-College sources.

	1988-89	1989-90	1990-91	1991-92	1992-93
Grants/Scholarships:					
College	$ 2,492,894	$ 2,832,025	$ 3,230,211	$ 3,512,417	$ 3,985,221
Priv/Coll Council	344,920	437,092	395,828	424,514	420,427
Federal	1,038,860	1,073,903	1,002,501	1,159,368	1,174,355
State	1,799,080	2,134,866	2,558,484	2,654,771	2,969,745
Private	297,318	311,495	207,479	313,191	405,935
Total Grants/ Scholarships	$ 5,973,072	$ 6,789,381	$ 7,493,262	$ 8,064,261	$ 8,955,683
Loans	3,439,079	3,710,047	3,993,009	4,197,530	4,620,581
Work/Study	1,051,345	1,160,402	1,344,099	1,386,586	1,427,554
Total Financial Aid	$10,463,496	$11,659,830	$12,830,370	$13,648,377	$15,003,818
Number of Students Students Receiving Financial Aid	1,664	1,805	1,783	1,592	1,597

Faculty and Staff

The student-faculty ratio is approximately 14 to 1. Fifteen percent of the faculty are Sisters of the Order of St. Benedict. There are no religious or denominational prerequisites or any participatory religious requirements for faculty membership. The College subscribes to the 1940 Statement of Principles on Academic Freedom of the American Association of University Professors and the Association of American Colleges.

Total employment of the College is 310 full-time equivalent. The College employs 105 full-time and 20 part-time faculty. Average salaries by faculty rank are:

Rank	Number	Average Salary
Professor	18	\$50,064
Associate Professor	50	\$41,686
Assistant Professor	47	\$33,565
Instructor	10	\$29,352

Pension Plans

The College participates in one retirement plan: a T.I.A.A. plan for faculty, administrative staff and support staff. The T.I.A.A. plan covers certain faculty, administrative and support staff employees with contributions based upon salary levels of the participants. The College's share of contributions to the plan was \$548,000 in Fiscal Year 1993 and \$497,000 in Fiscal Year 1992.

Campaign of the Future

In 1990 the College began its Campaign of the Future. Phase I of the campaign had as its goal \$11,250,000 (\$7,242,000 for a Science Center, \$2,000,000 for endowment and \$2,000,000 for annual fund). Cash receipts (excluding funds pledged but not received) through December, 1993 totaled approximately \$4,500,000 for the Science Center; \$2,000,000 for the annual fund and \$1,457,254 for endowment. Pledges and receipts exceeded the Phase I goal by fall of 1993.

Phase II was announced in October 1993 for \$14,000,000. The capital portion, \$7,000,000, is designated for the construction and renovation of a student center/athletic facility, \$4,000,000 for endowment, and \$3,000,000 for the annual fund. The student center has a cost of approximately \$6,300,000. Thus far \$3,600,000 has been received or pledged for the student center; approximately \$1,000,000 was received in cash through December 1993. Construction is scheduled to begin in late summer of 1994.

Endowment Funds

Following is a five-year history of the ending fund balances of the College's Endowment and Similar Funds and Annuity Funds.

Years Ended June 30	Endowment Funds	Quasi-Endowment Funds	Annuity Funds
1993	\$4,768,987	\$4,426,400	\$ 63,442
1992	3,953,262	4,693,396	175,340
1991	3,221,916	4,488,935	145,814
1990	2,783,714	4,423,643	31,257
1989	2,061,373	4,207,622	29,151

Gifts and Grants

Gifts and grants revenues received from federal, State and private sources for the past five years have been:

Year Ended June 30	Current Unrestricted Fund	Current Restricted Fund	Endowment and Similar Funds	Annuity Funds	Plant Funds
1993	$619,550	$2,485,184	$521,314	$ 10,000	$2,330,238
1992	758,875	2,236,610	424,257	10,000	858,564
1991	623,242	2,137,794	226,652	115,000	636,820
1990	482,775	2,513,057	650,403	2,000	1,390,130
1989	477,130	2,176,404	250,290	2,400	216,965

Financial Statements

The College's fiscal year ends June 30 of each year. Financial records are maintained on the fund accounting system and financial statements have been prepared on the accrual basis of accounting except that depreciation is not recognized under generally accepted accounting principles applicable to nonprofit institutions of higher education. Appendix V sets forth the financial statements of the College for the years ended June 30, 1993 and 1992, audited by Ernst & Young, Certified Public Accountants, Minneapolis, Minnesota. Ernst & Young has not participated in the preparation of this Official Statement and expresses no opinion on its contents.

Summaries of Current Funds Revenues, Expenditures and Transfers

The following tables set forth summaries of revenues, expenditures and other changes for the College's Unrestricted Current Fund for the past five Fiscal Years from the College's audited financial statements and the budget for all current funds for Fiscal Years 1993 and 1994. These tables should be read in conjunction with the financial statements found in Appendix V.

COLLEGE OF SAINT BENEDICT
SUMMARY STATEMENT OF UNRESTRICTED CURRENT FUND
REVENUES, EXPENDITURES AND TRANSFERS

	1988-89	1989-90	1990-91	1991-92	1992-93
REVENUES					
Educational and general:					
Student tuition and fees	$14,432,626	$16,193,298	$17,333,963	$17,818,585	$18,791,028
Gifts, grants, and contracts	477,130	482,775	623,242	759,875	619,550
Endowment income	109,400	171,435	310,763	223,697	182,204
Other sources	631,369	765,288	975,986	981,293	1,065,829
Total educational and general	15,650,525	17,612,796	19,243,954	19,783,450	20,658,611
Auxiliary enterprises	6,410,572	7,176,145	7,330,689	7,022,635	7,533,010
Total revenues	22,061,097	24,788,941	26,574,643	26,806,085	28,191,621
EXPENDITURES					
Educational and general	14,641,121	16,663,515	18,239,124	19,036,539	20,181,741
Auxiliary enterprises	5,181,881	5,930,623	6,232,245	6,180,232	6,250,152
Total expenditures	19,823,002	22,594,138	24,471,369	25,216,771	26,431,893
Excess of revenues over expenditures before mandatory transfers	2,238,095	2,194,803	2,103,274	1,589,314	1,759,728
TRANSFERS AMONG FUNDS					
Mandatory:					
Principal and interest	(743,023)	(833,087)	(965,684)	(983,754)	(963,490)
Other:					
Renewals and replacements	(985,450)	(911,871)	(626,137)	(652,963)	(768,694)
Transfer to quasi-endowment			(400,000)	(2,224)	(145,000)
Transfer from retirement of indebtedness			23,279		
Reduction in inter-fund debt	(437,374)	(432,109)			
Endowment income appropriated (reinvested)	(39,087)	7,762	(107,978)	50,497	118,639
Net increase for the year	33,161	25,498	26,754	870	1,183
Beginning fund balance	462,061	495,222	520,720	547,474	548,344
Ending fund balance	$495,222	$520,720	$547,474	$548,344	$549,527

COLLEGE OF SAINT BENEDICT
SUMMARY OF EDUCATIONAL AND GENERAL REVENUES AND EXPENDITURES

	1992-93		1993-94
	Budget	**Actual**	**Budget**
Revenue			
Tuition and fees	$18,786,802	$18,791,028	$20,553,933
Government grants	1,651,655	1,783,635	1,655,760
Private gifts	1,040,928	814,877	1,001,817
Endowment income	422,893	457,809	471,297
Other sources	1,018,375	1,065,829	1,190,325
Total revenue	22,920,653	22,913,178	24,873,132
Expenditures			
Instruction	7,417,100	7,121,952	7,794,640
Academic support	2,254,616	2,525,171	2,419,189
Student services	2,248,283	2,247,274	2,406,630
Institutional support	3,400,772	3,178,135	3,703,296
Physical plant	1,359,074	1,498,231	1,565,759
Student aid	5,434,924	5,605,919	6,267,034
Debt service	439,345	417,175	444,718
Capital acq and renovations	107,000		180,000
Other	226,802	318,138	56,500
Total expenditures	22,887,916	22,911,995	24,837,766
Revenue over expenditures	$32,737	$1,183	$35,366

Note: The financial information presented on this page was prepared by College staff and is unaudited. The original budget is prepared prior to the beginning of the fiscal year. The budget is revised in September of the fiscal year after students have registered and classes begun.

