OFFICIAL STATEMENT DATED JUNE 25, 2015

NEW ISSUE **Moody's Rating: A1**

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 net 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.")

ST · OLAF COLLEGE

$53,745,000
Minnesota Higher Education Facilities Authority
Revenue Bonds, Series Eight-G
(St. Olaf College)
(DTC Book Entry Only)

Dated Date: Date of Delivery of the Bonds **Interest Due: June 1 and December 1, commencing December 1, 2015**

The Bonds are to mature annually on December 1 as follows:

Year	Amount	Rate	Yield	CUSIP 60416H:	Year	Amount	Rate	Yield	CUSIP 60416H:
2016	$2,145,000	3.000%	0.80%	J2 1	2026	$3,395,000	5.000%	3.02%†	K4 5
2017	$2,210,000	4.000%	1.18%	J3 9	2027	$3,565,000	5.000%	3.11%†	K5 2
2018	$2,295,000	5.000%	1.49%	J4 7	2028	$1,980,000	3.250%	3.41%	L3 6
2019	$2,410,000	5.000%	1.70%	J5 4	2028	$1,760,000	5.000%	3.20%†	K6 0
2020	$2,535,000	5.000%	1.97%	J6 2	2029	$3,895,000	5.000%	3.24%†	K7 8
2021	$2,660,000	5.000%	2.23%	J7 0	2030	$1,000,000	3.500%	3.63%	L4 4
2022	$2,790,000	5.000%	2.43%	J8 8	2030	$3,090,000	5.000%	3.29%†	K8 6
2023	$2,930,000	5.000%	2.59%	J9 6	2031	$4,280,000	5.000%	3.33%†	K9 4
2024	$3,080,000	5.000%	2.74%	K2 9	2032	$1,495,000	3.625%	3.78%	L5 1
2025	$3,230,000	5.000%	2.86%	K3 7	2032	$3,000,000	5.000%	3.38%†	L2 8

†Bonds priced to the call date of December 1, 2025.

The Bonds are subject to optional redemption in whole or in part prior to maturity on December 1, 2025 and on any date thereafter at par, 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 the Indenture. See "THE BONDS – Prior Redemption – Extraordinary Optional Redemption." The Bonds will be subject to optional redemption in whole or in part in the event of a Determination of Taxability, as described herein. See "THE BONDS – Determination of Taxability."

The Bonds will be issued as fully registered Bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases may be made in book entry form only, in the principal amount of $5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. See "THE BONDS – Book Entry System" 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 St. Olaf College, a Minnesota non-profit corporation (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 opinion 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 Gray, Plant, Mooty, Mooty & Bennett, P.A., Minneapolis, Minnesota, and for the Underwriter by Oppenheimer Wolff & Donnelly LLP, Minneapolis, Minnesota. The Bonds are expected to be available for delivery to the Underwriter at DTC on or about July 1, 2015.

Piper Jaffray & Co.

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

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

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

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

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

The 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. None of the Authority, the Underwriter, or the College takes any responsibility for the accuracy of such CUSIP numbers.

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

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MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
REVENUE BONDS, SERIES EIGHT-G
(ST. OLAF COLLEGE)

(DTC Book Entry Only)

INTRODUCTORY STATEMENT

This Official Statement provides information concerning the Minnesota Higher Education Facilities Authority (the "Authority"), an agency of the State of Minnesota, and St. Olaf College, a Minnesota non-profit corporation and 501(c)(3) organization and the owner and operator of an institution of higher education located in Northfield, Minnesota (the "College"), in connection with the issuance of the Authority's $53,745,000 Revenue Bonds, Series Eight-G (St. Olaf College) (the "Bonds").

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

The Bonds are also being issued pursuant to the Trust Indenture (the "Indenture") to be dated as of July 1, 2015 between the Authority and Wells Fargo Bank, National Association, Minneapolis, Minnesota, 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") dated as of July 1, 2015 between the College and the Authority relating to the Bonds, the College will covenant as a general obligation of the College to make Loan Repayments in amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due.

The Authority will loan the Bond proceeds to the College, and the College will use the Bond Proceeds to:

1. provide for the refunding on an advance refunding basis of a portion of the outstanding principal of the Authority's Revenue Bonds, Series Six-O (St. Olaf College), which financed the Series 2007 Project, as hereinafter defined (the "Refunded Series Six-O Bonds");
2. provide for the refunding on a current refunding basis of the outstanding principal of the Authority's Variable Rate Demand Revenue Bonds, Series Five-M2 (St. Olaf College) (the "Series Five-M2 Bonds");
3. finance the termination of that certain interest rate swap agreement corresponding to the Series Five-M2 Bonds;
4. finance various construction and renovation projects to the College's residential facilities and classroom buildings on its main campus (the "Project"); and
5. pay certain issuance costs.

