OFFICIAL STATEMENT DATED DECEMBER 6, 2011

NEW ISSUE **Moody's Rating: Baa1**

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" herein.)

COLLEGE OF
Saint Benedict
ST. JOSEPH, MINNESOTA

$9,135,000
Minnesota Higher Education Facilities Authority
Revenue Bonds, Series Seven-M
(College of Saint Benedict)
(DTC Book Entry Only)

Dated Date: Date of delivery **Interest Due: March 1 and September 1, commencing March 1, 2012**

The Minnesota Higher Education Facilities Authority Revenue Bonds, Series Seven-M (College of Saint Benedict) (the "Bonds") will mature annually on March 1 as shown on the inside front cover of this Official Statement.

The Bonds are subject to optional 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 optional redemption in whole or in part in the event of a Determination of Taxability, as described herein. Term Bonds maturing March 1, 2031 and March 1, 2036 are subject to mandatory redemption in installments as described herein. See "THE BONDS – Prior Redemption – Extraordinary Optional Redemption," "THE BONDS – Determination of Taxability" and "THE BONDS – Mandatory Redemption."

The Bonds will be issued as fully registered Bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of Depository Trust Company ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases may be made in book entry form only, in the principal amount of $5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. (See "THE BONDS – Book Entry Only System" herein). Wells Fargo Bank, National Association, Minneapolis, Minnesota will act as Trustee.

The Bonds are special obligations of the Minnesota Higher Education Facilities Authority (the "Authority") payable solely from Loan Repayments made by or on behalf of 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 SHALL NOT BE LEGAL OR MORAL OBLIGATIONS OF THE STATE OF MINNESOTA, NOR SHALL THEY 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 as to validity and tax exemption of the Bonds by Fryberger, Buchanan, Smith & Frederick, P.A., Duluth, Minnesota, Bond Counsel. Certain legal matters will be passed upon for the College by Hughes Mathews, P.A., St. Cloud, Minnesota and for the Underwriter by Faegre & Benson LLP, Minneapolis, Minnesota. The Bonds are expected to be available for delivery to the Underwriter through the facilities of DTC on or about December 14, 2011.

Piper Jaffray & Co.

Minnesota Higher Education Facilities Authority

$9,135,000
Revenue Bonds, Series Seven-M
(College of Saint Benedict)

The **Series Seven-M** Bonds will mature March 1 as follows:

Year	Amount	Interest Rate	Yield	CUSIP 60416H:	Year	Amount	Interest Rate	Yield	CUSIP 60416H:
2013	$245,000	3.000%	1.330%	WQ 3	2020	$300,000	3.250%	3.450%	WX 8
2014	$255,000	3.000%	1.550%	WR 1	2021	$310,000	3.500%	3.700%	WY 6
2015	$260,000	3.000%	1.950%	WS 9	2022	$320,000	3.750%	3.910%	WZ 3
2016	$270,000	2.000%	2.170%	WT 7	2023	$330,000	4.000%	4.110%	XA 7
2017	$275,000	2.375%	2.600%	WU 4	2024	$345,000	4.125%	4.290%	XB 5
2018	$280,000	2.625%	2.900%	WV 2	2025	$360,000	4.375%	4.490%	XC 3
2019	$290,000	3.000%	3.150%	WW 0	2026	$375,000	4.500%	4.610%	XD 1

$2,155,000 5.000% Term Bonds due March 1, 2031 Yield 5.000% CUSIP 60416H XE 9
$2,765,000 5.125% Term Bonds due March 1, 2036 Yield 5.250% CUSIP 60416H XF 6

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.

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

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

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 with respect to the Bonds other than as 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, DTC, and the Trustee, has been obtained from the College and is not guaranteed as to accuracy or completeness. Information relating to the Authority, DTC and the Trustee has been obtained from such persons and is not guaranteed as to accuracy or completeness. Information regarding the tax-exempt status of the Bonds has been provided by Bond Counsel. Except for information concerning the Authority, the information contained herein is not to be construed as a representation by the Authority. THE 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 CREATE, UNDER ANY CIRCUMSTANCES, ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE AUTHORITY OR THE COLLEGE SINCE THE DATE HEREOF.

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

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

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

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

CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers provided in this Official Statement are included for convenience of the holders and potential holders of the Bonds. No assurance can be given that the CUSIP numbers for the Bonds will remain the same after the date of issuance and delivery of the Bonds. Neither the Authority, the Underwriter, nor the College takes any responsibility for the accuracy of such CUSIP numbers.

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

MEMBERS

Janet Withoff, Chair	Consultant – Planning and Grant-Writing, Resident of Orono, Minnesota
Tammy L. H. McGee, Vice Chair	Vice President for Finance and Administration and Chief Financial Officer, Augsburg College, Resident of Maple Grove, Minnesota
Michael D. Ranum, Secretary	Chief Financial Officer, BWBR Architects, Inc., Resident of Circle Pines, Minnesota
Gary D. Benson	Project Director of ICS Consulting, Resident of New Brighton, Minnesota
Kathryn Balstad Brewer	Retired Banker and Educator, Resident of New Brighton, Minnesota
Mary F. Ives	Real Estate Business Owner, Resident of Grand Rapids, Minnesota
David D. Rowland	Senior Vice President, The Travelers Companies, Inc., Resident of Edina, Minnesota
Raymond VinZant, Jr.	Plumbing Expert and Instructor at Anoka Technical College, Resident of Wyoming, Minnesota
Paul Cerkvenik (Ex Officio)	President, Minnesota Private College Council
Tim Geraghty (Ex Officio)	Chief Financial Officer, Minnesota Office of Higher Education

Marianne T. Remedios, Executive Director

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

Financial Advisor
Springsted Incorporated

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OFFICIAL STATEMENT

$9,135,000

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

REVENUE BONDS, SERIES SEVEN-M
(College of Saint Benedict)

(BOOK ENTRY ONLY)

INTRODUCTORY STATEMENT

This Official Statement provides information concerning the Minnesota Higher Education Facilities Authority (the "Authority") and the College of Saint Benedict, a Minnesota nonprofit corporation (the "College"), an institution of higher education located in St. Joseph, Minnesota, in connection with the issuance of the Authority's $9,135,000 Revenue Bonds, Series Seven-M (College of Saint Benedict) (the "Bonds" or the "Issue").

The Bonds are being issued pursuant to the provisions of Sections 136A.25 to 136A.42, Minnesota Statutes, as amended, by the provisions of which the Authority was created and authorized to issue its obligations to assist institutions of higher education within the State of Minnesota to finance and refinance certain projects.

The Bonds are also issued pursuant to the Trust Indenture (the "Indenture") to be dated as of December 1, 2011 between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"). The Trustee will also be the Registrar and Paying Agent for the Bonds.

Pursuant to a Loan Agreement (the "Loan Agreement") to be dated as of December 1, 2011 between the College and the Authority, the Authority is loaning the Bond proceeds to the College and 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, premium, if any, and interest on the Bonds as the same shall become due. The College will use Bond proceeds, together with other College funds, to:

1. construct new student housing facilities consisting of four residence buildings and a separate common area building on its St. Joseph, Minnesota campus (the "Project");
2. fund interest on the Bonds through September 1, 2012;
3. fund a debt service reserve; and
4. pay certain issuance costs.

The Bonds are secured by a pledge of the Loan Repayments, which are a general obligation of the College. Under the Loan Agreement, the College agrees to provide the funds necessary to make timely payment of the Loan Repayments. See "SOURCE OF PAYMENT FOR THE BONDS AND FINANCIAL COVENANTS" herein.

The Bonds are also secured by the Reserve Account created under the Indenture and held by the Trustee. The Reserve Account will be funded in the amount of the Reserve Requirement from proceeds of the Bonds. See "ACCOUNTS – Reserve Account."

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

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 or interest on the Bonds.

Risk of Insufficient Collateral

The Bonds are secured by a pledge by the Authority to the Trustee of (a) amounts payable by the College under the Loan Agreement, and (b) amounts in the Reserve Account and other accounts and funds which will be held by the Trustee and applied to the payment of principal, premium, if any, and interest on the Bonds. See Appendix IV – DEFINITION OF CERTAIN TERMS – Reserve Requirement. The Bonds are not secured by a mortgage on or security interest in any real property or personal property.

Limited Obligation of the Authority

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 under such documents. Accordingly, for payment of principal and interest on the Bonds, holders of the Bonds must look solely to the Loan Repayments to be made by the College under the Loan Agreement and the Reserve Account and other funds, if any, the Trustee holds under the Indenture.

Adequacy of Revenues

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

Competition

There is intense competition among institutions of higher education for students both nationally and within the upper Midwest region from which the College draws the majority of its students. Universities and colleges compete principally based on location, net tuition rates, degree offerings, and academic reputation. To the extent that competitors have or achieve an advantage with respect to any of these factors, the College could be adversely affected. In addition, competitive pressures could result in tuition reductions, the inability to raise tuition, or increases in financial aid in the form of discounted tuition, which could adversely affect the College's revenues.

Demographic Changes

Changes in demographics, such as a decrease in the overall number of high school graduates or a decrease in the number of high school graduates who elect to go to college, could adversely affect the College's efforts to attract students.

Reliance on Tuition

The adequacy of College revenues will be largely dependent on the amount of future tuition and other revenue received by the College. Such revenue in turn will depend primarily on the ability of the College to charge sufficient rates for tuition and to maintain enrollment levels. Future enrollment levels will depend on the number of students applying to the College and accepting offers of admission. A number of factors, including, without limitation, levels of tuition rates and other fees, competition from other colleges, a change in the number of college-age students generally, and adverse general economic conditions could influence the number of students enrolling at the College.

Financial Aid

Nearly all of the College's students currently receive from the College and other sources some form of financial aid covering some portion of tuition and fees or living expenses. See Appendix I, "THE COLLEGE – Financial Aid" herein. No assurance can be given that federal and state financial aid and private third party financing will continue to be funded at current levels or that the College will continue to fund student aid at current levels. Curtailment of such aid may cause a decline in enrollment, which may in turn have an adverse effect on the College's revenues.

No assurance can be given that student loans will continue to be available to students and their parents at historical levels. Reductions in availability of such loans 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 for Fiscal Years 2012 and 2013 and Pro Forma 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 and other debt service requirements.

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.

Construction Risks

Construction of the Project is subject to ordinary risks associated with new construction, such as risks of cost overruns, non-completion and delays due to a variety of factors, including, among other things, site difficulties, necessary design changes or final detailing, labor shortage or strife, delays in and shortages of materials, weather conditions, fire, and casualty. Any delays in construction may adversely impact the College's ability to complete the Project by the expected completion date, which may result in, among other things, cost overruns and loss of anticipated rental revenues. The College does not believe that the occurrence of any such event would have a material adverse effect on the ability of the College to make payments on the Bonds. The College will make all efforts to complete the Project in a timely manner.

Endowment Portfolio Risk

Market conditions that negatively affect the College's investments may adversely affect endowment spending and debt service coverage. The College's Board of Trustees has approved an investment policy which gives specific guidance about portfolio investments. The College's investment policy defines a diversified investment portfolio utilizing external money managers. The operating budget of the College includes an annual contribution from endowment funds currently equal to approximately 5% of the endowment's prior twelve quarter moving average. See also Appendix I, "THE COLLEGE – Investments."

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) Inability to control increases in operating costs, including salaries, wages and fringe benefits, supplies and other expenses, without being able to obtain corresponding increases in revenues.

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

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

See also "TAX EXEMPTION" herein.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934 (the "Rule"), the College will enter into an undertaking (the "Undertaking") with the Trustee for the benefit of beneficial owners of the Bonds to provide certain financial information and operating data relating to the College to the Municipal Securities Rulemaking Board, and to provide notices of the occurrence of any of the fourteen events enumerated in the Rule not later than ten business days after the occurrence of the event. The specific nature of the Undertaking, as well as the information to be contained in the annual report or the notices of material events is set forth in the Continuing Disclosure Agreement to be executed by the College at the time the Bonds are delivered, a copy of which is available from the College or the Trustee. Appendix III, "Information to be Provided as Continuing Disclosure," contains a summary of the financial information and operating data to be provided annually, as well as the list of material events. The Continuing Disclosure Agreement may be amended under certain circumstances as permitted by the Rule.

Furthermore, the College has reserved its right to discontinue providing information required by the Continuing Disclosure Agreement or the Rule, if a final determination is made by a court of competent jurisdiction that the Rule is invalid or otherwise unlawful, and to modify the terms of the Continuing Disclosure Agreement if a court of competent jurisdiction or the College determines that such modification is required or permitted by the Rule.

The College has never failed to comply in any material respect with any previous undertakings under the Rule to provide annual reports or notices of material events. A failure by the College to comply with the Undertaking will not constitute an event of default on the Bonds (although holders will have other remedies at law or in equity). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure, or the information supplied by the College pursuant to the Undertaking, may adversely affect the Bonds' transferability, liquidity, and market price.

THE BONDS

The Bonds will be issued in book-entry form, will be dated as of the date of delivery and will mature annually each March 1, commencing March 1, 2013, as set forth on the inside 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 on any principal payment date, 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 March 1, 2012.

Book Entry Only System

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

For further detail on DTC, see Appendix VI, "The Depository Trust Company."

Prior Redemption

Mandatory Redemption

Bonds maturing on March 1, 2031 and March 1, 2036 shall be called for redemption on March 1 in the years set forth below in the principal amounts thereof to be redeemed, without premium, plus accrued interest to the date fixed for redemption, from moneys in the Bond and Interest Sinking Fund Account, in the respective amounts set forth below.

2031 Term Bond

Year	Amount
2027	$390,000
2028	$410,000
2029	$430,000
2030	$450,000
2031*	$475,000

2036 Term Bond

Year	Amount
2032	$500,000
2033	$525,000
2034	$550,000
2035	$580,000
2036*	$610,000

* *Stated maturity.*

The Term 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 Term Bonds 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 Bond and Interest Sinking Fund) and canceled by the Trustee and not theretofore applied as a credit against such mandatory redemption obligations.

Optional Redemption

At the College's request, the Authority may elect to prepay on March 1, 2020 and on any day thereafter Bonds maturing on or after March 1, 2021. Redemption may be in whole or in part and if in part in such order of maturity as the College directs and selected by random means within a maturity. All prepayments shall be at a price of par plus accrued interest.

Extraordinary Optional Redemption

The Bonds will also be subject to optional redemption at par and accrued interest in integral multiples of $5,000, as a whole or in part, in certain cases of damages to or destruction or condemnation of the Project Facilities. In the event the Project Facilities are damaged such that the claim for loss exceeds $1,000,000, the College may elect to repair, rebuild or restore the

Project Facilities or may elect, pursuant to the terms of the Loan Agreement, to redeem all or part of the Outstanding Bonds. If the College elects to partially redeem the Bonds, the available Net Proceeds (and not more than the amount of such available Net Proceeds) may be used for the redemption of the Bonds. See “Appendix V, SUMMARY OF DOCUMENTS – the Loan Agreement.”

The Bonds will be subject to optional redemption at par and accrued interest upon a Determination of Taxability as provided in the Loan Agreement. See “THE BONDS – Determination of Taxability.”

Partial Redemption

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

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

Notice of Redemption

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

Determination of Taxability

If a Determination of Taxability is made that the interest payable on the Bonds is subject to federal income taxes by reason of the application of the provisions of the Internal Revenue Code and regulations thereunder in effect on the date of issuance, the affected Bonds shall bear additional interest equal to two percent (2.00%) per annum above the basic interest rate from the Date of Taxability effective until the date on which the principal of the Bonds is paid. **If a Determination of Taxability should occur, any monetary damages or loss resulting from or incident thereto shall be limited to the additional interest on the Bonds.** See “TAX EXEMPTION” and Appendix IV, “DEFINITION OF CERTAIN TERMS.”

The College will have the option to prepay the Loan on the next date for which due notice of redemption can be given, in full or in part and on any date thereafter following a Determination of Taxability at a price of par and accrued interest (including additional interest from the Date of Taxability) and without a premium.

USE OF PROCEEDS

The Authority will loan Bond proceeds to the College that will, along with available College funds, be used to:

1. construct new student housing facilities consisting of four residence buildings and a separate common area building on its St. Joseph, Minnesota campus (the "Project");
2. fund interest on the Bonds through September 1, 2012;
3. fund a debt service reserve; and
4. pay certain issuance costs.