COLLEGE OF SAINT BENEDICT
SUMMARY OF AUXILIARY ENTERPRISES REVENUES AND EXPENDITURES

	1992-93		1993-94
	Budget	**Actual**	**Budget**
Revenue			
Food service	$1,372,209	$1,418,681	$1,475,057
Loft	620,081	644,188	588,133
Residences	2,791,246	2,859,526	2,920,284
Bookstore	898,000	1,003,449	1,142,535
Transportation	294,000	303,906	306,500
Conference scheduling	395,100	418,571	438,160
Telecommunications	572,600	663,987	655,630
Duplicating center	170,000	166,083	170,000
Vending	57,000	54,619	57,000
Total revenues	7,170,236	7,533,010	7,753,299
Expenses			
Food service	1,046,357	999,676	1,151,730
Loft	531,136	561,684	568,990
Residences	1,906,027	1,776,492	1,942,956
Bookstore	831,003	922,561	1,053,602
Transportation	301,149	297,666	296,278
Conference scheduling	486,707	524,758	551,457
Telecommunications	436,652	429,195	455,146
Duplicating center	148,381	143,466	152,550
Vending	2,000	1,115	2,000
Other	38,890	0	
Student Aid (Alloc. to E & G)	734,525	734,525	884,525
Debt Service	604,691	546,315	620,253
Total expenses and mandatory transfers	7,067,518	6,937,453	7,679,487
Transfer to Renewal & Rep	102,718	595,557	73,812
Total expenses	$7,170,236	$7,533,010	$7,753,299

NOTE: The financial information presented on this page was prepared by College staff and is unaudited. The original budget is prepared prior to the beginning of the fiscal year. The budget is revised in September of the fiscal year after students have registered and classes begun. No revisions were necessary for 1993-94 based on registered students.

Long-Term Debt of the College As of January 1, 1994

1. $1,610,000 Minnesota Higher Education Facilities Authority First Mortgage Revenue Bonds, Series F, dated March 1, 1973; final maturity March 1, 1998; $525,000 is outstanding. The Series F Bonds are secured by the full faith and credit of the College; a mortgage on and pledge of the gross revenues of West Apartments, St. Gertrude Hall and an addition to the Physical Education Building; a first lien on the first 8% of all general tuition and fees; the assignment of certain federal interest subsidy grants; a debt service reserve of $85,216; and the Authority's General Bond Reserve.

2. $370,000 Minnesota Higher Education Facilities Authority First Mortgage Revenue Bonds, Series J, dated July 1, 1974; final maturity July 1, 2002; $215,000 is outstanding. The Series J Bonds are secured by the full faith and credit of the College; a first lien on the base rents and other income of and a mortgage on the Student Center; a debt service reserve of $28,000; and the Authority's General Bond Reserve.

3. $6,365,000 Minnesota Higher Education Facilities Authority Mortgage Revenue Bonds, Series Two-Q, dated May 1, 1988; $4,725,000 is outstanding. The Series Two-Q Bonds are secured by the full faith and credit of the College; a mortgage and security interest in Margretta Hall and St. Teresa Hall; a security interest in certain dormitory revenues and general tuition; and a debt service reserve of $636,500. **A portion of the proceeds of the Series Three-W Bonds will be placed in the Escrow Account to pay as scheduled or redeem the outstanding maturities on September 1, 1998.**

4. $1,680,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Two-U, dated September 1, 1989; final maturity September 1, 1999; $1,335,000 is outstanding. The Series Two-U Bonds are secured by the full faith and credit of the College; a mortgage on and security interest in the East Apartments; a first lien on the gross revenues of the East Apartments; and a debt service reserve of $168,000.

5. $5,100,000 Minnesota Higher Education Facilities Authority Variable Rate Demand Revenue Bonds, Series Three-D, dated May 2, 1991 and due February 1, 2016. **A portion of the proceeds of the Series Three-W Bonds will be placed in the Series Three-D Redemption Account to redeem the Series Three-D Bonds on May 2, 1994.**

6. The Bonds.

Total of long-term debt outstanding adjusted to include the Series Three-W Bonds and exclude the Prior Bonds as of January 1, 1994 is $19,550,000.

COLLEGE OF SAINT BENEDICT

ANNUAL DEBT SERVICE BY FISCAL YEAR AND COVERAGE STATEMENT

Fiscal Year Ending June 30 (1)	Existing Long-Term Debt Service(a) (2)	Series Three-W Bonds Principal (3)	Series Three-W Bonds Principal & Interest(b) (4)	Total Long-Term Debt Service (5)	FY 1993 UCF Revenues Avaiable For Debt Service(c) (6)	Est. Net Revenue Available From the Project(d) (7)	Total Available for Debt Service (8)	Coverage (Times) (9)	Series Reserve Balances (10)	Coverage with Reserve Balances (11)
1995	$331,320	$165,000	$1,178,898	$1,510,218	$1,759,728	$329,000	$2,088,728	1.38		1.38
1996	357,525	130,000	1,178,983	1,536,508	1,759,728	329,000	2,088,728	1.36		1.36
1997	361,840	160,000	1,203,523	1,565,363	1,759,728	329,000	2,088,728	1.33	28,000	1.35
1998	455,248	130,000	1,166,163	1,621,410	1,759,728	329,000	2,088,728	1.29	85,218	1.34
1999	350,055	155,000	1,184,988	1,535,043	1,759,728	329,000	2,088,728	1.36		1.36
2000	498,496	180,000	1,202,393	1,700,889	1,759,728	329,000	2,088,728	1.23	168,000	1.33
2001	31,284	490,000	1,503,393	1,534,676	1,759,728	329,000	2,088,728	1.36		1.36
2002	29,590	520,000	1,507,913	1,537,503	1,759,728	329,000	2,088,728	1.36		1.36
2003	56,870	515,000	1,474,833	1,531,703	1,759,728	329,000	2,088,728	1.36		1.36
2004		600,000	1,530,993	1,530,993	1,759,728	329,000	2,088,728	1.36		1.36
2005		640,000	1,536,493	1,536,493	1,759,728	329,000	2,088,728	1.36		1.36
2006		675,000	1,533,733	1,533,733	1,759,728	329,000	2,088,728	1.36		1.36
2007		715,000	1,533,233	1,533,233	1,759,728	329,000	2,088,728	1.36		1.36
2008		760,000	1,535,333	1,535,333	1,759,728	329,000	2,088,728	1.36		1.36
2009		805,000	1,534,733	1,534,733	1,759,728	329,000	2,088,728	1.36		1.36
2010		855,000	1,536,433	1,536,433	1,759,728	329,000	2,088,728	1.36		1.36
2011		905,000	1,534,278	1,534,278	1,759,728	329,000	2,088,728	1.36		1.36
2012		960,000	1,533,168	1,533,168	1,759,728	329,000	2,088,728	1.36		1.36
2013		1,020,000	1,533,648	1,533,648	1,759,728	329,000	2,088,728	1.36		1.36
2014		1,085,000	1,535,408	1,535,408	1,759,728	329,000	2,088,728	1.36		1.36
2015		1,155,000	1,538,138	1,538,138	1,759,728	329,000	2,088,728	1.36		1.36
2016		1,225,000	1,534,506	1,534,506	1,759,728	329,000	2,088,728	1.36	479,706	1.67
2017		825,000	1,056,413	1,056,413	1,759,728	329,000	2,088,728	1.98		1.98
2018		875,000	1,053,819	1,053,819	1,759,728	329,000	2,088,728	1.98		1.98
2019		935,000	1,058,038	1,058,038	1,759,728	329,000	2,088,728	1.97		1.97
2020		995,000	1,058,431	1,058,431	1,759,728	329,000	2,088,728	1.97	1,058,431	2.97
Totals:	$2,472,228	$17,475,000	$35,777,874	$38,250,101	$45,752,928	$8,554,000	$54,306,928			

(a) Does not include the Prior Bonds.

(b) Actual; average annual interest rate is 6.209%.

(c) FY 1993 Unrestricted Current Fund ("UCF") revenues available for debt service is calculated as follows:

Revenues:		$28,191,621
Expenditures & Mandatory Transfers:		
Education & General	$20,598,916	
Auxiliary Enterprises	6,796,467	
		27,395,383
Excess of Revenues over Expenditures & Mandatory Transfers		796,238
Add: Mandatory Transfers for Debt Service		963,490
Amount Available for Debt Service		$1,759,728
Source: Audited Financial Statement for the year ended June 30, 1993.		

(d) See "The Project", page 9, for a discussion of the estimated net revenue available from the Project.

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LEGAL OPINION

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

$______________
Minnesota Higher Education Facilities Authority
Revenue Bonds, Series Three-W
(College of Saint Benedict)

We have acted as bond counsel in connection with the issuance by the Minnesota Higher Education Facilities Authority (the "Authority") of its fully registered (book entry only) Revenue Bonds, Series Three-W (College of Saint Benedict), in the aggregate principal amount of $____________ (the "Bonds"), dated March 1, 1994, in the denomination of $5,000 each and integral multiples thereof, maturing on March 1 in the years and amounts and bearing interest at the basic rates per annum as follows:

Year	Amount	Basic Interest Rate	Year	Amount	Basic Interest Rate
1995	$	%	2002	$	%
1996			2003		
1997			2004		
1998			2005		
1999			2006		
2000			2007		
2001			2008		

The Bonds are subject to optional redemption prior to the stated maturities thereof as provided in the Bonds and the Indenture. Interest on the Bonds is payable on each March 1 and September 1, commencing September 1, 1994. In the event of a Determination of Taxability (as defined in the Loan Agreement and Trust Indenture referred to below), the Bonds will be redeemed, as a whole but not in part, on the next practicable date, at a redemption price of par plus accrued interest. Interest is payable by check or draft mailed or sent by wire transfer to the registered owner, and principal is payable at the principal corporate trust office of Norwest Bank Minnesota, National Association, in Minneapolis, Minnesota, as Trustee (the "Trustee"). The Bonds are issued for the purpose of funding a loan from the Authority to the College of Saint Benedict (the "College"), a Minnesota nonprofit corporation and institution of higher education located in the City of St. Joseph, Minnesota, in order to finance the costs of a project consisting of the acquisition, construction, and equipping of a residence hall and to refund certain of the Authority's outstanding bonds, originally issued to acquire, construct, remodel and equip certain college facilities all owned and operated by the College and located on its main campus in St. Joseph, Minnesota. We have examined executed counterparts of the Loan Agreement (the "Loan Agreement") between the Authority and the College and the Trust Indenture (the "Indenture") between the Authority and the Trustee and the Security Agreement between the College and the Trustee, each dated as of March 1, 1994, one or more opinions of Hughes, Thoreen, Matthews and Knapp, St. Cloud, Minnesota, 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 Hughes, Thoreen, Matthews and Knapp, as to the Loan Agreement and the Security Agreement having been duly authorized and executed and being binding upon the College and enforceable in accordance with their terms and as to the corporate organization, tax-exempt status, good standing and powers of the College, and as to title to the Project Site (as defined in the Loan Agreement and Indenture), without examining the records of the College or original title records or abstracts of title.

We have not been engaged or undertaken to verify the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement), and we express no opinion relating thereto (except only matters set forth as our opinion in the Official Statement).

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

1. The Authority is an agency of the State of Minnesota with authority under Sections 136A.25 to 136A.42, Minnesota Statutes, to issue the Bonds, to loan the proceeds thereof to the College and to execute and deliver the Loan Agreement 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, scheduled to be made in amounts and at times sufficient (if timely paid in full) to pay the principal of and interest on the Bonds when due, and by the pledge of the funds and investments held by the Trustee under the Indenture and by

the pledge of funds and rights to payment held by the Trustee under the Security Agreement.

4. Assuming compliance with the covenants in the Loan Agreement and Indenture, the interest on the Bonds is not includable in gross income for purposes of Federal income taxation or in taxable income of individuals, estates and trusts for purposes of Minnesota income taxation under present laws and rulings. Interest on the Bonds is not an item of tax preference required to be included in the computation of "alternative minimum taxable income" for purposes of the federal alternative minimum tax applicable to individuals under Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") or Minnesota alternative minimum tax applicable to individuals, trusts and estates. Interest on the Bonds is includable in "adjusted current earnings" for purposes of the computation of "alternative minimum taxable income" of corporations under Section 55 of the Code and is subject to the Minnesota franchise tax imposed upon corporations, including financial institutions, measured by taxable income and the alternative minimum tax base. The Bonds are not arbitrage bonds within the meaning of Section 148 of the Code. Ownership of the Bonds will result in disallowance of a deduction for a portion of the interest expense of a "financial institution" under Section 265(b) of the Code. Reference is made to the caption "Tax Exemption" in the Official Statement for a description of the effect of certain provisions of the Code relating to, among other things, the environmental tax imposed on corporations, the branch profits tax imposed on foreign corporations, losses incurred by property and casualty insurance companies, Subchapter C earnings of S corporations, net investment income of foreign corporations, and the taxability of Social Security and railroad retirement benefits.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Indenture, the Loan Agreement and the Security 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, April __, 1994.

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DEFINITIONS 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, its successors and assigns.

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

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, the Vice Chairman or Secretary of its Board of Trustees or the President or the Vice President of the College. Such certificate may designate an alternate or alternates.

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

Board of Trustees: The Board of Trustees 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: $17,475,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Three-W (College of Saint Benedict) and any Additional Bonds then outstanding.

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

Bond Resolution: The Series Resolution of the Authority adopted on February 16, 1994, authorizing the Series Three-W Bonds, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

Bond Year: (a) The period from the Issue Date to the close of business on March 1, 1995 and (b) each succeeding 12-month period ending at the close of business on March 1 of each year in which the outstanding Series Three-W Bonds, if paid at their stated maturity dates, shall be outstanding.

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 Series Two-Q Bonds or the 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.

Campus Site: The real property constituting the main campus of the College in St. Joseph, Minnesota, as described in Exhibit A to the Loan Agreement.

College or Institution: College of Saint Benedict, a Minnesota nonprofit corporation and its institution of higher education, its successors and assigns.

Construction Account: The account established under the Indenture for the deposit of certain Bond proceeds and other funds to be used for the payment of Project Costs.

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

Escrow Account: The account established under the Escrow Agreement for the refunding of the Series Two-Q Bonds.