Construction on the Project began on December 1, 2011. It is anticipated that the Project will be substantially completed by September 1, 2012. The College has engaged Sand Companies, Inc. as the contractor for the Project and expects to enter into multiple guaranteed maximum price contracts relating to Project construction with an aggregate price of $8,500,000 prior to the Issue Date of the Bonds.

The Project consists of four separate two-story buildings, each with approximately 7,000 square feet. Three of the buildings will contain eight student dwelling units with four bedrooms and the fourth building will contain seven student dwelling units with four bedrooms and one unit for a resident director. There will also be a separate one-story building of approximately 4,000 square feet that will be used for common facilities for the residents of the dwelling units. Total square footage will be approximately 32,000 square feet and will provide housing for 124 students plus one resident director.

SOURCES AND USES OF FUNDS

Sources of Funds	
Bond Proceeds	$9,135,000
Net Original Issue Discount	(68,372)
Total Sources	$9,066,628
Uses of Funds	
Construction Account	$8,000,000
Debt Service Reserve Account	642,363
Capitalized Interest - Construction Account	280,482
Costs of Issuance, including Underwriter discount	143,783
Total Uses	$9,066,628

In the event issuance costs including underwriter's discount exceed 2% of the proceeds of the Bonds, such excess shall be paid by the College from other than Bond proceeds. The College will fund from its own sources over the course of construction and not as an initial deposit to the Construction Account any Project costs in excess of Bond proceeds allocated to the Project.

Accrued interest and the rounding amount, if any, 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.

SOURCE OF PAYMENT FOR THE BONDS AND FINANCIAL COVENANTS

Source of Payment

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 to the Reserve Requirement from proceeds of the Bonds on the date of issuance of the Bonds.

The Bonds are secured by the pledge of the Loan Repayments, which are a general obligation of the College, the Reserve Account and other funds the Trustee holds under the Indenture. 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 will covenant and agree to charge tuition, 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 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.

No Mortgage Liens

The Bonds are not secured by any mortgage liens on or security interest in any property of the College.

Financial Covenants

The College will covenant in the Loan Agreement that so long as the Bonds shall remain outstanding:

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

b. At June 30, 2012 and at the end of each Fiscal Year thereafter, the Unrestricted Net Assets-Board Designated Endowment, as reported in the College's audited financial report, shall be not less than $1,000,000. Within 120 days after the end of each Fiscal Year, the College shall furnish to the Trustee a certificate of an Authorized Institution Representative showing the Unrestricted Net Assets-Board Designated Endowment, 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 Unrestricted Net Assets-Board Designated Endowment does not equal or exceed $1,000,000, the College shall obtain (from gifts, removal of encumbrance or restriction, sale of tangible property or otherwise) and cause to be credited to the Unrestricted Net Assets-Board Designated Endowment 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. The College shall incur no Funded Debt with a maturity in excess of two years (except for a refunding or refinancing of Funded Debt which does not increase the amount of the Maximum Annual Debt Service and further excepting indebtedness for capital projects for which the College has secured funds on hand or written and signed pledges of gifts in an amount equal to 80% of the estimated cost of such project), unless the average Debt Service Coverage Ratio for the last two Fiscal Years for which audited financial statements are available was at least 110% of Maximum Annual Debt Service of the sum of (A) then Outstanding Funded Debt and (B) Funded Debt thereafter incurred or proposed to be incurred; provided that if the additional Funded Debt proposed to be incurred 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 each of the two most recent complete Fiscal Years, for purposes of this paragraph, 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 incurred 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, there shall be added to Net Income Available for Debt Service for the two most recent complete Fiscal Years the amount of increase net of increased operating expenses, as estimated in a report of an independent management consultant to the College and the Trustee.

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

"Adjusted Increase (Decrease) in Unrestricted Net Assets" means the Change in Unrestricted Net Assets from Operating Activities, as reported in the Statement of Activities section of the audited financial report of the College, adjusted to: (a) exclude depreciation, amortization and accretion expenses and include (as a reduction to Change in Unrestricted Net Assets from Operating Activities) the cost of current equipment acquisitions which have been funded through operations and capitalized; and (b) exclude unrealized net gains or losses on investments from operating activities.

"Board-Designated Endowment" means that portion of the Unrestricted Net Assets of the College stated on the balance sheet of the College as designated by the Board of Trustees for “endowment” (other than such amounts designated as “unrestricted portion of endowment”), or, if not so stated on the balance sheet, such portion of the Unrestricted Net Assets of the College other than amounts certified to the Trustee by the chief financial officer of the College, and confirmed in writing to the Trustee by the College’s auditors, to be designated by the College as (i) available for operations, (ii) reserved for future repair and replacement needs, (iii) restricted by contract (such as for payment of debt service), (iv) invested in property, plant and equipment, or (v) otherwise designated as available for current expenditure.

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

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

"Maximum Annual Debt Service" means the largest total amount of principal of and interest on Funded Debt payable by the College in any future Fiscal Year during which Bonds will (if paid at their stated maturity dates or redeemed in accordance with a mandatory sinking fund schedule) be outstanding subject to the following: (i) If any part of the Funded Debt is outstanding variable rate indebtedness, the rate of interest on the variable rate indebtedness for future Fiscal Years shall be computed at the average rate of interest for the then most recent Fiscal Year or, at the election of the College, for the then current interest period; if variable rate indebtedness is proposed to be issued, the rate of interest shall be the initial variable rate as estimated by an independent management consultant, or an investment banking firm selected by the College to underwrite the sale of such variable rate indebtedness. (ii) If any part of the Funded Debt outstanding or to be issued is a guarantee by the College of indebtedness of a third person or so-called "pass-through" or "covered" indebtedness (the College having borrowed money to relend to a third person), such Funded Debt shall be excluded if the third person (whose debt is guaranteed or whose payments are expected to service the College's obligations with respect to such Funded Debt) had a Debt Service Coverage Ratio (including the amount of debt proposed to be incurred in the computation of debt service) of at least 110%. (iii) The amount of debt service with respect to "balloon indebtedness" may, at the option of the College be calculated on a level debt service basis over the period ending the Fiscal Year when the balloon is payable; as used herein, "balloon indebtedness" means Funded Debt 25% or more of the principal of which is due in any 12 month period. (iv) The amount of debt service with respect to "put" indebtedness shall be calculated at the maximum amount of principal of or interest on such indebtedness which the College may be required to purchase or redeem in any Fiscal Year; provided that if there is a written commitment from a bank or other financial institution to refinance the amount of any indebtedness which the College may be required to redeem or purchase, the debt service with respect to such put indebtedness may, at the option of the College, be calculated on the basis of the repayment schedule contemplated by such written commitment, commencing the date such commitment will (unless renewed) expire; "put" indebtedness means Funded Debt (A) which the College may be required, at the option of the holder thereof, to prepay or purchase prior to the stated maturity date thereof, in whole or in part, but if in part, in an amount 25% or more of the original principal amount thereof and (B), if subject to variable rates, is then in an interest rate reset period of more than two years. (v) There shall not be taken into account any part of the Funded Debt of the College which has been refunded, refinanced or otherwise defeased under an arrangement whereby all future payments of such indebtedness will be met from monies and investments held by an indenture trustee or escrow agent, provided that any such investments shall be direct obligations of or obligations fully guaranteed by the United States of America. (vi) If any part of such Funded Debt consists of crossover refunding debt, no part of the debt service with respect to such crossover refunding debt shall be taken into account prior to the crossover date, and after the crossover date, no part of the debt service of the refunded debt shall be taken into account. (vii) If any part of such Funded Debt is "nonrecourse" indebtedness or "subordinated" indebtedness, no part of the debt service with respect thereto shall be taken into account; "nonrecourse" indebtedness means indebtedness payable only from a limited fund and secured only by property purchased or acquired from the proceeds of such indebtedness; "subordinated" indebtedness means indebtedness the principal and interest on which are subordinated to payment of the Bonds by a written instrument of the holder, a copy of which is filed with the

Trustee. (viii) The amount of any reserve fund for any Funded Debt issued or proposed to be issued may be deducted from debt service for the Fiscal Year or Years in which such Funded Debt finally matures and for payment of which the reserve fund moneys may be used without creating a default.
"Net Income Available for Debt Service" means the Adjusted Increase (Decrease) in Unrestricted Net Assets plus interest payments on Funded Debt.

"Revenue/Expenditure Test" means the Adjusted Increase in Unrestricted Net Assets shall not be less than zero.

For purposes of (a), (b) and (c) above, all capitalized terms used but not otherwise defined in the Loan Agreement shall have the meanings provided for audits of colleges and universities, as applied by the College's auditors in the report of the College's financial statements.

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 the original issue and sale of the Bonds are to be deposited into the Construction Account, the Bond and Interest Sinking Fund Account, and the Reserve Account, as described below. Following Bond closing, amounts received by the Trustee from the College as Loan Repayments are to be deposited into the Bond and Interest Sinking Fund Account, the Reserve Account, and the Redemption Account as required by the Loan Agreement and used, to the extent needed, to redeem or pay the principal of and interest on the Bonds when due.

Construction Account

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

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

Payments may be made from the Construction Account for costs of the Project ("Project Costs"), provided, however, that proceeds of the Bonds may not be applied to the costs of issuance thereof (including underwriting discount) in an amount in excess of two percent of the proceeds of the Bonds.

Included in the Project Costs is interest accruing on the Bonds through September 1, 2012. Project Costs, other than for payment of interest on the Bonds, as described above, shall be paid only upon written order of the Authorized Institution Representative.

Bond and Interest Sinking Fund Account

Initially there shall be deposited into the Bond and Interest Sinking Fund Account the amount of Bond proceeds representing accrued interest and the rounding amount, if any, which is to be used to pay interest on the Bonds. Subsequent deposits shall be made to the Bond and Interest Sinking Fund Account from transfers of amounts in other accounts, as permitted by the Indenture, and from Loan Repayments made by the College. Deposits into the Bond and Interest Sinking Fund Account shall be made at least five (5) Business Days prior to each Interest Payment Date in amounts equal to interest and, if applicable, principal due on such Interest Payment Date.

The moneys and investments in the Bond and Interest Sinking Fund Account will be irrevocably pledged to and shall be used by the Trustee, from time to time, to the extent required, for the payment of principal of and interest on the Bonds as and when such principal and interest shall become due and payable and for that purpose only.

Reserve Account

There shall be initially deposited into the Reserve Account from Bond proceeds the amount of the Reserve Requirement. Funds in the Reserve Account are 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 the first day of the calendar month next preceding March 1, 2012 and each Interest Payment Date 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 lesser of the amount of the Reserve Requirement or the amount 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 more 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. 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

There shall be deposited into the Redemption Account all other amounts required to be deposited therein pursuant to any provision of the Loan Agreement or the Indenture.

Amounts on deposit to the credit of the Redemption Account shall be used, first, to make up deficiencies in the Bond and Interest Sinking Fund Account; second, to create and maintain the Reserve Requirement in the Reserve Account; and, third, for the redemption of outstanding Bonds at the request or direction of the College and for the purchase of outstanding Bonds on the market at prices not exceeding the redemption price on the next available date for redemption. Notwithstanding the foregoing, the Trustee is authorized in its discretion to use funds and investments in the Redemption Account to pay the amount of any rebate due the United States in respect of the Bonds under Section 148 of the Internal Revenue Code if the College or the Authority shall have failed to pay or provide for the payment thereof under the Loan Agreement.

Authorized Investments

Moneys on deposit to the credit of the Construction Account, the Bond and Interest Sinking Fund Account, the Reserve Account, and the Redemption Account shall be invested by the Trustee only in investments as authorized by Minnesota law from time to time. Section 5.04 of the Indenture sets forth specific parameters as to type, credit quality, and maturity of investments. See Appendix V, “Summary of Documents – The Indenture” herein.

FUTURE FINANCINGS

The College regularly improves, expands and changes its physical plant and incurs long-term financing as needed for these purposes. The College does not anticipate financing any such projects with debt within the next six months.

THE AUTHORITY

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

Marianne T. Remedios has been the Executive Director of the Authority since 2000.

Elaine J. Yungerberg has been Assistant Executive Director of the Authority since 1993.

The Authority is authorized and empowered to issue revenue bonds whose aggregate outstanding principal amount at any time shall not exceed $1.3 billion. The Authority has had 186 issues (including refunded and retired issues) totaling over $1.9 billion, of which approximately $972 million is outstanding as of November 1, 2011. Bonds issued by the Authority are payable only from the loan repayments, rentals, and other revenues and moneys pledged for their payment. The bonds of the Authority do not represent or constitute a debt or pledge of the faith or credit or moral obligation of the State.

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

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

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

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

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

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 Sector Advisors, of Saint 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 & Co. (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a purchase price of $9,023,236.65 (representing the aggregate principal amount of the Bonds less an underwriter's discount of $43,391.25 and less net original issue discount of $68,372.10), plus accrued interest.

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

The Underwriter and Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation, entered into an agreement (the "Agreement") which enables Pershing LLC to distribute certain new issue municipal securities underwritten by or allocated to the Underwriter, including the Bonds. Under the Agreement, the Underwriter will share with Pershing LLC a portion of the fee or commission paid to the Underwriter.

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 hereof, the Moody's Investors Service ("Moody's") has assigned a long-term rating of "Baa1" to the Bonds. The rating reflects only the view of such rating agency. Any explanation of the significance of the rating may be obtained only from Moody's.

There is no assurance that the 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 not aware of any pending or threatened litigation which would affect the validity of the Bonds, the tax-exempt nature of the Bonds, the authority of either party to enter into the Bond-related documents or the ability of either to perform as described herein, or materially affect the ability of the 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 Fryberger, Buchanan, Smith & Frederick, P.A., of Duluth, Minnesota as Bond Counsel. A legal opinion in substantially the form set out in Appendix II herein will be delivered at Bond Closing.

Certain legal matters will be passed upon for the College by Hughes Mathews, P.A., of St. Cloud, Minnesota; and for the Underwriter by Faegre & Benson LLP, of Minneapolis, Minnesota.

TAX EXEMPTION

Federal Tax Considerations

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 income taxation retroactive to their date of original issue, irrespective in some cases of the date on which such noncompliance is ascertained.

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

Assuming compliance with the Tax Covenants and on the basis of the certifications to be furnished at Bond Closing, in the opinion of Bond Counsel, under present laws and rulings, interest on the Bonds is not includable in gross income for federal income tax purposes. Interest on the Bonds is not treated as a preference item in determining federal alternative minimum taxable income of individuals and corporations. However, the interest is includable in “adjusted current earnings” for purposes of computing the federal alternative minimum taxable income of corporations.

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.

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal or state tax legislation.

Minnesota Tax Considerations

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

Original Issue Premium

Bonds maturing in the years 2013, 2014, and 2015 were sold to the public at an amount in excess of their stated redemption price at maturity. Such excess of the purchase price of a Bond over its stated redemption price at maturity constitutes premium on such Bond. A purchaser of a Bond must amortize any premium over such Bond’s term using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the purchaser’s basis in such Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Bond prior to its maturity. Even though the purchaser’s basis is reduced, no federal income tax deduction is allowed. Purchasers of any Bonds at a premium, whether at the time of initial issuance or subsequent thereto, should consult with their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning such Bonds.

Original Issue Discount

The dollar amount of the initial offering price to the public of Bonds maturing in the years 2016 through 2026, inclusive, and the Term Bond maturing in the year 2036 (the “Discount Bonds”) is less than the principal amount of such maturities. 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.

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

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

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

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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 works with Saint John's University, a separate college for men, to provide undergraduate education. They share one single academic program, a single registrar's and admissions department and operate a combined library system, some of which is located on each campus. The academic and administrative computing services are also shared. Requirements for all major programs are the same for students for either college and students 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 Services Office 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 40 members. By-laws permit up to 45 members.