Escrow Agreement: The Escrow Agreement dated as of the Issue Date among the Series Two-Q Trustee, the Trustee, the Authority and the College.

Event of Default: An Event of Default described in the Indenture or Loan Agreement and summarized in Appendix IV - SUMMARY OF DOCUMENTS under the headings "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 July 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 Norwest Bank Minnesota, National Association, Minneapolis, Minnesota, as Trustee, dated as of March 1, 1994, under which the Bonds are authorized to be issued, and including any indenture supplemental thereto.

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 March 1, 1994, 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 as owner or lessee and the Trustee as secured party of the Project Facilities, 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 (including, with respect to Project Equipment, purchase money security interests and equipment leases), and as do not in the aggregate, in the opinion of independent counsel, materially impair the property affected thereby for the purposes for which it was acquired or is held by the College, (iv) the Security Agreement, and (v) those additional encumbrances set forth in Exhibit C to the Loan Agreement.

Prior Bonds: The Series Two-Q Bonds and the Series Three-D Bonds.

Prior Bond Documents: The Series Two-Q Bond Documents and the Series Three-D Bond Documents.

Prior Bonds Indenture: The Series Two-Q Indenture and the Series Three-D Indenture.

Prior Bonds Project: The Series Two-Q Project and the Series Three-D Project.

Prior Bonds Trustee: The Series Two-Q Trustee and the Series Three-D Trustee.

Project: The acquisition, construction, furnishing and equipping of a residence hall for approximately 242 students, including appurtenant site improvements, all to be owned and operated by the College and located on the Campus Site.

Project Buildings: The buildings improved or constructed with proceeds of the Bonds or the Prior Bonds.

Project Costs: Costs properly payable from the Construction Account in relation to the Project.

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

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

Project Site: The land on which the Project Buildings are to be located or otherwise improved as part of the Project.

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 balance in the Reserve Account, and (iii) to redeem or prepay outstanding Bonds to the extent permitted or required by the Loan Agreement. 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 Bond proceeds in the amount of the Reserve Requirement ($1,538,137). 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 thereof 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.

Reserve Requirement: (i) If no Additional Bonds are outstanding, the maximum amount of principal of and interest on the Bonds payable in any remaining Bond Year or (if less) 10% of the proceeds (par value less original issue discount, if any, according to the reoffering scale) received from the issuance and sale of the Bonds or (ii) if Additional bonds are outstanding, the sum of (A) the amount set forth in subsection (i) plus (B) the maximum amount of principal of and interest on Additional Bonds payable in any remaining Bond Year or (if less) 10% of the proceeds (par value less original issue discount, if any, according to the reoffering scale) received from the issuance and sale of the Additional Bonds.

Security Agreement: The Security Agreement between the College and the Trustee dated March 1, 1994, as from time to time amended or supplemented.

Series Three-D Bond Account: The Bond and Interest Sinking Fund Account created under the Series Three-D Indenture.

Series Three-D Bond Documents: The Series Three-D Loan Agreement and the Series Three-D Indenture.

Series Three-D Bonds: The Minnesota Higher Education Facilities Authority Variable Rate Demand Revenue Bonds, Series Three-D (College of Saint Benedict), dated May 2, 1991 in the original principal amount of $5,100,000.

Series Three-D Indenture: The Trust Indenture dated as of May 1, 1991 between the Authority and the Series Three-D Trustee.

Series Three-D Loan Agreement: The Loan Agreement dated as of May 1, 1991 between the Authority and the College.

Series Three-D Project: The construction, furnishing and equipping of the Ardolf Science Center located at the College's main campus in St. Joseph, Minnesota.

Series Three-D Reserve Account: The Reserve Account created under the Series Three-D Indenture.

Series Three-D Trustee: First Trust National Association, or any successor Trustee under the Series Three-D Indenture.

Series Three-W Bonds: The Bonds.

Series Two-Q Bond Account: The Bond and Interest Sinking Fund Account created under the Series Two-Q Indenture.

Series Two-Q Bond Documents: The Series Two-Q Loan Agreement, the Series Two-Q Mortgage, the Series Two-Q Security Agreement and the Series Two-Q Indenture.

Series Two-Q Bonds: The Minnesota Higher Education Facilities Authority Mortgage Revenue Bonds, Series Two-Q (College of Saint Benedict), dated May 1, 1988 in the original principal amount of $6,365,000.

Series Two-Q Indenture: The Trust Indenture dated as of April 1, 1988 between the Authority and the Series Two-Q Trustee.

Series Two-Q Loan Agreement: The Loan Agreement dated as of April 1, 1988 between the Authority and the College.

Series Two-Q Mortgage: The Combination Mortgage, Security Agreement and Fixture Financing Statement dated as of April 1, 1988 from the College to the Authority, and assigned by the Authority to the Series Two-Q Trustee.

Series Two-Q Project: The construction, furnishing and equipping of Margretta Hall, a residence hall, with appurtenant site improvements and adjacent parking; the renovation of St. Teresa Hall for faculty and administrative offices and a reception area; the installation of air conditioning in Claire Lynch Hall, a gymnasium; and the installation of a storm sewer, all located at the College's main campus in St. Joseph, Minnesota.

Series Two-Q Reserve Account: The Reserve Account created under the Series Two-Q Indenture.

Series Two-Q Security Agreement: The Security Agreement dated as of April 1, 1988 between the College and the Series Two-Q Trustee.

Series Two-Q Trustee: Norwest Bank Minnesota, National Association, or any successor Trustee under the Series Two-Q Indenture.

Sinking Fund Subaccount: The Sinking Fund Subaccount of the Bond and Interest Sinking Fund Account created under the Indenture into which the Authority shall deposit certain moneys for mandatory redemption prior to maturity of Bonds as specified in the Indenture.

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: Norwest Bank Minnesota, National Association, Minneapolis, 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 III, contained herein.

Construction of Project

The College represents that the acquisition, construction and improvement of the Project are to be substantially completed by no later than August 31, 1994 subject only to "force majeure," as provided in the Loan Agreement, provided that 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, 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. 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 are not met from proceeds of the Bonds in the Construction Account.

Redemption of Series Two-Q Bonds

In order to provide funds to lend to the College for redemption of the Series Two-Q Bonds, from the proceeds of the Series Three-W Bonds, the Trustee shall deposit with the Series Two-Q Bonds Trustee $4,203,040.79 for deposit in the Escrow Account, to be used, together with amounts on deposit in the Bond Account and Reserve Account and available general funds of the College, if necessary, for payment and redemption of all the outstanding Series Two-Q Bonds on their payment and redemption dates.

Redemption of Series Three-D Bonds

In order to provide funds to lend to the College for redemption of the Series Three-D Bonds, from the proceeds of the Series Three-W Bonds, the Trustee shall deposit with the Series Three-D Bonds Trustee $5,100,000 for the deposit in the Series Three-D Redemption Account and available general funds of the College, if necessary, for payment and redemption of all the outstanding Series Three-D Bonds on May 2, 1994.

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 March 1 and September 1, commencing September 1, 1994, into the Bond and Interest Sinking Fund Account a sum which will be equal to the amount payable as interest on the Series Three-W Bonds on such interest payment date, and at least 10 Business Days prior to each March 1, commencing on March 1, 1995, a sum equal to the amount payable as principal on the Series Three-W Bonds on such principal payment date, provided however, that there shall be credited against such obligations (i) the net amount of funds and investments then on deposit to the credit of the Bond and Interest Sinking Fund Account, and (ii) any credits permitted by Sections 5.02, 5.03 or 5.04 of the Indenture (relating to the transfer to the Bond and Interest Sinking Fund Account of certain investment earnings and certain excess funds); and

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

(c) forthwith into the Bond and Interest Sinking Fund Account or Redemption Account, as appropriate, the amount of any deficiency in the event that the funds on deposit in the Bond and Interest Sinking Fund Account or Redemption Account on any Bond principal or interest payment date are for any reason insufficient to pay principal, premium (if any) and interest on the Series Three-W 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

(f) At least 10 business days prior to each March 1, commencing March 1, 2011 into the Sinking Fund Subaccount of the Bond and Interest Sinking Fund Account, the amount, if any, as shall be necessary and sufficient to redeem on the next succeeding March 1, at par plus accrued interest, the amount of the Series Three-W Bonds specified in the Indenture.