<u>Board of Trustees</u>

Kathleen Mock	Senior Vice President, Public and Health Affairs, BlueCross BlueShield of Minnesota, Eagan, Minnesota
Tom Mohr	President and Chief Executive Officer, ResponseLogix, Sunnyvale, California
Lynn M. Newman	Operations Manager, Evergreen Community Church, Burnsville, Minnesota
Judy Poferl	President and Chief Executive Officer, NSP Minnesota Xcel Energy, Minneapolis, Minnesota
Donald Pyatt	Retired President, Viracon, Owatonna, Minnesota
Laurie Rivard	Principal, Lowry Hill - Private Wealth Management, Minneapolis, Minnesota
Sandra Roers	Office Manager, Roers' Construction and Development, Fargo, North Dakota
Shari Lamecker Rogalski	Volunteer, Eden Prairie, Minnesota
Rosetta E. Ross	Associate Professor, Spelman College, Atlanta, Georgia
Thomas L. Schlough	Chief Executive Officer, Park Industries, St. Cloud, Minnesota
Dick Schneider	President and Chief Executive Officer, Palm Desert National Bank, Palm Desert, California
Carolyn Smallwood	Executive Director, Way to Grow, Minneapolis, Minnesota
Lisa Spoden	Senior Vice President, Strategic Health Care, Washington, DC
Joyce A. Statz	Independent Consultant, Statz Consulting, Austin, Texas
LeAnne Matthews Stewart	Chief Financial Officer, CRC Health Group, Cupertino, California
Theresa A. Wurst	Volunteer, Minneapolis, Minnesota
Judy M. Zimmer	President, Alumnae Council, Minneapolis, Minnesota
Lori Bodensteiner Zumwinkle	Partner, Accenture, Minneapolis, Minnesota

President of the College

MaryAnn Baenninger, Ph.D., became the 14th president of the College on August 1, 2004. She has agreed to continue as President of the College through at least June 30, 2015.

Immediately prior to joining the College, Dr. Baenninger served as the executive associate director of the Middle States Commission on Higher Education in Philadelphia, Pennsylvania. As a senior staff member of the Commission, she acted as liaison to a diverse group of 110 member colleges and universities in the Middle States region. She oversaw the evaluation of educational and institutional effectiveness and worked with peer reviewers to make recommendations regarding accreditation actions.

Prior to her post with the Middle States Commission, Dr. Baenninger was a tenured associate professor in the department of psychology at The College of New Jersey. She also has served on the faculties of Philadelphia University and Washington College. She received her Ph.D. from Temple University in psychology, where she also completed her bachelor's degree in psychology, *summa cum laude* and Phi Beta Kappa.

Academic Information

The College offers 36 major programs and 32 minor programs of study. The College confers the Bachelor of Science degree in nursing. All other four-year programs lead to a Bachelor of Arts degree.

The College's academic year is composed of two semesters. Each semester generally consists of 72 class days and four days of final examinations. A normal course load is considered four, 4-credit classes per semester.

The libraries at the College of Saint Benedict and Saint John's University serve the combined student body with a joint staff and coordinated programs and services. Joint holdings of the two libraries are 639,789 volumes, 781 active print periodical subscriptions 27,631 electronic periodicals, 31,640 (many are included in the volume count) government documents and 121,353 microforms, 40,040 audiovisual materials and 16,746 ebooks. An Interlibrary Exchange program provides physical access to the collections of the University of Minnesota and other Minnesota libraries (MINITEX) as well as libraries across North America. Because of the strong computing network, students and faculty can utilize these resources from virtually any computer on campus – be it in their office, dorm room, or in one of the well-equipped public access computing areas.

Campus and Buildings

The College's campus is located on 149 acres in the City of St. Joseph, Minnesota. Physical facilities include 35 main campus buildings. The physical plant and contents are insured at replacement values of approximately $220,000,000.

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 Benedicta Arts Center was completed in 1964 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. A major renovation of this building was completed in 2006.

The 54,000 square-foot Clemens Library opened in 1986. The library provides study and computer lab space for students and is home for strong collections in the fields of literature, religion, women's studies, fine arts and nursing.

In 1992, the College opened the Ardolf Science Center. The 42,857 square-foot space supports classrooms, laboratories and curriculum support, and faculty offices. The Science Center houses the Chemistry and Nutrition departments.

The Haehn Campus Center opened in 1996 and is the home for College athletics. Adjacent to the Claire Lynch Gymnasium, the Haehn Center field house includes four basketball courts, running and walking tracks, and space for intramural sports for students from both the College of Saint Benedict and Saint John's University. In addition to the field house, the Haehn Center hosts a fitness center, weight room, dining area and several meeting and conference spaces.

The Gorecki Dining and Conference Center (GDCC), a 51,000 square-foot two-story building, opened in 2007. The GDCC houses a state-of-the-art student dining center as well as event and conferencing space able to host 500-guest weddings. The welcoming fireplace atrium has become the new “student center” at the College.

The College has the following residence halls: Brian Hall, built in 1996 for 119 students; Frank and Lottie Ardolf Hall ("Lottie Hall"), built in 1994, for 250 students; Margretta Hall, built in 1988 for 150 students; the East Apartments, built in 1975 and renovated in 2001 which increased the capacity from 196 to 230 students; the West Apartments, built in 1971, for approximately 250 students; and the Mary Hall complex, built during 1956-1969, accommodating 511 students.

As a residential institution, the College recently implemented a four-year residency requirement for students. In order to accommodate this requirement, additional beds are necessary. Currently, approximately 80% of the student body resides on campus. The present housing capacity is approximately 1,539 and in spring 2011 the occupancy level was 97.9%.

Student Body

The College's full-time equivalent (FTE) enrollment on campus for the past five years has been:

	Fall Term	FTE
Actual:	2006	2,041
	2007	2,067
	2008	2,090
	2009	2,078
	2010	2,057

Approximately 79% of the students at the College are from Minnesota. Fall 2011 enrollment included students from 33 states and 24 countries.

Applications, acceptances and enrollments for first-year students and transfer students for the past five academic years are as follows:

	2007-08	2008-09	2009-10	2010-11	2011-12
Applications	1,674	1,623	1,538	1,737	1,973
Acceptances	1,259	1,305	1,369	1,382	1,445
Percent Accepted	75.3%	75.1%	85.4%	81.0%	73.0%
Enrolled	537	519	551	535	525
Percent Enrolled to Accepted	42.7%	39.8%	40.2%	38.7%	36.0%
ACT	25.5	26.0	26.0	25.9	25.6

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 four academic years and as adopted by the Board of Trustees for the 2011-12 academic year.

	2007-08	2008-09	2009-10	2010-11	2011-12
Tuition for First Year Student	$26,037	$28,122	$29,388	$31,416	$33,458
Room*	3,670	3,832	4,025	4,166	4,312
Board	3,852	4,127	4,333	4,486	4,644
Activity Fee	186	186	192	198	202
Technology Fee	200	210	220	236	242
Student Life Fee					140
Health Center Fee			250	260	266
Orientation Fee	40	40			
Campus Center Fee	106	110	136	136	
Total	$34,090	$36,627	$38,544	$40,898	$43,264

* *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.

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2011/2012 Undergraduate Rate Comparison of Minnesota Private Colleges
(Ranked by Comprehensive Charges)

College/University	Tuition and Required Fees	Room and Board	Comprehensive Charges*
Carleton College	$42,942	$11,238	$54,180
Macalester College	$42,021	$ 9,396	$51,417
St. Olaf College	$38,150	$ 8,800	$46,950
Gustavus Adolphus College	$35,897	$ 8,700	$44,597
College of Saint Benedict	**$34,308**	**$ 8,956**	**$43,264**
Saint John's University	$33,606	$ 8,344	$41,950
University of St. Thomas	$32,073	$ 8,628	$40,701
Hamline University	$31,948	$ 8,504	$40,452
St. Catherine University**	$31,640	$ 8,002	$39,642
Augsburg College	$30,412	$ 8,072	$38,484
Bethel University**	$29,460	$ 8,530	$37,990
The College of St. Scholastica**	$29,328	$ 7,716	$37,044
Minneapolis College of Art and Design	$30,585	$ 6,190	$36,775
Concordia College (Moorhead)	$29,360	$ 6,790	$36,150
Concordia University, St. Paul**	$28,500	$ 7,500	$36,000
Saint Mary's University of Minnesota	$27,250	$ 7,150	$34,400
Bethany Lutheran College	$22,280	$ 6,800	$29,080
Average	$32,339	$ 8,195	$40,534

* *These are standard charges for first-time, full time, full-year undergraduate students, including fees assessed on all undergraduates.*

** *Four colleges have differential tuition for upper-level students or other policies that result in some variation across class levels. Bethel University, The College of St. Scholastica, Concordia University, St. Paul and St. Catherine University offered a differential tuition policy in 2011-2012. Bethel University did not increase room rent charges for students who continue to reside in campus housing.*

NOTE: Comprehensive charges are reduced for many students through financial assistance. 92% of private college students receive aid that they don't have to pay back.

Source: The Minnesota Private College Council

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Financial Aid

	2006-07	2007-08	2008-09	2009-10	2010-11
Grants/Scholarships:					
College (President's, CSB Grant, etc)	$19,048,728	$21,311,685	$23,790,175	$25,833,069	$28,420,692
MPCC/ special/ endowed	1,107,942	1,182,934	1,238,330	1,282,414	1,558,090
Tuition Waivers	1,537,925	1,417,013	1,590,732	1,553,364	1,787,528
Federal	1,063,207	1,422,073	1,318,503	1,954,670	2,745,811
State	2,046,104	2,115,202	2,165,255	2,647,292	1,720,691
Private (Outside Scholarships)	1,021,711	1,100,835	1,588,433	1,092,165	1,485,303
Total Grants & Scholarships	$25,825,617	$28,549,742	$31,691,428	$34,362,974	$37,718,115
Loans	14,275,527	15,157,621	16,044,588	15,372,254	16,216,383
Student Employment	2,862,179	3,477,005	2,706,018	2,661,399	2,780,007
Total Financial Aid	**$42,963,323**	**$47,184,368**	**$50,442,034**	**$52,396,627**	**$56,714,505**
Number of Students Receiving Aid	2,019	2,011	2,078	2,055	2,076

Faculty and Staff

The student-faculty ratio is approximately 13.1 to 1. Three 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 461 full-time equivalents. The College employs 148 full-time faculty, 91 of whom are tenured, and 35 part-time faculty. Average salaries by full-time faculty rank are:

Rank	Number	Average Salary
Professor	43	$84,105
Associate Professor	50	$66,217
Assistant Professor	40	$55,850
Other	15	$51,936

Pension Plans

The College has certain contributory defined contribution pension plans for academic and nonacademic personnel. Contributions for employees are determined on a percentage of annual salary. The cost of retirement plans is paid currently and approximated $1,716,000 in Fiscal Year 2011 and $1,627,000 in Fiscal Year 2010.

Capital Campaign

The College is in Year One of a seven-year Centennial Campaign. The Campaign will be in a silent phase for the first three years and then a more public phase for the remaining four years. At the May 2011 Board meeting, the College Board of Trustees unanimously passed the following resolution to authorize the $125 million Centennial Campaign:

"The Board of Trustees authorizes College of Saint Benedict to begin fundraising for the $125 million Centennial Campaign that includes funding for a new academic building, phase one of the Haehn Campus Center expansion and renovation, scholarships, center of excellence and other gifts. Endowment and capital gifts received or pledged beginning May 2011 and annual gifts received beginning July 1, 2011 will be counted as part of the campaign."

Endowment Funds

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

	2007	2008	2009	2010	2011
Permanently Restricted Net Assets	$31,716,718	$30,012,469	$30,372,191	$31,511,021	$32,842,685
Temporary restricted endowment gains			1,000,824	2,058,426	5,912,249
Unrestricted endowment gains (losses)	6,696,001	4,939,377	(2,500,241)	(1,284,123)	(175,399)
Unrestricted - Board designated	6,284,398	5,685,849	4,357,359	4,742,939	5,363,433
Permanently restricted – annuities	559,438	440,018	162,176	261,709	653,088
Total Endowment	$45,256,555	$41,077,713	$33,392,309	$37,289,972	$44,596,056

Gifts and Grants

Total unrestricted gifts and grants received from public and private sources for the past five fiscal years ended June 30, 2007 through 2011 are as follows:

2007	$3,671,277
2008	$5,653,346
2009	$3,312,502
2010	$3,775,698
2011	$3,013,434

Summaries of Unrestricted Revenues, Expenditures and Transfers

The following table summarizes the College's statements of unrestricted activities for the Fiscal Years ended June 30, 2007 through 2011. The table is based on the College's audited financial statements for Fiscal Years 2007 through 2011. For more complete information of the College for the Fiscal Years ended June 30, 2011 and 2010, see Appendix VII of this Official Statement.

COLLEGE OF SAINT BENEDICT

STATEMENT OF UNRESTRICTED ACTIVITIES
Year Ended June 30,

	2007	2008	2009	2010	2011
OPERATING REVENUES, GAINS AND OTHER SUPPORT					
Tuition and fees	$ 51,510,895	$ 55,282,120	$ 59,687,200	$ 61,665,004	$ 66,073,423
Less: Scholarships and grants	(20,156,671)	(22,494,619)	(25,028,505)	(27,115,483)	(29,978,782)
Net tuition and fees	31,354,224	32,787,501	34,658,695	34,549,521	36,094,641
Government grants					
Federal	1,180,123	1,111,801	1,250,970	1,552,379	1,403,451
State	526,438	136,897	147,498	197,747	168,787
Private gifts and grants	1,057,894	1,228,384	1,228,623	476,332	467,840
Other investment income	1,270,066	830,299	373,172	177,429	189,209
Net realized gains (losses) on investments	45,759	46,008	47,266		
Net unrealized gains (losses) on investments	48,035	64,835	9,630		
Net gains (losses) on investments				429,735	259,939
Long-term investment income and gains allocated to operations	255,713	268,498	277,896	1,126,034	945,478
Other sources	593,548	1,971,946	591,969	707,962	574,091
Sales and services of auxiliary enterprises					
Residence halls	5,986,119	6,278,962	6,603,523	6,901,264	7,151,519
Food service	4,900,083	5,818,718	6,340,746	6,569,853	7,017,590
Other auxiliaries	4,631,836	4,858,793	5,347,022	5,072,307	4,268,684
	51,849,838	55,402,642	56,877,010	57,760,563	58,541,229
Net assets released from restrictions	5,203,646	3,032,171	3,496,546	2,191,085	2,535,207
Total Operating Revenues, Gains and Other Support	57,053,484	58,434,813	60,373,556	59,951,648	61,076,436
OPERATING EXPENSES					
Program expenses					
Instruction	17,410,122	18,552,203	19,489,879	19,776,012	20,832,245
Academic support	7,005,990	6,378,366	6,316,932	6,212,342	6,177,640
Student services	5,603,486	5,840,516	6,224,565	6,164,403	6,920,921
Auxiliary enterprises					
Residence halls	3,490,690	4,356,596	4,294,546	3,867,559	3,679,695
Food service	4,914,696	5,437,947	5,467,924	5,454,271	6,358,519
Other auxiliaries	4,429,416	4,977,243	5,594,574	5,089,733	4,507,799
Support expenses					
Institutional support	9,257,133	10,092,307	10,660,076	10,448,730	10,357,778
Total operating expenses	52,111,533	55,635,178	58,048,496	57,013,050	58,834,597
Change in Net Assets from Operating Activities	4,941,951	2,799,635	2,325,060	2,938,598	2,241,839
NONOPERATING ACTIVITIES					
Long-term investment activities					
Endowment income	107,074	169,096	131,403	92,034	87,180
Net realized gains on investments	51,541	4,452	84,101	-	
Net unrealized gains (losses) on investments	444,060	(2,719,165)	(4,135,493)	-	
Net gains (losses) on investments	-	-	-	2,635,698	2,791,767
Total long-term investment income	602,675	(2,545,617)	(3,919,989)	2,727,732	2,878,947
Less: Long-term investment income and gains allocated to operations	(255,713)	(268,498)	(277,896)	(1,126,034)	(945,478)
	346,962	(2,814,115)	(4,197,885)	1,601,698	1,933,469
Loss on refinancing of bonds					
Private gifts and grants	906,822	5,700	-	-	-
Gain (loss) on disposal of equipment				(248,923)	11,089
Adjustment of actuarial liability	-	-	-	-	-
Debt expense	(174,253)	-	-	-	-
Net assets released from restrictions	1,056,521	(199,115)	-	253,623	233,429
Change in donor restrictions	-	(12,755)	37,459	-	(204,251)
Change in Net Assets from Nonoperating Activities	2,136,052	(3,020,285)	(4,160,426)	1,606,398	1,973,736
Change in net assets before cumulative effect of change in accounting principle	7,078,003	(220,650)	(1,835,366)	4,544,996	4,215,575
Cumulative effect of change in accounting principle	-	-	(5,192,833)	-	-
Change in Net Assets	7,078,003	(220,650)	(7,028,199)	4,544,996	4,215,575
Net Assets -- Beginning of Year	59,287,795	66,365,798	66,145,148	59,116,949	63,661,945
NET ASSETS -- END OF YEAR	$ 66,365,798	$ 66,145,148	$ 59,116,949	$ 63,661,945	$ 67,877,520

Source: audited financial statements of the College

Long-Term Debt of the College as of November 1, 2011

1. $7,695,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Five-W (College of Saint Benedict), dated July 1, 2004; final maturity March 1, 2024; $5,985,000 is outstanding. The Series Five-W Bonds are secured by the full faith and credit of the College and a debt service reserve.
2. $7,345,000 Minnesota Higher Education Facilities Authority Revenue Notes, Series Six-M (College of Saint Benedict), dated October 26, 2006; final maturity October 1, 2016; $4,439,315 is outstanding. The Series Six-M Notes are secured by the full faith and credit of the College.
3. $19,430,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Six-V (College of Saint Benedict), dated May 1, 2008; final maturity March 1, 2023; $14,335,000 is outstanding. The Series Six-V Bonds are secured by the full faith and credit of the College and a debt service reserve.

Total of long-term debt outstanding as of November 1, 2011 is $24,759,315. The College's long-term debt will increase by the principal amount of the Bonds upon issuance.

Annual Debt Service for Fiscal Years 2012 and 2013 and Pro Forma Coverage Statement

The table on the following page sets forth the debt service on the Bonds and debt service on the College's currently outstanding long-term debt for fiscal years 2012 and 2013. The "Estimated Coverage" column shows coverage of the annual debt service by the amount of College revenue that was available for debt service for the year ended June 30, 2011, as further detailed in footnote (b) of the table, and as adjusted for the College's estimates of net revenues from the Project in Fiscal Year 2013, as further detailed in footnote (c) of the table.

The table on the following page is intended merely to show the relationship of the College's Fiscal Year 2011 revenues available for the payment of debt service, plus adjustments, to a pro forma statement of the College's combined annual debt service after giving effect to the issuance of the Bonds. The table is not intended and should not be considered a projection of future revenues, expenses, debt service or debt service coverage of the College. There is no assurance that the future revenues, expenses, debt service and debt service coverage of the College or the respective relationships thereof will correspond to the revenues, expenses and debt service or the respective relationships thereof shown by or reflected in the following table.

Annual Debt Service for Fiscal Years 2012 and 2013 and Pro Forma Coverage Statement

Fiscal Year Ending June 30,	Debt Service on the Bonds	Outstanding Long-term Debt Service	Combined Long-term Debt Service	Amount Available for Debt Service		Estimated Coverage (times)
2012	$ 84,036	$ 4,040,185	$ 4,124,221	$ 6,040,988	(a)	1.46
2013	$ 637,894	$ 4,039,295	$ 4,677,189	$ 6,593,988	(b)	1.41

(a) Calculation of amount available for debt service for Fiscal Year ended June 30, 2011 (based on the College's Fiscal Year 2011 financial statements):

Increase in Unrestricted Net Assets from operating activities	$2,241,839
Adjusted for:	
Depreciation, amortization and accretion	4,253,064
Debt service interest	1,214,132
Unrealized (gains) losses on investments	(264,030)
Acquisition of property, plant and equipment funded through operations and capitalized	(1,404,017)
Other adjustments	0
Estimated amount available for debt service for Fiscal Year 2012	$6,040,988

(b) Calculation of adjusted amount available for debt service, including the College's estimates of net revenues from the Project in its first year of operation:

Estimated net revenues from the Project in Fiscal Year 2013	$ 553,000
Plus amount available for debt service from (b) above	6,040,988
Estimated amount available for debt service for Fiscal Year 2013:	$6,593,988

APPENDIX II

PROPOSED FORM OF LEGAL OPINION

LAW OFFICES

FRYBERGER, BUCHANAN, SMITH & FREDERICK, P.A.

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$9,135,000
MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
REVENUE BONDS, SERIES SEVEN-M
(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 (initially book-entry) Revenue Bonds, Series Seven-M (College of Saint Benedict), in the aggregate principal amount of $9,135,000 (the "Bonds"), dated December 14, 2011. The Bonds mature on March 1 in the years 2013 through 2026 and on March 1, 2031 and 2036, and bear interest at the interest rates per annum specified in the Indenture (defined below) for each maturity subject to an increase in such interest rates in the event of a Determination of Taxability. The Bonds are subject to optional, mandatory and extraordinary redemption prior to maturity as provided in the Indenture.

The Bonds are issued for the purpose of funding a loan from the Authority to the College of Saint Benedict (the "College"), a Minnesota nonprofit corporation, located in St. Joseph, Minnesota, in order to (i) finance the construction of new student housing facilities consisting of four residence buildings and a separate common area building on the College's St. Joseph, Minnesota campus, (ii) fund interest on the Bond debt during Project construction, (iii) fund a debt service reserve, and (iv) pay certain issuance costs. 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 Wells Fargo Bank, National Association, in Minneapolis, Minnesota, as Trustee (the "Trustee") each dated as of December 1, 2011, the opinion of Hughes Mathews, P.A., 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 Mathews, P.A. as to the Loan Agreement having been duly authorized and executed and being binding upon the College, as to the corporate organization, tax-exempt status, good standing and powers of the College. We have also relied upon a title commitment from Old Republic National Title Insurance Company as to title to the Project Site (as defined in the Loan Agreement and Indenture), all without examining the records of the College or original title records or abstracts of title.

Except as set forth in our opinion to Piper Jaffray & Co. dated the date hereof, we have not been engaged or undertaken to verify the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto (except to the extent, if any, stated in the Official Statement).

Based on our examination and on the basis of laws, regulations, rulings and decisions in effect on the date hereof, but excluding any pending or future legislation which may have a retroactive effective date prior the date hereof, 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 valid and binding limited obligations of the Authority, payable from and 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, as assignee, under the Loan Agreement.

4. Assuming compliance with certain covenants in the Loan Agreement and Indenture, under existing laws, regulations, rulings and decisions as presently construed, the interest on the Bonds is not includable in gross income for purposes of federal income taxation or in taxable income of individuals, estates and trusts for purposes of Minnesota income taxation. Interest on the Bonds is not an item of tax preference required to be included in the computation of "alternative minimum taxable income" for purposes of the federal alternative minimum tax applicable to individuals under Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") or Minnesota alternative minimum tax applicable to individuals, trusts and estates. Interest on the Bonds, however, is includable in "adjusted current earnings" for purposes of the computation of "alternative minimum taxable income" of corporations under Section 55 of the Code and is subject to the Minnesota franchise tax imposed upon corporations, including financial institutions, measured by taxable income and the alternative minimum tax base. The Bonds are not arbitrage bonds within the meaning of Section 148 of the Code. The Bonds are "private activity bonds" within the meaning of Section 141(a) and "qualified 501(c)(3) bonds" within the meaning of Section 145 of the Code. 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 branch profits tax imposed on foreign corporations, losses incurred by property and casualty insurance companies, Subchapter C earnings of S corporations, net investment income of foreign corporations, and the taxability of Social Security and railroad retirement benefits.

The rights of the holders of the Bonds and the enforceability of the Bonds, the Indenture and the Loan Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and receivership proceedings and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in accordance with principles of equity.

Dated: December ____, 2011

Respectfully submitted,

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INFORMATION TO BE PROVIDED AS CONTINUING DISCLOSURE

Annual Reporting

The Annual Report Date will be the earlier of (a) sixty days after the Board of Trustees of the College approves and accepts the audited financial statements or (b) 180 days after the fiscal year-end, commencing with the fiscal year ended June 30, 2012. The Annual Report will contain:

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

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

   a. Information as of the end of the most recent complete academic or fiscal year, as appropriate, of the matters covered by the Sections entitled:

      - Student Body
      - Applications, Acceptances and Enrollments
      - Tuition and Fees
      - Financial Aid
      - Faculty and Staff
      - Pension Plans
      - Capital Campaign
      - Endowment Funds
      - Gifts and Grants

   b. An update of the amount available for debt service as set forth in footnotes (b) and (c) of the table entitled Annual Debt Service for Fiscal Year 2012 and 2013 and Pro Forma Coverage Statement.

Events to be Disclosed

The events enumerated in Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, which are to be disclosed, are as follows:

(i) Principal and interest payment delinquencies;
(ii) Non-payment related defaults, if material;
(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
(iv) Unscheduled draws on credit enhancements reflecting financial difficulties (this is not applicable to the Bonds);
(v) Substitution of credit or liquidity providers, or their failure to perform (this is not applicable to the Bonds);
(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security;
(vii) Modifications to rights of security holders, if material;
(viii) Bond calls, if material, and tender offers;
(ix) Defeasances;
(x) Release, substitution, or sale of property securing repayment of the securities, if material (this is not applicable to the Bonds);
(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the Reporting Party (when such event is considered to have occurred under the Rule);

(xiii) The consummation of a merger, consolidation, or acquisition involving the Reporting Party or the sale of all or substantially all of the assets of the Reporting Party, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

DEFINITION OF CERTAIN TERMS

"Account" or "Accounts" means one or more of the Accounts created under Article IV or V of the Indenture.

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

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

"Authority" means the Minnesota Higher Education Facilities Authority, an agency of the State of Minnesota.

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

"Authorized Denominations" means $5,000 and any integral multiples thereof.

"Authorized Institution Representative" means the President or the Vice-President for Finance and Administration for the Corporation, or other person, if any, at the time designated to act on behalf of the Corporation by written certificate furnished to the Authority and the Trustee, containing the specimen signature of such person and signed on behalf of the Corporation by the Chair, Vice Chair or Secretary of its Board of Trustees or by the President or a Vice President of the Corporation. Such certificate may designate an alternate or alternates and in that case, the certificate shall set forth the specimen signatures of such alternate(s).

"Authorized Investments" means investments authorized for moneys in the Accounts created under Articles IV and V of the Indenture and described in Section 5.04 thereof.

"Board of Trustees" means the Board of Trustees of the Corporation, and includes any Executive Committee or other committee authorized to act for such board.

"Bond and Interest Sinking Fund Account" means the Bond and Interest Sinking Fund Account established under Section 5.01 of the Indenture.

"Bond Closing" means the original issuance, sale and delivery of the Bonds.

"Bond Purchase Agreement" means the Bond Purchase Agreement dated November 30, 2011, among the Authority, the Underwriter and the Corporation, relating to the Bonds.

"Bond Resolution" means the Series Resolution of the Authority adopted on October 19, 2011, authorizing the Bonds, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

"Bond Year" means, with respect to the Bonds, (a) the period from the Issue Date to the close of business on March 1, 2012, and (b) each succeeding 12-month period ending at the close of business on March 1 of each year in which the outstanding Bonds, if paid at their stated maturity dates, will be outstanding.

"Bonds" means the Minnesota Higher Education Facilities Authority Revenue Bonds, Series Seven-M (College of Saint Benedict), described in Section 2.01 of the Indenture.

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

"Business Day" means any day other than Saturday, Sunday, a legal holiday in the State of Minnesota or any other day that the Depository or banks in Minnesota are not open for business.

"Certificate" means a certification in writing required or permitted by the provisions of the Loan Agreement or the Indenture to be signed and delivered to the Trustee or other proper person or persons. If and to the extent required by the provisions of Section 1.02 of either the Indenture or the Loan Agreement, each Certificate shall include the statements provided for in said Section 1.02.

"College" or "Corporation" means the College of Saint Benedict, a Minnesota nonprofit corporation, as owner and operator of the Institution, its successors and assigns.

"Construction Account" means the Construction Account established under Section 4.02 of the Indenture.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement between the Trustee and the Corporation dated as of December 1, 2011.

"Date of Taxability" means the date as of which the interest on the Bonds shall be so determined to be includable in the gross income of the Owners thereof; provided, that no Bond shall bear additional interest for any period for which the statute of limitations shall be a bar to the assertion or collection of a deficiency of federal income taxes from the Owner of such Bond.

"Default" means a default on the part of the Corporation in performance of any covenant or condition of the Loan Agreement which, with notice or passage of time or both, would or has become an Event of Default.

"Depository" means DTC or any other person who shall be a Holder of all the Bonds directly or indirectly for the benefit of Beneficial Owners and approved by the Authority, Corporation and Trustee to act as the Depository; provided any Depository shall be registered or qualified as a "clearing agency" within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended.

"Determination of Taxability" means 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 of the recipient for purposes of federal income taxation by reason of the application of the provisions of Section 103 of the Internal Revenue Code, related sections and regulations thereunder, in effect on the date of issuance of the Bonds, as more fully provided in the Loan Agreement. A determination that interest on the Bonds is includable in the computation of any alternative minimum tax is not a Determination of Taxability.

"DTC" means The Depository Trust Company in New York, New York, its successors or assigns.

"Event of Default" means an Event of Default described in the Indenture or Loan Agreement and summarized in this Official Statement in the sections entitled "SUMMARY OF DOCUMENTS – THE INDENTURE – Events of Default" and "SUMMARY OF DOCUMENTS – THE LOAN AGREEMENT – Events of Default.

"Financial Journal" means *The Bond Buyer*, *Finance & Commerce*, *The Wall Street Journal*, or any other newspaper or journal devoted to financial news published in the English language in Minneapolis or Saint Paul, Minnesota, or in the City of New York, New York.

"Fiscal Year" means the Corporation's fiscal year, and shall initially mean the 12-month period commencing on July 1 in each year.

"Holder," "Bondholder" or "Owner" means the person in whose name a Bond shall be registered except if any Bond is in Book Entry Form, with respect to any consent or approval of a Holder of the Bonds, the terms shall mean the Beneficial Owner. See also Appendix VI – "The Depository Trust Company."

"Indenture" means the Trust Indenture between the Authority and Wells Fargo Bank, National Association, as Trustee, dated as of December 1, 2011, under which the Bonds are authorized to be issued, and including any indenture supplemental thereto.

"Independent," when used with reference to an attorney, engineer, architect, certified public accountant, consultant, insurance consultant or other professional person, means a person who (i) is in fact independent, (ii) does not have any material financial interest in the Corporation or the Institution or the transaction to which such Certificate or opinion relates (other than the payment to be received for professional services rendered), and (iii) is not connected with the Authority or the Corporation or the Institution as an officer, employee or member of the Authority, the Corporation or the Institution or the Board of Trustees of the Corporation.

"Independent Counsel" means an Independent attorney duly admitted to practice law before the highest court of any state.

"Independent Management Consultant" means an Independent certified public accountant, Independent financial consultant or Independent management consultant having a favorable reputation for skill and experience in studying and reporting on operations of private nonprofit institutions of higher education satisfactory to the Authority.

"Institution" means the College of Saint Benedict, a Minnesota institution of higher education with its main campus located in St. Joseph, Minnesota and owned (or leased) and operated by the Corporation.

"Interest Payment Date" means March 1 and September 1 of each year, commencing March 1, 2012 and any other date on which the principal of and interest on the Bonds shall be due and payable.

"Interest Rate" shall mean, with respect to the Bonds, the interest rate per annum specified in the Indenture, in the column entitled "Interest Rate" for the Bonds of the respective year of maturity.

"Internal Revenue Code" means the Internal Revenue Code of 1986 and amendments thereto.

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

"Loan Agreement" means the Loan Agreement between the Authority and the Corporation, dated as of December 1, 2011, as from time to time amended or supplemented.

"Loan Repayments" means the payments described in clauses (a), (b) and (c) of Section 4.02 of the Loan Agreement.