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

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

Use of Project Facilities

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

Maintenance of Project Facilities

The College agrees that, so long as there are Bonds outstanding, the College will keep the Project Facilities in good repair and good operating condition at its own cost, making such repairs and replacements as are necessary so that the Project will remain a "project" under the Act and interest on the Bonds will be excludable from gross income for purposes of federal income taxation. The College may lease or sublease or enter into agreements in the ordinary course of business for the use of the Project Facilities, so long as the tax-exempt status of the Bonds will not be affected thereby, such lease, sublease or use agreement shall not be inconsistent with the Loan Agreement, the Indenture 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 Security 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 the lesser of (i) the full insurable replacement value of the Project Buildings or (ii) the principal amount of the outstanding Bonds or (if greater) 80% of the full insurable replacement value of the Project Buildings, with a deductible amount of up to $50,000.

(b) Comprehensive general public liability insurance against liability for personal injury in the minimum amount for each occurrence of $5,000,000 and aggregate for each year of $5,000,000, with a deductible amount of not more than $50,000 per occurrence, and against liability for property damage in the minimum amount for each occurrence of $100,000.

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

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

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

Damage or Destruction

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

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

Condemnation

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

Removal or Release of Project Equipment and Building Equipment

The College may remove or release Project Equipment and Building Equipment from the Project Facilities 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 for the redemption and prepayment of the Three-W Bonds; provided that if the depreciated book value of any item of equipment so removed was less than $25,000, such removal without substitution and such deposit to the Redemption Account may be effected without such determination of value and Certificate by an Independent Engineer upon such showing by the College as may be satisfactory to the Trustee; and

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

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

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 dissolve or otherwise dispose of all or substantially all of its assets, or 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 Security 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 University affiliate or consolidate with or merge into another corporation or sell or otherwise transfer to another institution all or substantially all of its assets as an entirety if the effect of any such transaction would be to cause the sum of the principal amount of the Series Three-W Bonds, plus the respective outstanding aggregate principal amounts of all tax-exempt bonds issued by or on behalf of the College or such other resulting entity, and all organizations under common management or control with the College or such resulting entity (other than qualified hospital bonds), within the meaning of Section 145 of the Internal Revenue Code, to exceed $150,000,000.

Federal Income Tax Status

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

College To Be Nonsectarian

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

Determination of Taxability

In the event a Determination of Taxability is made that interest payable on the Bonds is includible in gross income for purposes of federal income taxation under the provisions of the Internal Revenue Code and regulations thereunder as in effect at the date of issuance of the Bonds, the Bonds shall be subject to mandatory redemption, as a whole on the next practicable date thereafter and the redemption price shall be equal to par plus accrued interest.

Financial Covenants

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

Other Covenants

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

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

Events of Default

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

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

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

(c) If the College shall default in the observance of any of the covenants set forth in Section 6.14 of the Loan Agreement (relating to financial covenants), provided that failure to comply with Section 6.14(a) (relating to the ratio of Unrestricted Current Fund revenues to Unrestricted Current Fund expenditures) or Section 6.14(b) (relating to the minimum required amount of Unrestricted Funds Functioning as Endowment) shall not become an Event of Default unless the College fails to restore the deficiency thereunder within a period of 180 days, from the close of the Fiscal Year in which such deficiency has occurred; or

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

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

(f) If 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

(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, 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 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; or

(i) If there shall occur an event of default (as defined therein) under the Security Agreement.

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, the Security 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 III, contained herein.

Granting Clauses

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

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

(2) a first lien on and pledge of (i) the moneys and investments in the Accounts covenanted to be paid and maintained under the Indenture, (ii) moneys and investments in the Construction Account not paid out for Project Costs of the Bonds, 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, grant additional collateral to be held by the Trustee under the Indenture and execute supplements to the Loan Agreement, the Security 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 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, the Security 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 or the Security 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, and to enforce any such other appropriate legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of its rights or any of the rights of the Bondholders. Notwithstanding the foregoing, the Trustee need not proceed upon any such written request of the Bondholders, as aforesaid, unless such Bondholders shall have offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby.

Concerning the Trustee

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

Concerning the Bondholders

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

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

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

Defeasance

If the Authority and the College shall:

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

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

(c) deliver to the Trustee (1) proof that notice of redemption of all of the outstanding Bonds not surrendered or to be surrendered to it for cancellation has been given or waived, or that arrangements have been made insuring that such notice will be given or waived, or (2) a written instrument executed by the College for the Authority under its official seal and expressed to be irrevocable, authorizing the Trustee to give such notice for and on behalf of the Authority, or (3) file with the Trustee a waiver of such notice of redemption signed by the Holders of all such outstanding Bonds, and in any case, deposit with the Trustee before the date on which such Bonds are to be redeemed, the entire amount of the redemption price, including interest accrued and to accrue, and premium, if any, either in cash or direct obligations of or obligations guaranteed by the United States of America in such aggregate face amount, bearing interest at such rates and maturing at such dates as shall be sufficient to provide for the payment of the redemption price on the date such Bonds are to be redeemed and on any interest payment dates, or

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

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

Amendments to the Loan Agreement and the Security 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, the Security 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 the Security 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 or the Security 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.

THE SECURITY AGREEMENT

At or prior to the closing, the College will execute and deliver to the Trustee a Security Agreement (the "Security Agreement") to be dated as of March 1, 1994, to secure the Bonds. The following is a summary of certain provisions of the Security Agreement.

To secure its obligations under the Loan Agreement, the Indenture and the Security Agreement (the "Obligations"), the College pledges, assigns, sells and transfers to the Trustee a security interest in all rights to payment of rents, charges, fees and other payments for use of the residence hall to be constructed with proceeds of the Bonds and Margretta Hall (the "Collateral").

From and after the occurrence of an "Event of Default" under the Loan Agreement or the Security Agreement, the Trustee may collect the Collateral, and shall deposit any amounts collected which are not applied directly to the Obligations into a Collateral Account and may apply moneys in the Collateral Account to the payment of Obligations which shall have become due and payable. In so doing, the Trustee may exercise any rights and remedies available to it under the Loan Agreement, the Indenture and the Security Agreement; exercise and enforce any and all rights and remedies available after default to a secured party under the Uniform Commercial Code, including the right to offer and sell the Collateral; and exercise or enforce any and all other rights and remedies available by law against the Collateral pledged in the Security Agreement, the College or any other person or property. Collateral collected by the Trustee in any Fiscal Year which is not necessary to pay the Obligations which shall have become due and payable shall, after deduction therefrom of the fees and expenses of the Trustee incurred in their collection, be returned to the College or whoever is legally entitled thereto; provided that in the case of non-monetary Events of Default, the Trustee may hold any Collateral collected until such Event of Default is cured, at which time such Collateral shall be returned to the College.