"Net Proceeds" means, when used with respect to proceeds of insurance or a condemnation award, moneys received or receivable by the Corporation as owner or lessee and the Trustee as secured party pursuant to the Indenture, less the cost of recovery (including attorneys' fees) of such moneys from the insuring company or the condemning authority plus investment earnings thereon.

"Opinion of Counsel" means a written opinion of counsel (who need not be Independent Counsel unless so specified) appointed by the Corporation or Authority and acceptable to the Trustee, and to the extent required by the provisions of Section 1.02 of the Loan Agreement and the Indenture, each Opinion of Counsel shall include the statements provided for in said Section 1.02.

"Outstanding" when used as of any particular time with reference to Bonds, without regard to capitalization of such term, means (subject to the provisions of Section 9.03 of the Indenture pertaining to Bonds held by the Authority and the Corporation) all Bonds theretofore authenticated and delivered by the Trustee under the Indenture except: (i) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation; (ii) Bonds for the payment or redemption of which funds or direct obligations of or obligations fully guaranteed by the United States of America in the necessary amount shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or the redemption date of such Bonds), provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given pursuant to Article III of the Indenture, or provision satisfactory to the Trustee shall have been made for the giving of such notice; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the terms of Section 2.07 of the Indenture pertaining to replacement of Bonds.

"Permitted Encumbrances" means, 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 Corporation, (iv) those additional encumbrances set forth in Exhibit C to the Loan Agreement and (v) liens granted by the Corporation to secure Funded Debt allowed under Section 6.14(c) of the Loan Agreement.

"Project" means constructing, equipping and furnishing of student residential housing, consisting of four separate two-story buildings with approximately 7,000 square feet each, and containing eight units of four bedrooms (except for the building containing the resident director's unit which contains seven units of four bedrooms) and also, a separate single-story building of approximately 4,000 square feet that will be used for common facilities for residents of such student housing; the project will provide housing for a total of 124 students and one resident director and will consist, in total, of approximately 32,000 square feet.

"Project Buildings" means the facilities acquired, improved or constructed with the proceeds of the Bonds, including investment earnings.

"Project Costs" shall have the meaning provided in Section 4.04 of the Indenture.

"Project Equipment" means all fixtures, equipment, and other personal property of a capital nature acquired with proceeds of the Bonds, including investment earnings, generally described in the Loan Agreement and described in the Certificate of the Project Supervisor furnished pursuant to the Loan Agreement.

“Project Facilities” means the Project Site, the Project Buildings and the Project Equipment, as the same may at any time exist.

“Project Site” means the land, described on Exhibit A to the Loan Agreement which is owned by the Corporation, and on which any Project Buildings are located or otherwise improved as part of the Project.

“Project Supervisor” means the Project Supervisor appointed as provided in the Bond Documents and in Section 3.07 of the Loan Agreement and Section 4.09 of the Indenture.

“Redeem” or “redemption” means and includes “prepay” or “prepayment” as the case may be, without regard to capitalization of such terms.

“Redemption Account” means the Redemption Account established under Section 5.03 of the Indenture.

“Reference Rate” means the interest rate per annum announced from time to time by Wells Fargo Bank, National Association, as its prime or reference rate, regardless of whether that interest rate is actually charged to any customer of said bank.

“Reserve Account” means the Reserve Account established under Section 5.02 of the Indenture.

“Reserve Requirement” means the least of (i) the maximum amount of principal of and interest on the Outstanding Bonds that accrues and is payable in any Bond Year remaining at the time of calculation or (ii) 10 percent of the principal amount of the Bonds or (iii) 125 percent of the average annual debt service of the Bonds remaining at the time of calculation.

“Responsible Officer” of any Trustee means and includes the chairman of the board of directors, the president, every vice president, every assistant vice president, every corporate trust officer, and every officer and assistant officer of such Trustee, other than those specifically above mentioned, to whom any corporate trust matter is referred because of such person’s knowledge of, and familiarity with, a particular subject.

“Stated Maturity” means, when used with respect to any Bond or any installment of interest thereon, the date specified in such Bond as the fixed date on which principal of such Bond or such installment of interest is due and payable.

“Trust Estate” means the interest of the Authority in the Loan Agreement assigned under Granting Clause I of the Indenture; the revenues, moneys, investments, contract rights, general intangibles and instruments and proceeds and products and accessions thereof as set forth in Granting Clause II of the Indenture; and additional property held by the Trustee pursuant to Granting Clause III of the Indenture.

“Trustee” means the trustee at the time serving as such under the Indenture.

“Underwriter” means Piper Jaffray & Co., as original purchaser of the Bonds.

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SUMMARY OF DOCUMENTS

THE LOAN AGREEMENT

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

Construction of Project

The College represents that construction of the Project shall be substantially completed by September 1, 2012. The College may apply to the Authority at any time to delete from the Project any building, system or equipment proposed to be acquired as part of the Project, or to add any building, system or equipment to the Project, or both, and upon approval of the Authority, the description of the Project shall accordingly be amended by a supplement to the Loan Agreement executed by the Authority and the College, a copy of which shall be furnished to the Trustee, provided that no such amendment of the description of the Project shall be approved if the Project, as so amended, will not constitute an authorized "project" under the Act or will adversely affect the tax exempt status of interest on the Bonds and an Opinion of Bond Counsel to such effect is furnished. The College agrees that it will pay all costs relating to the construction, improvement, equipping and financing of the Project, to the extent such costs exceed the proceeds of the Bonds.

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 and premium, if any, on the Bonds when due. To provide for such payments the College covenants to pay for the account of the Authority the following amounts:

(a) at least five Business Days prior to each September 1 and March 1, commencing March 1, 2012, the College shall deposit into the Bond and Interest Sinking Fund Account a sum which will be equal to the amount payable as interest on the Bonds on such interest payment date, and, at least five Business Day prior to each March 1, commencing on March 1, 2013, a sum equal to the amount payable as principal (whether at maturity or mandatory sinking fund redemption) of the Bonds on such principal payment date; provided however, that there shall be credited against such obligations (i) the net amount of funds and investments then on deposit to the credit of the Bond and Interest Sinking Fund Account (including amounts transferred from the Construction Account pursuant to Section 4.05 of the Indenture), and (ii) any credits permitted by Sections 5.01, 5.02, 5.03 or 5.04 of the Indenture (relating to purchase and cancellation of term bonds and the transfer to the Bond and Interest Sinking Fund Account of certain investment earnings and certain excess funds); and

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

(c) the College shall deposit 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 of, premium, if any, and interest on the Bonds then due or then to become due (whether at maturity, or by call for redemption, or by acceleration of maturity); and

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

(e) the College shall deposit into any fund or account designated by the Trustee such amount as may be determined by the Trustee to be necessary to comply with the provisions of Section 6.09(f) of the Loan Agreement and Section 5.05 of the Indenture (relating to arbitrage rebate).

Each payment under this Section shall be made directly to the Trustee at its principal corporate trust office for the account of the Authority for deposit as provided in the Indenture. The College shall furnish to the Authority, if the Authority so requests, advice of the transmittal of such payments at the time of transmittal of payment.

There is reserved to the 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 any part of a program of a school or department of divinity for any religious denomination. The College agrees not to use or permit use of the Project Facilities in such manner or to such an extent as would result in loss of the tax-exemption of interest on the Bonds under the Internal Revenue Code or loss of its status as an exempt organization under Section 501(c)(3) of the Code.

Maintenance of Project Facilities

The College agrees that, so long as there are Bonds outstanding, and subject to certain exceptions, the College will keep the Project Facilities in good repair and good operating condition at its own cost. The College will make such repairs, modifications and replacements as are necessary so that the Project Facilities will remain a "project" under the Act and interest on the Bonds will be exempt from federal income taxation, and may make such repairs, modifications and replacements as in the College's judgment are desirable, subject to the same conditions. The College may sell, transfer, lease or sublease or enter into agreements in the ordinary course of business for the use of the Project Facilities so long as (i) the tax-exempt status of the Bonds will not be affected thereby, (ii) no such transaction or agreement shall be inconsistent with the Loan Agreement, the Indenture, or the Act, (iii) the College shall remain fully obligated under the Loan Agreement, as if such transaction or agreement had not been made, and (iv) in the case of any lease to or occupancy by persons who are not students, employees or faculty of the College, an opinion of Bond Counsel is provided to the Trustee to the effect that tax exemption of the interest on the Bonds is not adversely affected. The College may demolish any Project Facilities which in the College's Board of Trustees' judgment are worn out, obsolete or require replacement.

Operating Expenses and Liens

The College will pay all utility charges and other charges arising from the operations of the Project Facilities which, if unpaid, would become a lien on the Project Facilities; provided that the College may in good faith contest such utility and other charges and any mechanics' or other liens filed or established against the Project Facilities, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Authority or Trustee shall notify the College that, in the opinion of Independent counsel, by nonpayment of any such items the Project Facilities or any part thereof will be subject to loss or forfeiture, in which event the College shall promptly pay and cause to be satisfied and discharged all such unpaid items.

Taxes and Other Governmental Charges

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

The College may, at its expense, in good faith contest any such taxes, assessments, license fees and other governmental charges and, in the event of any such contest, may permit the taxes, assessments, license fees or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority or the Trustee shall notify the 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) full insurable value of the Project Facilities and contents, or (ii) the principal amount of the Bonds or (if greater) 80 percent of the full insurable replacement value of the Project Facilities and contents, with a deductible amount of not more than $250,000.

(b) Comprehensive general public liability insurance, including blanket contractual liability and personal injury liability and automobile insurance, 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 $250,000 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, upon such terms and conditions as the Trustee may require, and (ii) shall permit modifications to such insurance requirements and deductible amounts, including permission for self-insurance, in accordance with the recommendation of an Independent insurance consultant employed by the College and satisfactory to the Trustee.

Each required policy shall contain a provision that the insurer will not cancel or modify the policy without giving written notice to the College and the Trustee at least thirty days before the cancellation or modification of the policy limits below the insurance requirements set forth above becomes effective. The College shall, on or before September 1 of each year, provide the Trustee with a certificate of insurance compliance.

Damage or Destruction

If the Project Facilities shall be damaged or partially or totally destroyed there shall be no abatement in the Loan Repayments, and to the extent that the claim for loss resulting from such damage or destruction is not greater than $1,000,000, the 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 $1,000,000, 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.

The Bonds may be redeemed in whole if all or substantially all of the Project Facilities are damaged or destroyed and (i) they cannot be reasonably restored within six months, or (ii) normal use and operation of such Project Facilities are interrupted for a six month period, or (iii) the cost of restoration exceeds the available Net Proceeds by more than $500,000. The Bonds may be redeemed in part if (i) all or a portion of the Project Facilities have been damaged or destroyed, (ii) the College determines that the Project Facilities so damaged or destroyed are not needed in its operations, (iii) the College has elected not to repair, rebuild, restore or replace such Project Facilities and (iv) the available Net Proceeds are deposited in the Redemption Account and used to redeem or purchase 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 any part of the Project Facilities 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.

If the Bonds are to be redeemed in whole or in part, such redemption shall be as described in the second paragraph under the caption "Damage or Destruction" above.

Removal of Project Equipment and Building Equipment

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 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 Bonds; provided that if the depreciated book value of the equipment so released was less than $100,000, such release 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 or value of the Project Facilities.

In connection with (a) and (b) above, if the depreciated book value of the Project Equipment or in connection with (c) above, the depreciated value of Building Equipment to be substituted, removed or released equals or exceeds $100,000 the College will deliver to the Trustee a certificate signed by the Authorized Institution Representative stating that the substitution, removal or release of such equipment will not materially impair the character or revenue producing significance or value of the Project Facilities.

Indemnification

The 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, accredited as such by recognized accrediting agencies and that it will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation, or permit one or more other corporations to consolidate with or merge into it, except upon the conditions provided in the Loan Agreement. The conditions are the following: (a) if the surviving, resulting or transferee institution, as the case may be, is other than the College, such surviving, resulting or transferee corporation shall assume in writing all of the obligations of the College in the Loan Agreement, and be either a state university or college or a nonprofit corporation operating or authorized to operate an Institution of higher education under the laws of Minnesota, eligible to be a participating nonprofit institution under the Act, and complies and will comply with the provisions of the Loan Agreement against unlawful discrimination and requiring that the institution be nonsectarian; (b) the College shall furnish to the Trustee an Opinion of Bond Counsel that such consolidation, merger or transfer shall not cause interest on the Bonds to be includable in gross income of the recipient for federal income tax purposes; and (c) the surviving resulting or transferee corporation or institution, as the case may be, shall be in compliance with the financial covenants of the Corporation included in Section 6.14 of the Loan Agreement, immediately after such consolidation or merger.

$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 nonhospital 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, excluding nonhospital bonds issued on or after August 5, 1997 to finance capital expenditures incurred after August 5, 1997. Under the Loan Agreement, in no event will the College affiliate or consolidate with or merge into another corporation or sell or otherwise transfer to another institution all or substantially all of its assets or the assets of the Institution as an entirety if the effect of any such transaction would be to adversely affect the tax exempt status of the Bonds, such as by exceeding limitations on the outstanding aggregate principal amounts of all tax-exempt bonds issued by or on behalf of the College or such other resulting entity, and all organizations under common management or control with the College or such resulting entity, within the meaning of Section 145 of the Internal Revenue Code.

Federal Income Tax Status

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

Institution to be Nonsectarian

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

Determination of Taxability

In the event a Determination of Taxability is made at any time that interest on the Bonds is includable in gross income of the recipient for purposes of federal income taxation under the provisions of the Internal Revenue Code and regulations thereunder as in effect at the date of issuance of the Bonds, the Bonds shall bear additional interest at the rate of two percent per annum from the Date of Taxability until the respective dates on which the principal of the Bonds is paid. In addition, in the event of such Determination of Taxability, the Bonds shall be subject to optional redemption, as a whole or in part on the next date for which due notice can be given and any date thereafter at a redemption price equal to par plus accrued interest plus additional interest from the Date of Taxability.

Other Covenants

The College further agrees to comply with all applicable laws and regulations against unlawful discrimination, and not to discriminate by reason of religion, race, creed, color or national origin in the use or operation of the Project Facilities; to provide and file such financing statements and other instruments of further assurance as the Authority or Trustee may request; to perform all obligations imposed by the Internal Revenue Code and regulations thereunder with respect to the non-arbitrage status of the Bonds and to comply with the applicable rebate requirements under Section 148 of the Code and regulations thereunder; and to observe all applicable State laws and regulations, including those of the Authority, the Department of Education and the Minnesota Office of Higher Education, subject to the right of contest. The 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) on a Bond principal or interest payment date or redemption date the available moneys on deposit in the Bond and Interest Sinking Fund Account, Reserve Account, and Redemption Account 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 fail to maintain the balance in the Reserve Account in the amount of the Reserve Requirement as defined in Section 5.02 of the Indenture, 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

(d) 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 the 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

(e) 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

(f) 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

(g) If, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the College or of the whole or any substantial part of its property, and such custody or control shall not be terminated within ninety days from the date of assumption of such custody or control.

The term “force majeure” as used above includes the following: acts of God; strikes, lockouts or other employee disturbances; acts of public enemies; orders, regulations or laws of any kind of the government of the United States of America or of the State of Minnesota or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions, breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the College. The provisions of paragraph (d) above, are subject to the further limitation that if the default can be remedied but not within a period of thirty days after notice and if the College has taken all action reasonably possible to remedy such default within such thirty-day period, the default shall not become an Event of Default for so long as the College shall diligently proceed to remedy such default and in accordance with any directions or limitations of time made by the Trustee. The College agrees, however, to use its best efforts to remedy with all reasonable dispatch any cause or causes preventing the College from carrying out its agreements.

Remedies on Default

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

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

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

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

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 “DEFINITION OF CERTAIN TERMS,” Appendix IV, contained herein.

Granting Clauses

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

I 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 rights of the Authority relating to fees and expenses, indemnity and advances;

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

III 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, revenues and other funds derived under the Loan Agreement or Indenture shall be deposited into accounts held by the Trustee as described in “ACCOUNTS,” contained in the body of this Official Statement.

Authorized Investments

Moneys on deposit to the credit of the Accounts 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 rated at least in the rating category of “AA” or “Aa” or political subdivisions of states rated at least in the rating category of “AAA” or “Aaa,” revenue bond obligations of states and their political subdivisions insured by municipal bond insurance and rated “AAA” or “Aaa”; mutual funds or unit trusts which invest solely in the foregoing obligations of the United States government, its agencies, states and their political subdivisions or in certain repurchase agreements; constant dollar value money market funds that invest solely in the types of obligations or repurchase agreements in which the foregoing mutual funds may invest and which are rated in the highest rating category by a national credit rating agency; time deposits of insured state or national banks fully insured by the Federal Deposit Insurance Corporation; certain guaranteed investment contracts issued by a bank or insurance company rated at least in the highest two rating categories of a nationally recognized rating agency; certain types of repurchase agreements; and certain commercial paper maturing in 270 days or less. Section 5.04 of the Indenture sets forth further restrictions as to type and maturity of investments.

Trustee's Right to Payment

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

Covenants of the Authority

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

Events of Default

The following are Events of Default under the Indenture:

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

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

(c) If the Authority shall default in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the Bonds or in the Indenture, or in any supplemental indenture on the part of the Authority to be performed, and such default shall have continued for a period of 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

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

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

Upon the happening and continuance of an Event of Default, the Trustee may, and shall upon the written request of the Holders of not less than a majority in aggregate principal amount of outstanding Bonds, proceed forthwith by suit or suits at law or in equity or by any other appropriate remedy to enforce payment of the Bonds, to enforce application to payment of the Bonds the funds, revenues and income appropriated thereto by the Indenture and by the Bonds, to enforce the Loan Agreement and 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 the Reference Rate, which advances are given priority of payment. The Trustee also has a lien with right of payment prior to payment on account of Bond interest or principal for reasonable compensation, expenses, advances and counsel fees. The responsibilities of the Trustee prior to an Event of Default are limited to express provisions of the Indenture, and at all times the Trustee shall not be liable unless it acts negligently or in bad faith. The Trustee is not required to institute suit or take other steps to enforce its rights and powers under the Indenture unless indemnified to its satisfaction against all costs and expenses. The Trustee and its 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 combined 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. Provision is also made for removal of the Trustee by Bondholders or the Authority, at the request of the College, provided that the Authority may, but is not required to remove the Trustee with or without the request of the College if an Event of Default has occurred and is continuing or a default which with the passage of time or the giving of notice will become an Event of Default has occurred and is continuing. The Authority may not remove a successor Trustee properly appointed by the Bondholders.

Concerning the Bondholders

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

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

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

Defeasance

If the Authority and the 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 of, premium, if any, 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 the United States of America in such aggregate face amount, bearing interest at such rates, and maturing on such dates sufficient to pay the entire amount due or to become due for principal and premium, if any, and interest to maturity of all Bonds outstanding, or

(c) deliver to the Trustee (1) proof that notice of redemption of all of the outstanding Bonds not surrendered or to be surrendered to it for cancellation has been given or waived, or that arrangements have been made insuring that such notice will be given or waived, or (2) a written instrument executed by the College for the Authority and expressed to be irrevocable, authorizing the Trustee to give such notice for and on behalf of the Authority, or (3) file with the Trustee a waiver of such notice of redemption signed by the

Holders of all such outstanding Bonds, and in any case, deposit with the Trustee before the date on which such Bonds are to be redeemed, the entire amount of the redemption price, including interest accrued and to accrue, and premium, if any, either in cash or direct obligations of the United States of America in such aggregate face amount, bearing interest at such rates and maturing at such dates as shall be sufficient to provide for the payment of the redemption price on the date such Bonds are to be redeemed and on any interest payment dates, or

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

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

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

Supplemental Indentures

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

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

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

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

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

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

In addition and subject to the provisions set forth below, the Holders of not less than 51 percent 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 Bonds outstanding (a) an extension of the maturity of any Bond, or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, or (c) the creation of a lien upon or a pledge of revenues ranking prior to or on a parity with the lien or pledge created by the Indenture, or (d) a preference or priority of any Bond over any other, or (e) a reduction in the aggregate principal amount of the Bonds the Holders of which are required to consent to such supplemental indenture or to amendments to the Loan Agreement.

Amendments to the Loan Agreement

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

Except for amendments, changes or modifications provided for in the preceding paragraph, neither the Authority nor the Trustee shall consent to or execute any amendment, change or modification of the Loan Agreement without the written approval or consent of the Holders of not less than 51 percent 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 principal corporate trust office of the Trustee, which shall also perform the functions of registrar and paying agent. Bonds may be transferred and exchanged by surrender to the Trustee with a written authorization by the registered Holder or his authorized attorney satisfactory to the Trustee subject to such reasonable regulations as the Trustee may prescribe and shall be without expense to the Holder, except as to any taxes or other governmental charges required to be paid. If the Bonds are no longer in book entry form, Bonds may be exchanged for a new Bond or Bonds of the same series, aggregate principal amount, maturity and basic interest rate of any authorized denominations. Payment of principal will be at the principal corporate trust office of the Trustee and interest shall be by check or draft of the Trustee mailed (or, pursuant to an agreement with the Trustee, by wire transfer) to the registered Owner at his address as shown on the registration books of the Trustee, subject to applicable procedures while in book entry form.

THE DEPOSITORY TRUST COMPANY

The Depository Trust Company ("DTC") is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

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

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

Payment of principal, interest, and redemption premium, if any, on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Bond Registrar, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Registrar, Issuer, or the Issuer's agent. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The information in this section concerning DTC and DTC's book entry system has been obtained from DTC, which is solely responsible for such information. The Authority, the College and the Underwriter take no responsibility for the accuracy thereof.

AUDITED FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
College of Saint Benedict
St. Joseph, Minnesota

We have audited the accompanying balance sheets of the College of Saint Benedict (the "College") as of June 30, 2011 and 2010 and the related statements of activities and cash flows 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 auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, 2011 and 2010 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The "Highlights" on page 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.

Baker Tilly Virchow Krause, LLP

Minneapolis, Minnesota
October 13, 2011

COLLEGE OF SAINT BENEDICT

BALANCE SHEETS
June 30, 2011 and 2010

ASSETS

	2011	2010
CURRENT ASSETS		
Cash and cash equivalents	$ 10,853,094	$ 12,069,980
Accounts receivable		
Student receivables, net of allowance for doubtful accounts of $170,000 each year	774,958	707,695
Contributions receivable	51,935	66,677
Other	1,453,707	1,334,818
Inventories	416,562	397,208
Short-term investments	3,212,405	3,093,457
Prepaid expenses	899,981	453,386
Total Current Assets	17,662,642	18,123,221
LONG-TERM RECEIVABLES AND OTHER NONCURRENT ASSETS		
Student loan receivables, net	6,577,236	6,833,002
Contributions receivable	3,868,876	4,858,511
Deferred debt acquisition costs	116,202	129,141
Total Long-term Receivables and Other Noncurrent Assets	10,562,314	11,820,654
LONG-TERM INVESTMENTS	50,823,738	41,041,809
PROPERTY, PLANT AND EQUIPMENT		
Land and improvements	4,632,580	4,499,026
Buildings	91,322,074	90,601,379
Furniture and equipment	33,070,458	32,538,125
Library books	7,824,012	7,621,134
Software	2,687,459	2,675,016
Construction in progress	2,022,930	1,285,564
Total	141,559,513	139,220,244
Less: Accumulated depreciation	(67,865,707)	(64,881,743)
Total Property, Plant and Equipment	73,693,806	74,338,501
TOTAL ASSETS	$ 152,742,500	$ 145,324,185

LIABILITIES AND NET ASSETS

	2011	2010
CURRENT LIABILITIES		
Accounts payable	$ 610,353	$ 486,866
Accrued payroll and benefits	3,799,669	3,664,830
Other liabilities	798,909	775,347
Deferred revenue	1,193,050	1,266,795
Funds held for others	99,104	83,166
Current portion of annuities payable	91,715	63,707
Current portion of bonds payable and mortgage note payable	2,952,447	2,808,490
Total Current Liabilities	9,545,247	9,149,201
LONG-TERM LIABILITIES		
Government grants repayable - Federal Perkins loan program	5,908,100	6,035,297
Bonds payable and mortgage note payable, net of current portion	22,754,727	25,151,386
Asset retirement obligation	1,814,976	1,742,669
Annuities payable, net of current portion	654,930	339,979
Total Long-Term Liabilities	31,132,733	33,269,331
Total Liabilities	40,677,980	42,418,532
NET ASSETS		
Unrestricted		
Available for operations	4,965,013	5,880,529
Donor-restricted endowment	(175,399)	(1,284,123)
Board designated		
Endowment	5,363,433	4,742,939
Repair and replacement	9,079,891	6,980,572
Contractual limitations - debt service	2,448,499	2,443,950
Investment in property, plant and equipment	46,196,083	44,898,078
Total Unrestricted Net Assets	67,877,520	63,661,945
Temporarily Restricted		
Unexpended gifts	1,066,169	1,406,588
Donor-restricted endowment	5,912,249	2,058,426
Contributions receivable	3,356,145	3,657,980
Future interest in life estate	356,664	347,984
Total Temporarily Restricted Net Assets	10,691,227	7,470,978
Permanently Restricted		
Annuities	653,088	261,709
Endowment	31,360,775	29,450,402
Funds held in trust	917,244	793,411
Contributions receivable	564,666	1,267,208
Total Permanently Restricted Net Assets	33,495,773	31,772,730
Total Net Assets	112,064,520	102,905,653
TOTAL LIABILITIES AND NET ASSETS	$ 152,742,500	$ 145,324,185

See accompanying notes to financial statements.

COLLEGE OF SAINT BENEDICT

STATEMENT OF ACTIVITIES
Year Ended June 30, 2011
With Comparative Totals for 2010

	2011				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	2010 Total
OPERATING GAINS, REVENUES AND OTHER SUPPORT					
Tution and fees	$ 66,073,423			$ 66,073,423	$ 61,665,004
Less: Scholarships and grants	(29,978,782)			(29,978,782)	(27,115,483)
Net tution and fees	36,094,641			36,094,641	34,549,521
Government grants					
Federal	1,403,451			1,403,451	1,552,379
State	168,787			168,787	197,747
Private gifts and grants	467,840	$ 1,309,636		1,777,476	2,096,591
Other investment income	189,209			189,209	177,429
Net gains on investments	259,939	19,940		279,879	430,750
Long-term investment income and gains allocated to operations	945,478	694,056		1,639,534	1,275,775
Other sources	574,091	17,218		591,309	722,126
Sales and services of auxiliary enterprises					
Residence halls	7,151,519			7,151,519	6,901,264
Food services	7,017,590			7,017,590	6,569,853
Other auxiliaries	4,268,684			4,268,684	5,072,307
	58,541,229	2,040,850		60,582,079	59,545,742
Net assets released from restrictions	2,535,207	(2,535,207)			
Total Operating Revenues, Gains and Other Support	61,076,436	(494,357)		60,582,079	59,545,742
OPERATING EXPENSES					
Program expenses					
Instruction	20,832,245			20,832,245	19,776,012
Academic support	6,177,640			6,177,640	6,212,342
Student services	6,920,921			6,920,921	6,164,403
Auxiliary enterprises					
Residence halls	3,679,695			3,679,695	3,867,559
Food services	6,358,519			6,358,519	5,454,271
Other auxiliaries	4,507,799			4,507,799	5,089,733
Support expenses					
Institutional support	10,357,778			10,357,778	10,448,730
Total Operating Expenses	58,834,597			58,834,597	57,013,050
Change in Net Assets from Operating Activities	2,241,839	(494,357)		1,747,482	2,532,692
NONOPERATING ACTIVITIES					
Long-Term Investment Activities					
Endowment income	87,180	364,034		451,214	461,008
Net gains on investments	2,791,767	4,183,845	$ 123,833	7,099,445	3,539,553
Total long-term investment income	2,878,947	4,547,879	123,833	7,550,659	4,000,561
Less: Long-term investment income and gains allocated for operations	(945,478)	(694,056)		(1,639,534)	(1,275,775)
	1,933,469	3,853,823	123,833	5,911,125	2,724,786
Private gifts and grants		85,529	1,150,429	1,235,958	1,679,107
Contributions receivable written-off					(500,000)
Gain (loss) on disposal of equipment	11,089			11,089	(248,923)
Adjustment of actuarial liability		8,683	244,530	253,213	103,293
Net assets released from restrictions	233,429	(233,429)			
Change in donor restrictions	(204,251)		204,251		
Change in Net Assets from Nonoperating Activities	1,973,736	3,714,606	1,723,043	7,411,385	3,758,263
Total Change in Net Assets	4,215,575	3,220,249	1,723,043	9,158,867	6,290,955
Net Assets - Beginning of Year	63,661,945	7,470,978	31,772,730	102,905,653	96,614,698
NET ASSETS - END OF YEAR	$ 67,877,520	$ 10,691,227	$ 33,495,773	$ 112,064,520	$ 102,905,653

See accompanying notes to the financial statements.

COLLEGE OF SAINT BENEDICT

STATEMENT OF ACTIVITIES
Year Ended June 30, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING GAINS, REVENUES AND OTHER SUPPORT				
Tution and fees	$ 61,665,004			$ 61,665,004
Less: Scholarships and grants	(27,115,483)			(27,115,483)
Net tution and fees	34,549,521			34,549,521
Government grants				
Federal	1,552,379			1,552,379
State	197,747			197,747
Private gifts and grants	476,332	$ 1,620,259		2,096,591
Other investment income	177,429			177,429
Net gains on investments	429,735	1,015		430,750
Long-term investment income and gains allocated to operations	1,126,034	149,741		1,275,775
Other sources	707,962	14,164		722,126
Sales and services of auxiliary enterprises				
Residence halls	6,901,264			6,901,264
Food services	6,569,853			6,569,853
Other auxiliaries	5,072,307			5,072,307
	57,760,563	1,785,179		59,545,742
Net assets released from restrictions	2,191,085	(2,191,085)		
Total Operating Revenues, Gains and Other Support	59,951,648	(405,906)		59,545,742
OPERATING EXPENSES				
Program expenses				
Instruction	19,776,012			19,776,012
Academic support	6,212,342			6,212,342
Student services	6,164,403			6,164,403
Auxiliary enterprises				
Residence halls	3,867,559			3,867,559
Food services	5,454,271			5,454,271
Other auxiliaries	5,089,733			5,089,733
Support expenses				
Institutional support	10,448,730			10,448,730
Total Operating Expenses	57,013,050			57,013,050
Change in Net Assets from Operating Activities	2,938,598	(405,906)		2,532,692
NONOPERATING ACTIVITIES				
Long-Term Investment Activities				
Endowment income	92,034	368,974		461,008
Net gains on investments	2,635,698	838,369	$ 65,486	3,539,553
Total long-term investment income	2,727,732	1,207,343	65,486	4,000,561
Less: Long-term investment income and gains allocated for operations	(1,126,034)	(149,741)		(1,275,775)
	1,601,698	1,057,602	65,486	2,724,786
Private gifts and grants		80,322	1,598,785	1,679,107
Contributions receivable written-off			(500,000)	(500,000)
Loss on disposal of equipment	(248,923)			(248,923)
Adjustment of actuarial liability		201	103,092	103,293
Net assets released from restrictions	253,623	(253,623)		
Change in donor restrictions		29,000	(29,000)	
Change in Net Assets from Nonoperating Activities	1,606,398	913,502	1,238,363	3,758,263
Total Change in Net Assets	4,544,996	507,596	1,238,363	6,290,955
Net Assets - Beginning of Year	59,116,949	6,963,382	30,534,367	96,614,698
NET ASSETS - END OF YEAR	$ 63,661,945	$ 7,470,978	$ 31,772,730	$ 102,905,653

See accompanying notes to the financial statements.