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ERNST & YOUNG

1400 Pillsbury Center
Minneapolis, Minnesota 55402

Phone 612 343 1000

Report of Independent Auditors

Board of Trustees
College of Saint Benedict

We have audited the accompanying balance sheets of the College of Saint Benedict as of June 30, 1993 and 1992, and the related statements of changes in fund balances and statements of current funds revenues, expenditures and other changes for the years 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 audits.

We conducted our audits 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 audits provide 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 the College of Saint Benedict at June 30, 1993 and 1992, and the changes in fund balances and current funds revenues, expenditures and other changes for the years then ended, in conformity with generally accepted accounting principles.

Ernst + Young

August 27, 1993

APPENDIX V

COLLEGE OF SAINT BENEDICT

AUDITED FINANCIAL STATEMENT
JUNE 30, 1993 AND 1992

College of Saint Benedict

Balance Sheet

June 30, 1993

	Current Funds		Student Loan Funds	Endowment and Similar Funds	Annuity Funds	Plant Funds			Total (Memorandum Only)
	Unrestricted	Restricted				Renewal and Replacement	Retirement of Indebtedness	Investment in Plant	
Assets									
Cash	$ 216,156	$100,798	$ 2,369		$ 9,584	$ 410,804			$ 739,711
Investments (at market value)	1,969,255	358,978		$9,655,302	53,858	7,466,541	$1,280,865		20,784,799
Accounts receivable, net of allowance for doubtful accounts of $70,000	680,333	111,666							791,999
Student notes receivable, net of allowance for doubtful accounts of $266,000			4,993,097						4,993,097
Due from Saint John's University	73,427								73,427
Inventories	18,541								18,541
Prepaid expenses and deposits	52,729								52,729
Unamortized bond discounts								$ 23,947	23,947
General bond reserve							28,304		28,304
Land								67,539	67,539
Land improvements (net of accumulated depreciation of $348,526)								223,736	223,736
Buildings (net of accumulated depreciation of $10,788,421)								22,337,498	22,337,498
Furniture and equipment (net of accumulated depreciation of $5,916,214)								3,678,877	3,678,877
Utility distribution system (net of accumulated depreciation of $440,384)								618,774	618,774
Construction in progress								115,667	115,667
Total assets	$3,010,441	$571,442	$4,995,466	$9,655,302	$63,442	$7,877,345	$1,309,169	$27,066,038	$54,548,645
Liabilities and fund balances									
Liabilities:									
Outstanding checks in transit				$ 459,915				$ 54,420	$ 514,335
Accounts payable	$ 486,565	$ 1,967							488,532
Accrued payroll liabilities	1,331,623								1,331,623
Student deposits and credit balances	481,236								481,236
Due to Saint Benedict's Convent	99,975								99,975
Funds held for others		6,928							6,928
Bonds payable								12,190,000	12,190,000
Deferred revenue	61,515								61,515
Total liabilities	2,460,914	8,895		459,915				12,244,420	15,174,144
Fund balances:									
Current funds	549,527	562,547							1,112,074
Student loan funds:									
Perkins loan funds			$4,986,122						4,986,122
Student nursing funds			(628)						(628)
Student loan funds			9,972						9,972
Endowment funds:									
Scholarship				4,768,987					4,768,987
Quasi-endowment fund balance				4,426,400					4,426,400
Annuity funds					$63,442				63,442
Plant funds						$7,877,345	$1,309,169	14,821,618	24,008,132
Total fund balances	549,527	562,547	4,995,466	9,195,387	63,442	7,877,345	1,309,169	14,821,618	39,374,501
Total liabilities and fund balances	$3,010,441	$571,442	$4,995,466	$9,655,302	$63,442	$7,877,345	$1,309,169	$27,066,038	$54,548,645

See accompanying notes.

College of Saint Benedict

Balance Sheet

June 30, 1992

	Current Funds		Student Loan Funds	Endowment and Similar Funds	Annuity Funds	Plant Funds			Total (Memorandum Only)
	Unrestricted	Restricted				Renewal and Replacement	Retirement of Indebtedness	Investment in Plant	
Assets									
Cash	$ 913,029	$ 53,740	$ 43,604			$ 3,239			$ 1,013,612
Investments (at market value)	758,440	333,804		$8,817,747	$177,050	5,684,547	$1,216,447	$ 373,910	17,361,945
Accounts receivable, net of allowance for doubtful accounts of $70,000	627,505	90,018		138,243					855,766
Student notes receivable, net of allowance for doubtful accounts of $266,000			4,696,559						4,696,559
Due from Saint John's University	58,252								58,252
Inventories	14,248								14,248
Prepaid expenses and deposits	13,453								13,453
Unamortized bond discounts								27,774	27,774
General bond reserve							28,304		28,304
Land								67,539	67,539
Land improvements (net of accumulated depreciation of $323,276)								114,262	114,262
Buildings (net of accumulated depreciation of $10,036,282)								16,590,028	16,590,028
Furniture and equipment (net of accumulated depreciation of $5,353,120)								3,473,950	3,473,950
Utility distribution system (net of accumulated depreciation of $391,659)								620,313	620,313
Construction in progress								6,084,296	6,084,296
Total assets	$2,384,927	$477,562	$4,740,163	$8,955,990	$177,050	$5,687,786	$1,244,751	$27,352,072	$51,020,301
Liabilities and fund balances									
Liabilities:									
Outstanding checks in transit				$ 309,332	$ 1,710			$ 438,788	$ 749,830
Accounts payable	$ 412,369	$ 1,967							414,336
Accrued payroll liabilities	844,288								844,288
Student deposits and credit balances	508,369								508,369
Due to Saint Benedict's Convent	71,557								71,557
Funds held for others		5,662							5,662
Bonds payable								12,720,000	12,720,000
Total liabilities	1,836,583	7,629		309,332	1,710			13,158,788	15,314,042
Fund balances:									
Current funds	548,344	469,933							1,018,277
Student loan funds:									
Perkins loan funds			$4,728,666						4,728,666
Student nursing funds			1,609						1,609
Student loan funds			9,888						9,888
Endowment funds:									
Scholarship				3,953,262					3,953,262
Quasi-endowment fund balance				4,693,396					4,693,396
Annuity funds					175,340				175,340
Plant funds						$5,687,786	$1,244,751	14,193,284	21,125,821
Total fund balances	548,344	469,933	4,740,163	8,646,658	175,340	5,687,786	1,244,751	14,193,284	35,706,259
Total liabilities and fund balances	$2,384,927	$477,562	$4,740,163	$8,955,990	$177,050	$5,687,786	$1,244,751	$27,352,072	$51,020,301

See accompanying notes.

Statement of Changes in Fund Balances

Year ended June 30, 1993

	Current Funds Unrestricted	Current Funds Restricted	Student Loan Funds	Endowment and Similar Funds	Annuity Funds	Plant Funds Renewal and Replacement	Plant Funds Retirement of Indebtedness	Plant Funds Investment in Plant	Total (Memorandum Only)
Revenues and other additions:									
Education and general	$20,658,611								$20,658,611
Auxiliary enterprises	7,533,010								7,533,010
Gifts and grants		$2,485,184		$521,314	$ 10,000	$2,303,443	$ 26,795		5,346,736
Investment income					18,385	370,426	83,437	$ 8,804	481,052
Net realized and unrealized gains on investments				424,221		215,498	84,702		724,421
Interest on loans receivable			$ 110,233						110,233
U.S. government advances			228,313						228,313
College of St. Benedict contributions			25,368						25,368
Capitalized expenditures (including $509,240 charged to current fund expenditures)								1,707,930	1,707,930
Retirement of indebtedness								530,000	530,000
Other income			19,206			1,233			20,439
Total revenues and other additions	28,191,621	2,485,184	383,120	945,535	28,385	2,890,600	194,934	2,246,734	37,366,113
Expenditures and other deductions:									
Education and general	20,181,741	2,243,662							22,425,403
Auxiliary enterprises	6,250,152	140,987							6,391,139
Loan cancellations and write-offs			40,370						40,370
Loan capital returned			785						785
Administrative and other			86,662	59,473		2,429	623		149,187
Expended for plant facilities (including noncapitalized expenditures of $497,086)						798,695		897,081	1,695,776
Expended for capital campaign						303,097			303,097
Retirement of indebtedness							530,000		530,000
Interest on indebtedness						48,370	712,641		761,011
Depreciation expense								1,389,205	1,389,205
Payments to annuity beneficiaries					8,070				8,070
Amortization of bond discounts								3,828	3,828
Total expenditures and other deductions	26,431,893	2,384,649	127,817	59,473	8,070	1,152,591	1,243,264	2,290,114	33,697,871
Excess (deficiency) of revenues over expenditures before transfers	1,759,728	100,535	255,303	886,062	20,315	1,738,009	(1,048,330)	(43,380)	3,668,242
Transfers among funds--additions (deductions):									
Mandatory:									
Principal and interest	(963,490)						963,490		–
Other:									
Transfer from quasi-endowment				(371,615)		303,097	68,518		–
Transfer to endowment	(145,000)	(7,921)		152,921					–
Transfer to renewal and replacement					(132,213)	132,213			–
Renewals and replacements	(768,694)					768,694			–
Transfer to retirement of indebtedness						(71,936)	80,740	(8,804)	–
Transfer to investment in plant						(680,518)		680,518	–
Portion of unrestricted quasi-endowment funds investment gains appropriated	118,639			(118,639)					–
Net increase (decrease) for the year	1,183	92,614	255,303	548,729	(111,898)	2,189,559	64,418	628,334	3,668,242
Fund balances at the beginning of the year	548,344	469,933	4,740,163	8,646,658	175,340	5,687,786	1,244,751	14,193,284	35,706,259
Fund balances at the end of the year	$ 549,527	$ 562,547	$4,995,466	$9,195,387	$ 63,442	$7,877,345	$ 1,309,169	$14,821,618	$39,374,501

See accompanying notes.

College of Saint Benedict

Statement of Changes in Fund Balances

Year ended June 30, 1992

	Current Funds		Student Loan Funds	Endowment and Similar Funds	Annuity Funds	Plant Funds			Total (Memorandum Only)
	Unrestricted	Restricted				Renewal and Replacement	Retirement of Indebtedness	Investment in Plant	
Revenues and other additions:									
Education and general	$19,783,450								$19,783,450
Auxiliary enterprises	7,022,635								7,022,635
Gifts and grants		$2,236,610		$ 424,257	$ 10,000	$ 780,165	$ 78,399		3,529,431
Investment income					33,634	346,567	83,936	$ 167,998	632,135
Net realized and unrealized gains on investments				895,076		70,614	62,266		1,027,956
Interest on loans receivable			$ 112,388						112,388
U.S. government advances			228,313						228,313
College of St. Benedict contributions			25,368						25,368
Capitalized expenditures (including $97,112 charged to current fund expenditures)								5,654,765	5,654,765
Retirement of indebtedness								500,000	500,000
Other income			22,642			5,080			27,722
Total revenues and other additions	26,806,085	2,236,610	388,711	1,319,333	43,634	1,202,426	224,601	6,322,763	38,544,163
Expenditures and other deductions:									
Education and general	19,036,539	2,183,091							21,219,630
Auxiliary enterprises	6,180,232								6,180,232
Loan cancellations and write-offs			20,936						20,936
Loan capital returned			2,058						2,058
Administrative and other			100,043	54,395		41,158	1,867		197,463
Expended for plant facilities						779,051		4,778,602	5,557,653
Expended for capital campaign						301,260			301,260
Retirement of indebtedness							500,000		500,000
Interest on indebtedness						40,452	776,028		816,480
Depreciation expense								1,130,740	1,130,740
Payments to annuity beneficiaries					12,258				12,258
Amortization of bond discounts								3,828	3,828
Total expenditures and other deductions	25,216,771	2,183,091	123,037	54,395	12,258	1,161,921	1,277,895	5,913,170	35,942,538
Excess (deficiency) of revenues over expenditures before transfers	1,589,314	53,519	265,674	1,264,938	31,376	40,505	(1,053,294)	409,593	2,601,625
Transfers among funds--additions (deductions):									
Mandatory:									
Principal and interest	(983,754)						983,754		-
Other:									
Transfer from quasi-endowment				(301,260)		301,260			-
Transfer to endowment	(2,224)	(4,785)		22,626	(1,850)	(13,767)			-
Transfer from current	(14,244)					14,244			-
Renewals and replacements	(638,719)					638,719			-
Transfer to retirement of indebtedness						(43,061)	43,061		-
Transfer to investment in plant						(415,000)		415,000	-
Transfer from construction account							169,299	(169,299)	-
Portion of unrestricted quasi-endowment funds investment gains appropriated	50,497			(50,497)					-
Net increase for the year	870	48,734	265,674	935,807	29,526	522,900	142,820	655,294	2,601,625
Fund balances at the beginning of the year	547,474	421,199	4,474,489	7,710,851	145,814	5,164,886	1,101,931	13,537,990	33,104,634
Fund balances at the end of the year	$ 548,344	$ 469,933	$4,740,163	$8,646,658	$175,340	$5,687,786	$1,244,751	$14,193,284	$35,706,259

See accompanying notes.

College of Saint Benedict

Statements of Current Funds Revenues, Expenditures and Other Changes

	Year ended June 30			
	1993			1992
	Unrestricted	Restricted	Total	Total
Revenues:				
Educational and general:				
Student tuition and fees	$18,791,028		$18,791,028	$17,818,585
Government grants and contracts	175,028	$1,608,607	1,783,635	1,728,727
Gifts and private grants	444,522	619,076	1,063,598	1,064,221
Endowment income	182,204	156,966	339,170	349,555
Sales and services of educational activities	2,909		2,909	4,249
Other sources	1,062,920		1,062,920	977,044
Total education and general	20,658,611	2,384,649	23,043,260	21,942,381
Auxiliary enterprises:				
Resident halls	2,859,526		2,859,526	2,743,510
Food services	2,062,869		2,062,869	1,918,081
Other	2,610,615		2,610,615	2,361,044
Total auxiliary enterprises	7,533,010		7,533,010	7,022,635
Total revenues	28,191,621	2,384,649	30,576,270	28,965,016
Expenditures and mandatory transfers:				
Educational and general:				
Instruction	6,991,370	203,813	7,195,183	7,256,345
Academic support	2,429,132	96,039	2,525,171	2,106,682
Student services	2,162,134	153,327	2,315,461	2,349,561
Institutional support	3,135,524	108,175	3,243,699	3,230,284
Operation and maintenance of physical plant	1,463,191	76,779	1,539,970	1,261,042
Student aid	4,000,390	1,605,529	5,605,919	5,108,709
Total educational and general	20,181,741	2,243,662	22,425,403	21,312,623
Mandatory transfers for:				
Principal payment--instructional facilities	219,015		219,015	187,650
Interest payments	198,160		198,160	227,623
Total mandatory transfers	417,175		417,175	415,273
Total educational and general expenditures and mandatory transfers	20,598,916	2,243,662	22,842,578	21,727,896
Auxiliary enterprises:				
Residence halls	2,050,506	85,623	2,136,129	2,028,512
Food services	1,804,584	33,695	1,838,279	1,798,591
Other	2,395,062	21,669	2,416,731	2,260,136
Total auxiliary enterprises	6,250,152	140,987	6,391,139	6,087,239
Mandatory transfers for:				
Principal payments:				
Residence halls	272,925		272,925	249,750
Food services	9,810		9,810	12,600
Other			–	7,500
Interest payments:				
Residence halls	254,663		254,663	291,444
Food services	5,061		5,061	7,187
Other	3,856		3,856	–
Total mandatory transfers	546,315		546,315	568,481
Total auxiliary enterprises expenditures and mandatory transfers	6,796,467	140,987	6,937,454	6,655,720
Other transfers and additions (deductions):				
Excess of restricted receipts over transfers to revenues		100,535	100,535	53,519
Transfer to renewal and replacement	(768,694)		(768,694)	(652,963)
Transfer to endowment	(145,000)	(7,921)	(152,921)	(7,009)
Portion of unrestricted quasi-endowment funds investment gains appropriated	118,639		118,639	74,657
Total other transfers	(795,055)	92,614	(702,441)	(531,796)
Total expenditures and transfers	28,190,438	2,292,035	30,482,473	28,915,412
Net increase in fund balance for the year	$ 1,183	$ 92,614	$ 93,797	$ 49,604