COLLEGE OF SAINT BENEDICT

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2011 and 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 9,158,867	$ 6,290,955
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation, amortization and accretion	4,253,064	4,361,127
Contributions receivable written-off		500,000
Gains on investments	(7,379,327)	(3,970,303)
Actuarial adjustment of annuities payable	423,943	42,133
Loan cancellations and write-offs	197,451	236,695
Contribution of equipment	(2,182)	(646)
Contributions received restricted for plant and long-term investment	(1,852,971)	(2,834,467)
Change in total contributions receivable	1,004,377	888,497
Change in funds held in trust by others	(123,833)	(65,486)
(Gain) loss on disposal of equipment	(11,089)	248,923
Change in current assets and current liabilities		
Student receivables	(67,263)	(53,771)
Other receivables	(118,889)	193,074
Inventories	(19,354)	(24,763)
Prepaid expenses	(446,595)	84,487
Accounts payable	70,906	(216,439)
Accrued payroll and benefits	134,839	186,858
Other liabilities	23,562	(49,761)
Deferred revenue	(73,745)	(274,024)
Funds held for others	15,938	2,449
Net Cash Provided by Operating Activities	5,187,699	5,545,538
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(3,496,696)	(4,419,991)
Proceeds from sale of property, plant and equipment	39,425	
Purchases of investments	(15,196,248)	(17,293,581)
Proceeds from sale of investments	12,798,531	15,874,201
Drawdowns of deposits held by construction trustee, net		74,019
Disbursements of loans to students	(711,481)	(783,999)
Loan payments from students	769,796	677,289
Net Cash Used for Investing Activities	(5,796,673)	(5,872,062)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from mortgage note payable	570,000	
Contributions received restricted for plant and long-term investment	1,852,971	2,834,467
Payment of principal on indebtedness	(2,808,489)	(2,700,526)
Payment of principal on mortgage note payable	(14,213)	
Decrease in refundable government grants	(127,197)	(161,298)
Payments to annuitants	(80,984)	(63,906)
Net Cash Provided by Financing Activities	(607,912)	(91,263)
Net Change in Cash and Cash Equivalents	(1,216,886)	(417,787)
CASH AND CASH EQUIVALENTS - Beginning of Year	12,069,980	12,487,767
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 10,853,094	$ 12,069,980
Supplemental disclosures of cash flow information		
Interest paid	$ 1,236,340	$ 1,361,106
Noncash investing and financing activities		
Property, plant and equipment acquired through accounts payable	137,753	85,172

See accompanying notes to financial statements.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

College of Saint Benedict (the "College") is a liberal arts higher education institution. The College, an all-female institution, operates in coordination with St. John's University, an all-male institution, sharing academic programs, facilities and staff. The accounting policies of the College reflect practices common to colleges and universities and conform to accounting principles generally accepted in the United States of America. The more significant accounting policies are summarized below:

Net Asset Classifications - For the purposes of financial reporting, the College classifies resources into three net asset categories pursuant to any donor-imposed restrictions and applicable law. Accordingly, the net assets of the College are classified in the accompanying financial statements in the categories that follow:

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the College. Generally, the donors of these assets permit the College to use all or part of the income earned on related investments for general or specific purposes.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that will be met by action of the College and/or the passage of time.

Unrestricted Net Assets - Net assets not subject to donor-imposed stipulations.

Revenue Recognition - Revenues from sources other than contributions are generally reported as increases in unrestricted net assets. Expenses are reported as decreases in unrestricted net assets. Income earned on donor restricted funds is initially classified as temporarily restricted net assets and is reclassified as unrestricted net assets when expenses are incurred for their intended purpose.

Contribution Revenue - Contributions, including unconditional promises to give, are recognized as revenues in the period received and are reported as increases in the appropriate categories of net assets in accordance with donor restrictions. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Contributions of property and equipment without donor stipulations concerning the use of such long-lived assets are reported as unrestricted revenues. Contributions of cash or other assets to be used to acquire property and equipment are reported as temporarily restricted revenues; the restrictions are considered to be released at the time such long-lived assets are placed in service.

In the absence of donor stipulations or law to the contrary, losses on the investments of a donor-restricted endowment fund reduce temporarily restricted net assets to the extent that donor-imposed temporary restrictions on net appreciation of the fund have not been met before the loss occurs. Any remaining loss reduces unrestricted net assets. If losses reduce the assets of a donor-restricted endowment fund below the level required by the donor stipulations or law, gains that restore the fair value of the assets of the endowment fund to the required level are classified as increases in unrestricted net assets. Losses on investments of endowment funds created by a board designation of unrestricted funds are classified as reductions in unrestricted net assets.

Cash and Cash Equivalents - The College considers all highly liquid investments, except for those held for long-term investment, with a maturity of three months or less when purchased to be cash equivalents.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Student Accounts Receivable - Student accounts receivable are carried at the unpaid balance of the original amount billed to students less an estimate made for doubtful accounts which is based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Student accounts are written off when deemed uncollectible. Recoveries of student accounts previously written off are recorded when received. Receivables are generally unsecured.

A student account receivable is considered to be delinquent if any portion of the receivable balance is outstanding for more than 90 days after the billing date. A service charge is charged on student accounts receivable that are outstanding for more than 30 days after the billing date and is recognized as it is charged.

Inventories - Inventories, primarily relating to gift shop and food service, are valued at the lower of cost (first-in, first-out) or market.

Deferred Debt Acquisition Costs - The acquisition costs of bond issuance are deferred and amortized over the term of the related indebtedness.

Physical Plant and Equipment - Physical plant assets are stated at cost at date of acquisition less accumulated depreciation. The College depreciates its plant assets, with the exception of land, on a straight line basis over the estimated useful service lives of the respective assets. Estimated service lives are as follows:

Furniture and equipment	4 - 15 years
Buildings/building components	15 - 100 years
Land improvements	10 years
Library books	20 years
Utility distribution system	20 years

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

Impairment of Long-Lived Assets - The College reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses recorded.

Deferred Revenue - Certain revenue related to summer courses and programs is deferred and recognized as revenue in the same period expenses are recognized. Students are generally billed for courses and programs prior to the start of the course or program.

Government Grants Repayable - Funds provided by the United States Government under the Federal Perkins Loan Program are loaned to qualified students and may be reloaned after collections. These funds are ultimately refundable to the government and are included as liabilities in the statements of financial position. Revenues from other government grants are recognized as they are earned in accordance with the agreement. Any funding received before it is earned is recorded as a refundable advance. Expenses incurred before cash is received are recorded as receivables.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tuition and Fees and Auxiliary Revenues - Tuition revenue is recognized in the period the classes are provided. Revenue from auxiliary enterprises is recognized when goods or services are provided. Financial assistance in the form of scholarships and grants that cover a portion of tuition, living and other costs is reflected as a reduction of tuition and fees revenues.

Retirement Plans - The College has certain contributory defined contribution retirement plans for academic and nonacademic personnel. Contributions for employees are determined on a percentage of annual salary. The cost of the retirement plans is paid currently and approximated $1,716,000 and $1,627,000 for the years ended June 30, 2011 and 2010, respectively.

Grants to Specified Students - Amounts received from state and federal agencies designated for the benefit of specified students are considered agency transactions and, therefore, are not reflected as revenues and expenses of the College.

Fair Value of Financial Instruments - The carrying amounts of cash and cash equivalents, student account receivables, other receivables, prepaid expenses, accounts payable, deferred revenue and funds held for others approximate fair value because of the short term maturity of these financial instruments. The carrying amounts of contributions receivable are recorded using the applicable discount rates in effect at the date of the gifts.

A reasonable estimate of the fair value of the receivables from students under government loan programs and grants refundable to the government for student loans could not be made because the notes receivable are not saleable and can only be assigned to the U.S. government or its designee. The fair value of receivables under institutional loan programs approximates carrying value.

The carrying amounts of the actuarial liability for trusts and annuities payable are based on life expectancies, quoted market prices, and the applicable discount rates in effect at the time the agreements were received by the College. The fair value of bonds payable and mortgage note payable approximates $27,230,000 and $29,750,000 at June 30, 2011 and 2010, respectively.

Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Estimates of fair value involve assumptions and estimation methods that are uncertain and, therefore, the estimates could differ from actual results.

Other investments are carried at cost.

The fair values for investments and other financial instruments recorded at fair value on a recurring basis are included in Note 2.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain expenses have been allocated among the programs and supporting services benefited.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status - The Internal Revenue Service has determined that the College is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from state income tax. However, any unrelated business income may be subject to taxation.

The College follows the accounting standards for contingencies in evaluating uncertain tax positions. This guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. No liability has been recognized by the College for uncertain tax positions as of June 30, 2011 and 2010. The College's tax returns are subject to review and examination by federal and state authorities. The tax returns for the current year as well as fiscal years 2008 through 2010 are open to examination by federal and state authorities.

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

Fund-Raising and Advertising Expenses - Fund-raising expenses totaled approximately $2,525,000 and $2,483,000 for the years ended June 30, 2011 and 2010, respectively. Advertising costs are expensed when incurred.

Asset Retirement Obligations - The College recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which it is incurred, if a reasonable estimate of the fair value of the obligation can be made. When the liability is initially recorded, the cost of the retirement obligation is capitalized by increasing the carrying value of the related asset. Over time, the liability is accreted to its present value each year and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the statement of activities. The College reviews its estimates annually and adjusts the recorded liability as needed.

Substantially all of the College's asset retirement obligations relate to estimated costs to remove asbestos from campus facilities. The estimate of the losses that are probable for asbestos removal was calculated using the expected cash flow approach and based on an inventory of the College's long-lived assets combined with an estimate of the current market prices to remove the asbestos. The College utilized a credit-adjusted risk-free rate to discount the asset retirement obligation.

Changes in the accrual for asset retirement obligations during the years ended June 30, 2011 and 2010 are as follows:

	2011	2010
Balance, Beginning of the year	$ 1,742,669	$ 1,693,508
Abatements	(3,198)	(1,205)
Accretion expense	75,505	50,366
Balance, End of the year	$ 1,814,976	$ 1,742,669

NOTE 2 - FAIR VALUE MEASUREMENTS

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

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following table summarizes financial instruments measured at fair value on a recurring basis by classification within the fair value hierarchy as of June 30, 2011:

	Total	Level 1	Level 2	Level 3
ASSETS				
Short-term investments	$ 11,861,344		$ 11,861,344	
Funds held by bond trustee	2,650,689		2,650,689	
Mutual funds				
U.S. equity funds	12,341,906	$ 12,341,906		
Global equity funds	12,547,138	12,547,138		
Bond funds	7,964,608	7,964,608		
Alternative investments				
Global equity funds	2,581,974		2,581,974	
Real assets	4,886,555		4,886,555	
Funds of funds	5,309,508		5,309,508	
Beneficial interest in funds held by others	917,244			$ 917,244
Total	$ 61,060,966	$ 32,853,652	$ 27,290,070	$ 917,244

NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following table summarizes financial instruments measured at fair value on a recurring basis by classification within the fair value hierarchy as of June 30, 2010:

	Total	Level 1	Level 2	Level 3
ASSETS				
Short-term investments	$ 13,199,811		$ 13,199,811	
Funds held by bond trustee	2,626,745		2,626,745	
Mutual funds				
U.S. equity funds	9,475,705	$ 9,475,705		
Global equity funds	6,716,461	6,716,461		
Bond funds	8,238,431	8,238,431		
Alternative investments				
Global equity funds	2,023,741		2,023,741	
Real assets	3,707,149		3,707,149	
Funds of funds	3,430,977		3,430,977	
Beneficial interest in funds held by others	793,411			$ 793,411
Total	$ 50,212,431	$ 24,430,597	$ 24,988,423	$ 793,411

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

Short-term investments - The fair value of short-term investments, consisting primarily of money market funds and the Commonfund intermediate term fund, is classified as Level 2 as these funds are not traded on a regular basis.

Funds held by bond trustee - Funds held by bond trustee, which consists of money market funds and mortgage backed securities, are classified as Level 2 as these funds are not traded on a regular basis.

Mutual funds - Mutual funds (U.S. equity funds, global equity funds and bond funds) are classified as Level 1 as they are traded in an active market for which closing prices are readily available.

Alternative investments - The valuation for alternative investments (global equity funds, real assets and funds of funds) is based on significant unobservable inputs. In cases where the investee has provided its investors with a net asset value per share that has been calculated in accordance with the AICPA Audit and Accounting Guide, *Investment Companies*, the College has estimated its fair value by using the net asset value provided by the investee as of December 31 or March 31, adjusted for cash receipts, cash disbursements, significant known valuation changes in market values of publicly held securities contained in the portfolio and security distributions through June 30.

Beneficial interest in funds held in trust - The College's beneficial interest in irrevocable split interest agreements held or controlled by a third party are classified as Level 3 as the fair values are based on a combination of Level 2 inputs (interest rates and yield curves) and significant unobservable inputs (entity specific estimates of cash flows). The fair values are measured at the present value of the future distributions the College expects to receive over the term of the agreements.

While the College believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents a reconciliation of financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2011:

	Balances June 30, 2010	Net realized and unrealized gains included in change in net assets	Purchases, sales, issuances and settlement, net	Net transfers in (out) of Level 3	Balances June 30, 2011
Assets					
Beneficial interest in funds held by others	$ 793,411	$ 123,833	$	$	$ 917,244

The amount of total gains for the period included in change in net assets attributable to the change in unrealized gains relating to financial instruments still held at June 30, 2011.	$ 123,833

The following table presents a reconciliation of financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2010:

	Balances June 30, 2009	Net realized and unrealized gains included in change in net assets	Purchases, sales, issuances and settlement, net	Net transfers out of Level 3	Balances June 30, 2010
Assets					
Global equity funds	$ 1,269,607	$ 554,134	$ 200,000	$ (2,023,741)	
Real assets	2,975,476	531,673	200,000	(3,707,149)	
Funds of funds	3,075,494	355,483		(3,430,977)	
Beneficial interest in funds held by others	727,925	65,486			$ 793,411
Total	$ 8,048,502	$ 1,506,776	$ 400,000	$ (9,161,867)	$ 793,411

The amount of total gains for the period included in change in net assets attributable to the change in unrealized gains relating to financial instruments still held at June 30, 2010.	$ 65,486

In fiscal 2009, all alternative investments were classified as Level 3. In fiscal, 2010, all investments in alternative investments were transferred to Level 2. These transfers resulted from the reevaluation of the observable inputs used to determine the fair value of the investments in accordance with revised accounting guidance when using Net Asset Values (as described in the following paragraph) for estimating the fair value of alternative investments.

NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)

The fair value of certain funds has been estimated using the Net Asset Value ("NAV") as reported by the management of the fund. The accounting guidance allows for the use of the NAV as a "practical expedient" estimating the fair value of alternative investments. NAV reported by each alternative investment fund is used as a practical expedient to estimate the fair value of the College's interest in the fund. Investments are categorized as Level 2 instruments when the College has the ability to redeem its investment in the entity at the NAV per share in the near term. If the College does not know when it will have the ability to redeem its investment or it does not have the ability to redeem its investment at NAV per share in the near term, the investments are categorized as Level 3 instruments. The College generally considers a redemption period of 90 days or less to be considered near term.

A summary of the significant categories of such investments and their attributes is as follows:

	Fair Value June 30, 2011	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Alternative investments				
Hedge funds				
Global equity funds	$ 2,581,974	None	Monthly	30 days with notice on first day of the month
Real assets	4,886,555	None	Daily	None
Funds of funds	5,309,508	None	Quarterly	45 days with notice at beginning of quarter
Total	$ 12,778,037			

Alternative Investments - Hedge funds - This category includes investments in global equity funds, real assets and funds of funds that invest both long-term and short-term primarily in U.S. common stocks. Management of the hedge funds has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. The fair values of the investments in this category have been estimated using the net asset value per share of the investments.

NOTE 3 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from temporary donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors. These expenses were principally for scholarships, instruction and other departmental support. The assets were reclassified to unrestricted net assets.

NOTE 4 - CONTRIBUTIONS RECEIVABLE

Contributions receivable include the following unconditional promises to give at June 30:

	2011	2010
Temporarily restricted - operations	$ 562,205	$ 996,040
Temporarily restricted - plant projects	3,449,664	3,439,447
Permanently restricted - endowment	637,255	1,394,247
Gross unconditional promises to give	4,649,124	5,829,734
Less: Present value component	(495,857)	(613,059)
Estimated uncollectible contributions receivable	(232,456)	(291,487)
Net unconditional promises to give	$ 3,920,811	$ 4,925,188

At June 30, 2011, gross contributions receivable of $1,330,931 are due in less than one year and $3,318,193 are due in one to five years. Promises due in one to five years were discounted at interest rates ranging from 2.77% to 3.55% at June 30, 2011 and 2010. Promises due in less than one year were not discounted.