See accompanying notes.

College of Saint Benedict

Notes to Financial Statements

June 30, 1993

1. Summary of Significant Accounting Policies

Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups.

Endowment funds are subject to the restrictions of gift instruments requiring in perpetuity that the principal be invested and the income only be utilized. Quasi-endowment funds represent invested gifts which the Board has designated as endowment funds; any portion of quasi-endowment funds may be expended by subsequent Board action.

Total Columns on Financial Statements

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation as interfund eliminations have not been made in the aggregation of this data.

Accrual Basis

The financial statements of the College has been prepared on the accrual basis.

Restricted resources as recorded in the statement of current funds, revenues, expenditures and other changes (including gifts, grants, endowment income and other restricted income) are reported as revenues when expended for current operating purposes. All unrestricted resources, including gifts, are reported as revenues when earned or received.

Investments

Investments are carried at market value (cost--$19,416,099 in 1993 and $15,318,628 in 1992). Unrealized gains and losses are recognized in the period in which they occur.

College of Saint Benedict

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Inventories

Inventories are valued at the lower of cost, on a first-in, first-out basis, or market.

Property, Plant and Equipment

Property, plant and equipment are stated at cost at date of acquisition or fair value at date of donation in the case of gifts. Fixed assets, with the exception of land, are depreciated on the straight-line method over the estimated service lives of the respective assets. Estimated service lives are as follows:

Furniture and equipment	4-15 years
Buildings/building components	15-50 years
Land improvements	10 years
Library books	20 years
Utilities	20 years

To the extent that current funds are used to finance plant fund activities, the amounts so used are accounted for (1) as expenditures, in the case of additions to and normal replacement of movable equipment, library books and other capital improvements; and (2) as mandatory transfers, in the case of required amounts for debt service.

Pensions

The College participates in T.I.A.A., which covers faculty, administrators and support staff. This is a contributory plan. The College contributed 9% of the participant's eligible salary and the employee contributed at least 2% for fiscal year 1993 and 1992, respectively. The College's share of contributions to the plan was $548,000 and $497,000 in fiscal year 1993 and 1992, respectively.

Reclassifications

Certain prior year balances have been reclassified to conform to the current year presentation.

2. Affiliation with the Sisters of the Order of St. Benedict

The College is an affiliated organization of the Sisters of the Order of St. Benedict of St. Joseph, Minnesota. Certain members of the Order are employees of the College and certain members of the Board of Trustees of the College are also members of the Order.

3. Debt

The College debt obligations consist of the following:

	June 30 1993	June 30 1992
$6,365,000 Minnesota Higher Education Facilities Authority First Mortgage Revenue Bonds Series Two-Q dated May 1, 1988 secured by the full faith and credit of the College, a first mortgage lien upon the land and building of the project, first lien on the base rents and other income received from the project and certain reserves. Interest at rates ranging from 5.00% to 8.10% is payable semi-annually on March 1 and September 1. The bonds mature serially on March 1 and September 1 of each year through 2003 in amounts ranging from $175,000 to $325,000.	$ 4,900,000	$ 5,250,000
$1,610,000 Minnesota Higher Education Facilities Authority First Mortgage Revenue Bonds Series F dated March 1, 1973 secured by the full faith and credit of the College, a first lien on the first 8% of all general tuition fees, gross revenues of the project, and the assess-ment of certain interest subsidy grants. Interest at rates ranging from 5.60% to 5.80% is payable semi-annually on March 1 and September 1. The bonds mature serially on March 1 of each year through 1998 in amounts ranging from $100,000 to $120,000.	525,000	620,000

College of Saint Benedict

Notes to Financial Statements (continued)

3. Debt (continued)

	June 30 1993	June 30 1992
$370,000 Minnesota Higher Education Facilities Authority First Mortgage Revenue Bonds Series J dated July 1, 1974 secured by the full faith and credit of the College, a first mortgage lien upon the land and building of the project, first lien on the base rents and other income received from the project and certain reserves. Interest at rates ranging from 6.30% to 6.80% is payable semi-annually on January 1 and July 1 of each year through 2002 in amounts ranging from $15,000 to $55,000.	$ 230,000	$ 245,000
$1,680,000 Minnesota Higher Education Facilities Authority First Mortgage Revenue Bonds Series Two-U dated September 1, 1989 secured by the full faith and credit of the College, a first mortgage lien upon the land and building of the project, first lien on the base rents and other income received from the project and certain reserves. Interest at rates ranging from 6.10% to 6.90% is payable semi-annually on March 1 and September 1. The bonds mature serially on September 1 of each year through 1999 in amounts ranging from $85,000 to $450,000.	1,435,000	1,505,000
$5,100,000 Minnesota Higher Education Facilities Authority Variable Rate Demand Revenue Bonds, Series Three-D dated May 1, 1991 secured by the full faith and credit of the College. During the variable rate period, the bonds will be secured by a letter of credit. The bonds bear interest at the variable rate determined weekly by the Remarketing Agent. Interest is payable monthly. The bonds will be repaid from receipts from the capital campaign. The interest rate ranged from 4.25% to 1.75% during the year and was 2.45% as of June 30, 1993.	5,100,000	5,100,000
Total debt	$12,190,000	$12,720,000

3. Debt (continued)

The College's debt matures in fiscal years ending June 30 as follows:

1994	$ 565,000
1995	605,000
1996	645,000
1997	720,000
1998	830,000
Later years	8,825,000
	$12,190,000

4. Leases

The College leases certain academic buildings and other facilities from the Sisters of the Order of St. Benedict. The leases are accounted for as operating leases which expire at various dates prior to September 1, 1998. Rent expense charged to the current fund under the leases was approximately $172,000 and $217,000 in fiscal years 1993 and 1992, respectively. The future minimum lease payments are:

1994	$175,000
1995	189,000
1996	191,000
1997	206,000
1998	209,000
Thereafter	37,389

5. Quasi-Endowment Fund Balance

Quasi-endowment funds have been designated by the College's Board of Trustees for the following purposes:

	June 30	
	1993	**1992**
General college purposes	$4,189,300	$4,417,556
Future market changes	37,100	75,840
Student aid	200,000	200,000
	$4,426,400	$4,693,396

The College may, with the Board of Trustees' authorization, expend the principal funds.

6. Campaign

The College is undertaking a campaign drive which is expected to generate funds for the science building and other capital projects, endowment and the annual fund. The Series Three-D bond issue is anticipated to be retired entirely from receipts raised through the campaign.