Gross contribution receivables totaling $3,232,000 at June 30, 2011 are due from one donor. Amounts due from members of the Board of Trustees were approximately $83,000 and $200,000 as of June 30, 2011 and 2010, respectively. For the years ended June 30, 2011 and 2010, contributions from members of the Board of Trustees were approximately $101,000 and $84,000, respectively.

NOTE 5 - AFFILIATION WITH THE SISTERS OF THE ORDER OF SAINT BENEDICT

The College is an affiliated organization of the Sisters of the Order of Saint Benedict of St. Joseph, Minnesota (the "Order"). 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. At June 30, 2011 and 2010, the College had an amount due from the Order totaling $91,292 and $130,057, respectively, which is included in other receivables.

NOTE 6 - SHORT-TERM INVESTMENTS AND LONG-TERM INVESTMENTS

The College categorizes investments for purposes of a classified balance sheet as short-term investments and long-term investments. Short-term investments consist of investments held for operations, plant renewal and replacement and donor restricted funds for the acquisition of property, plant and equipment or for the support of operations. Long-term investments include endowment assets, gift annuities, funds held for retirement of indebtedness, funds held in trust for the benefit of the College and the cash surrender value of life insurance policies owned by the College.

At June 30, 2011 and 2010, short-term investments of $3,212,405 and $3,093,457, respectively, consisted of the Commonfund intermediate term fund recorded at fair value.

NOTE 6 - SHORT-TERM INVESTMENTS AND LONG-TERM INVESTMENTS (CONTINUED)

Long-term investments include the following assets recorded at fair value at June 30:

	2011	2010
Cash	$ 210,351	$ 3,214,044
Certificate of deposit	570,000	
Funds held by bond trustee		
Money market funds	146,002	93,456
Bonds and notes	2,504,687	2,533,289
Mutual funds		
U.S. equity funds	12,341,906	9,475,705
Global equity funds	12,547,138	6,716,461
Bond funds	7,964,608	8,238,431
Alternative investments		
Global equity funds	2,581,974	2,023,741
Real assets	4,886,555	3,707,149
Funds of funds	5,309,508	3,430,977
Other fixed income securities		
Beneficial interest in funds held by others	917,244	793,411
Future interest in life estate	356,664	347,984
Cash surrender value of life insurance	487,101	467,161
	$ 50,823,738	$ 41,041,809

Investments, in general, are subject to various risks, including credit, interest and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Through College's investment in alternative investments, the College is indirectly involved in investment activities such as foreign currency forward contracts, futures contracts on U.S. Treasuries and other derivative products. Derivatives are used to adjust portfolio risk exposure. While these instruments may contain varying degrees of risk, the College's risk with respect to such transactions is limited to its respective share in each investment pool.

NOTE 7 - CONSTRUCTION IN PROGRESS

At June 30, 2011, the following projects were in progress:

	Costs-to-Date	Estimated Total Costs	Funding Plan
Nursing department renovation	$ 146,950	$ 1,300,000	Gifts
Academic building plan	1,135,899	50,000,000	Gifts
Athletic complex	230,659	20,000,000	Gifts
Utilities assessment	183,765	240,000	Xcel rebate, Repair and Replacement
Residential building	80,144	8,000,000	External debt
Miscellaneous projects	245,513	1,751,200	Gifts, Repair and Replacement
	$ 2,022,930	$ 81,291,200	

NOTE 8 - BONDS AND MORTGAGE NOTE PAYABLE

The College had the following bonds and mortgage note payable outstanding at June 30:

	2011	2010
Minnesota Higher Education Facilities Authority Revenue Bonds Series Five-W	$ 5,985,000	$ 6,315,000
Minnesota Higher Education Facilities Authority Revenue Bonds Series Six-M	4,831,387	5,589,876
Minnesota Higher Education Facilities Authority Revenue Bonds Series Six-V	14,335,000	16,055,000
Mortgage note payable	555,787	
	25,707,174	27,959,876
Less current portion of bonds and mortgage note payable	(2,952,447)	(2,808,490)
Long-term portion of bonds and mortgage note payable	$ 22,754,727	$ 25,151,386

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

During July 2004, the Minnesota Higher Education Facilities Authority issued Revenue Bonds Series Five-W (College of Saint Benedict) on behalf of the College totaling $7,965,000. The bonds are secured by the full faith and credit of the College and certain reserves. Interest at rates ranging from 4.20% to 5.25% is payable semiannually on March 1 and September 1. The bonds mature in annual installments ranging from $345,000 to $375,000 on March 1 through 2014 with payments of $2,650,000 and $2,260,000 due March 1, 2020 and 2024, respectively. The term bonds maturing in years 2020 and 2024 are subject to annual sinking fund payments on March 1 in the years 2015 through 2024 in amounts varying from $390,000 to $610,000.

During October 2006, the Minnesota Higher Education Facilities Authority issued Revenue Bonds Series Six-M (College of Saint Benedict) on behalf of the College totaling $7,345,000. The bonds are secured by the full faith and credit of the College and certain reserves. Interest at 4.493% is payable semiannually on April 1 and October 1. The bonds required interest-only payments of $165,005 through October 1, 2007. Beginning in April 2008, the bonds mature in semi-annual installments including interest of $500,609 through October 1, 2016.

NOTE 8 - BONDS AND MORTGAGE NOTE PAYABLE (CONTINUED)

During May 2008, the Minnesota Higher Education Facilities Authority issued Revenue Bonds Series Six-V (College of Saint Benedict) on behalf of the College totaling $19,430,000. The bonds are secured by the full faith and credit of the College and certain reserves. Interest at rates ranging from 4% to 5% is payable semiannually on March 1 and September 1. The bonds mature in annual principal installments ranging from $1,605,000 to $2,090,000 March 1 through 2018 with a payment of $1,380,000 due March 1, 2023. The term bonds maturing March 1, 2023 are subject to annual sinking fund payments on March 1 in the years 2019 through 2023 in amounts varying from $55,000 to $620,000. The Series Six-V Bonds are subject to various restrictive covenants, which include the requirement that the College meet a revenue/expenditure test and maintain a certain level of unrestricted board designated endowment net assets. The College's ability to incur additional long-term debt may be limited.

In December, 2010, the College entered into a mortgage note payable agreement (Agreement) with Bremer Bank to purchase additional College housing. The Agreement requires monthly payments of $4,175, including interest at 3.8%, through November 2015. A balloon payment in the amount of $419,344 will be due on December 22, 2015. As required per the terms of the Agreement, the College is required to hold a certificate of deposit in the amount of the original principal balance of the mortgage note payable. The College has a certificate of deposit in the amount of $570,000, which is included with long-term investments on the accompanying balance sheets.

The College's bonds and mortgage note payable mature in fiscal years ending June 30 as follows:

2012	$ 2,952,447
2013	3,074,615
2014	3,203,464
2015	3,334,070
2016	3,877,968
Later years	9,264,610
	$ 25,707,174

NOTE 9 - EMPLOYEE BENEFIT PLANS

The College provides medical benefits through a self-insurance plan which is available to all employees of the College for certain medical expenses. Estimates for claims incurred but not reported have been accrued by the College. The College is insured for the first $150,000 per claim with an aggregate stop loss of $3,768,000.

NOTE 10 - ALLOCATION OF EXPENSES

The College allocated the following expenses to program and support functions for the years ended June 30:

	2011	2010
Interest	$ 1,214,132	$ 1,295,063
Tuition remission	1,700,151	1,553,364
Depreciation	4,164,620	4,297,822
Health reserve	351,026	(484,396)
Accretion	75,505	50,366
Amortization	12,939	12,939
Operation and maintenance of plant	2,897,362	2,693,990
	$ 10,415,735	$ 9,419,148

NOTE 11 - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the College to concentrations of credit risk consist principally of cash and cash equivalents, investments, accounts receivable, other receivables and loan receivables. Cash and cash equivalents in excess of federally insured amounts are subject to the usual risks of balances in excess of those limits. The majority of the College's cash and cash equivalents are held by one bank. Investments are generally placed in a variety of managed funds administered by different investment managers in order to limit credit risk. Student notes and receivables and other receivables are due from a variety of sources concentrated primarily in the midwestern United States. In addition, the College's students receive a substantial amount of support from state and federal student financial assistance programs which are subject to audit by governmental agencies. A significant reduction in the level of this support, if this were to occur, could have an adverse effect on the College's programs and activities.

NOTE 12 - DEFERRED GIFT AGREEMENTS

The College has arrangements with donors classified as charitable gift annuities. In general, under these arrangements the College received a gift from a donor in which it has a remainder interest and agrees to pay the donor stipulated amounts over the life of the donor. The arrangement may cover one or more lives. The College invests and administers the related assets and makes distributions to the beneficiaries as required. When the agreement reaches the end of its term, remaining assets are retained by the College as unrestricted, temporarily restricted or permanently restricted net assets, or in some instances, distributed to third-party beneficiaries.

When a gift is received under one of these arrangements, it is split into the amount representing the actuarial present value of future distributions back to the donor and the remaining gift value to be retained for the benefit of the College or third-party beneficiaries. The actuarial liability is adjusted annually using actuarial tables appropriate for the type of arrangement, number of lives covered and age of the donor. The College used interest rates ranging from 4.0% to 8.0% for the years ended June 30, 2011 and 2010 in making the calculations.

The College received approximately $147,000 and $7,000 of gift value relating to deferred gift agreements for the years ended June 30, 2011 and 2010, respectively. Total assets under split interest agreements approximated $1,441,047 and $683,459 at June 30, 2011 and 2010, respectively.

NOTE 13 - ENDOWMENT

The College's endowment consists of 288 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the governing board to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the governing board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law - The Board of Trustees of the College has interpreted the Minnesota enacted version of Uniform Prudent Management of Institutional Funds Act (UPMIFA) as allowing the College to appropriate for expenditure or accumulate so much of an endowment fund as the College determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board of Trustees. See Note 1 for further information on net asset classification.

The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the College in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the endowment fund
2. The purposes of the College and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the College
7. The investment policies of the College

Endowment net asset composition by type of fund consists of the following as of June 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ (175,399)	$ 5,912,249	$ 32,278,019	$ 38,014,869
Board-designated endowment funds	5,363,433			5,363,433
Total endowment net assets	$ 5,188,034	$ 5,912,249	$ 32,278,019	$ 43,378,302

Endowment net asset composition by type of fund consists of the following as of June 30, 2010:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ (1,284,123)	$ 2,058,426	$ 30,243,813	$ 31,018,116
Board-designated endowment funds	4,742,939			4,742,939
Total endowment net assets	$ 3,458,816	$ 2,058,426	$ 30,243,813	$ 35,761,055

NOTE 13 - ENDOWMENT (CONTINUED)

Changes in endowment net assets for the year ended June 30, 2011 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, June 30, 2010	$ 3,458,816	$ 2,058,426	$ 30,243,813	$ 35,761,055
Investment return:				
Investment income, net of fees of $110,863	87,180	364,034		451,214
Net appreciation - realized and unrealized	2,791,767	4,183,845	123,833	7,099,445
Total investment return	2,878,947	4,547,879	123,833	7,550,659
Contributions			1,706,122	1,706,122
Appropriation of endowment assets for expenditure				
Board-designated	(297,689)			(297,689)
Donor restricted	(647,789)	(694,056)		(1,341,845)
Other changes:				
Change in donor restrictions	(204,251)		204,251	-
Endowment net assets, June 30, 2011	$ 5,188,034	$ 5,912,249	$ 32,278,019	$ 43,378,302

Changes in endowment net assets for the year ended June 30, 2010 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, June 30, 2009	$ 1,857,118	$ 1,000,824	$ 28,126,577	$ 30,984,519
Investment return:				
Investment income, net of fees of $88,889	92,034	368,974		461,008
Net appreciation - realized and unrealized	2,635,698	838,369	65,486	3,539,553
Total investment return	2,727,732	1,207,343	65,486	4,000,561
Contributions			2,070,571	2,070,571
Appropriation of endowment assets for expenditure				
Board-designated	(287,622)			(287,622)
Donor restricted	(838,412)	(149,741)		(988,153)
Other changes:				
Change in donor restrictions			(18,821)	(18,821)
Endowment net assets, June 30, 2010	$ 3,458,816	$ 2,058,426	$ 30,243,813	$ 35,761,055

NOTE 13 - ENDOWMENT (CONTINUED)

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the College to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were $175,399 and $1,284,123 as of June 30, 2011 and 2010, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the governing board. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in unrestricted net assets.

Return Objectives and Risk Parameters - The College has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the College must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the governing board, the endowment assets are invested in a manner that is intended to produce results that exceed spending plus inflation while assuming a moderate level of investment risk. The College expects its endowment funds, over time, to provide an average annual real rate of return of approximately 8.6% annually. Actual returns in any year may vary from this amount.

Strategies Employed for Achieving Objectives - To satisfy its long-term rate-of-return objectives, the College relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The College targets a diversified asset allocation that places a greater emphasis on equities to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The College has a policy of appropriating for distribution each year the prior year's distribution plus 3.5%. If that rate falls below 4.5% or exceeds 6.5% of the average market value of the endowment funds measured over a 12 quarter period, the spending will be reset to 5% of the average market value. However, for fiscal year 2010 only, the governing board approved a 3.5% distribution, which was less than the amount allowed under the College's policy. In fiscal 2011, the distribution was 5%. In establishing this policy, the College considered the long-term expected return on its endowment. Accordingly, over the long term, the College expects the current spending policy to allow its endowment to grow at an average of 4.25% to 6.25% annually. This is consistent with the College's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 14 - CREDIT QUALITY OF RECEIVABLES

The College issues uncollateralized loans to students based on financial need. Student loans are funded through Federal government loan programs or institutional resources. Student loans receivable are carried at the amount of unpaid principal less an estimate for doubtful accounts. Allowances for doubtful accounts are established based on prior collection experience and current economic factors which, in management's judgment, could influence the ability of loan recipients to repay the amounts per the loan terms. At June 30, 2011 and 2010, student loans represented 4.31% and 4.70%, respectively, of total assets.

At June 30, 2011 and 2010, student loans consisted of the following:

	2011	2010
Federal government programs	$ 6,842,999	$ 7,098,765
Institutional programs	237	237
	6,843,236	7,099,002
Less allowance for doubtful accounts	(266,000)	(266,000)
Student loans receivable, net	$ 6,577,236	$ 6,833,002

Funds advanced by the Federal government of $5,908,100 and $6,035,297 at June 20 2011 and 2010, respectively, are ultimately refundable to the government and are classified as liabilities in the statement of financial position.

After a student is no longer enrolled in an institution of higher education and after a grace period, interest is charged on student loans receivable and is recognized as it is charged. Student loans receivable through the loan programs are considered to be past due if a payment is not made within 30 days of the payment due date, at which time, late charges are charged and recognized. The Federal Perkins Loan Program receivables may be assigned to the U.S. Department of Education. Students may be granted a deferment, forbearance, or cancellation of their student loan receivable based on eligibility requirements defined by the U.S. Department of Education.

At June 30, 2011 and 2010, the following amounts were past due under student loan programs:

	Amounts Past Due				
June 30	1-240 days	240 days – 2 years	2 – 5 years	5+ years	Total
2011	$ 239,806	$ 117,355	$ 83,586	$ 54,526	$ 495,273
2010	254,515	156,005	41,898	51,064	503,482

NOTE 15 - CONTINGENCIES

In November 2009, the College received a notice from a court appointed receiver requesting that $2,000,000 of prior year contributions made to the College by an individual and certain related charitable trusts be remitted to the receiver. The College is evaluating this request. At this time it is not possible to determine the likelihood that the College will be required to return the contributions if a claim is asserted. Therefore, no provision has been made in the financial statements for potential losses related to this request.

NOTE 16 - SUBSEQUENT EVENTS

The College has evaluated subsequent events through October 13, 2011 which is the date that the financial statements were issued.

Subsequent to June 30, 2011, the College entered into a construction contract for construction of a new residence building. Estimated total costs for the project are expected to be $8,000,000. This project will be funded by bonds which are expected to be issued before construction begins.

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