The Refunded Series Six-O Bonds and the Series Five-M2 Bonds are referred to collectively herein as the "Prior Bonds."

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 will agree 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 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 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.

EXCEPT AS EXPRESSLY PROVIDED HEREIN, THIS OFFICIAL STATEMENT PROVIDES INFORMATION RELEVANT TO THE BONDS ONLY AS OF THE DATE OF THIS OFFICIAL STATEMENT.

RISK FACTORS

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

Risk of Insufficient Collateral

The Bonds are secured by (a) a pledge by the Authority to the Trustee of amounts payable by the College under the Loan Agreement, and (b) amounts in 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. The Bonds are not secured by a mortgage on or security interest in any real property or personal property.

Obligation of the College

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 Indenture, the Bonds or the other obligations of the College under such documents. Accordingly, for payment of principal of 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 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 receive sufficient unrestricted revenues in excess of expenditures, to invest and maintain sufficient monies in its investments and to obtain sufficient investment earnings therefrom. Such revenues and expenditures are subject to many conditions and factors, some of which may be beyond the control of the 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 academic reputation, location, net tuition rates, and degree offerings. 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 amount of the College's unrestricted net assets available for the payment of debt service on the Bonds.

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 and Fees

The adequacy of the College's unrestricted net assets available for the payment of debt service on the Bonds will depend in part on the amount of future tuition revenue the College receives. Such revenue in turn will depend primarily on the College's ability to charge sufficient rates for tuition and to maintain enrollment levels. Future enrollment levels will depend on the number of students applying to the College and accepting offers of admission. A number of factors, including, without limitation, levels of tuition rates and other fees, competition from other colleges and universities, a change in the number of college age students and changing general economic conditions will influence the number of applicants to the College.

Financial Aid

Approximately 86% of the College's students currently receive need-based scholarships or grants or merit-based scholarships from the College covering some portion of tuition and fees or living expenses. No assurance can be given that College financial aid or other federal or state financial aid will continue to be funded at current levels. Curtailment of such aid may cause a decline in enrollment, which may in turn have an adverse effect on the College's revenues. State financial shortfalls may result in reductions to state aid funding for colleges, including the College. See also Appendix I, "THE COLLEGE – Financial Aid."

Damage, Destruction or other Liability

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 "Maximum Annual Debt Service and Pro Forma Coverage Statement." The pro forma coverage is merely an arithmetical computation as reflected in the applicable table and constitutes no assurance as to the future sufficiency of College revenues to satisfy College operations and debt service requirements, including Loan Repayment obligations.

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.

Derivative Products

The College has entered into an interest rate swap agreement in the past and uses futures and forward contracts to reduce or increase exposure to financial markets. See Note 18 to the College's financial statements, Appendix VII hereto. The College may enter into other interest rate swaps or other similar arrangements in the future. Under certain market conditions, termination of an interest rate swap agreement prior to its expiration may require the College to pay a termination payment to the counterparty to the agreement and such payment could be material to the College. The College will pay a termination payment as part of this financing to terminate the existing swap associated with its Series Five-M2 Bonds.

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.

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

(5) Cybersecurity risks related to breaches of the College's information technology systems or computer viruses and the inadvertent disclosure of confidential student and other information.

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 (the "SEC"), 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 annually, and to provide notices of the occurrence of any of the events enumerated in the Rule to the Municipal Securities Rulemaking Board (the "MSRB"). 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 and the material events to be disclosed.

The Continuing Disclosure Agreement may be amended under certain circumstances as permitted by the Rule. Furthermore, the College has reserved its right to modify the terms of the Continuing Disclosure Agreement if a court of competent jurisdiction or the College determines that such modification is required by the Rule.

The College has never failed to comply 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 may have other remedies in the event of noncompliance). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure, or the information supplied by the College pursuant to the Undertaking, may adversely affect the transferability and liquidity of the Bonds and their market price.

THE BONDS

General

The Bonds will be issued in book entry form. The Bonds will be dated as of the date of delivery and will mature annually on each December 1, commencing December 1, 2016, as set forth on the cover page of this Official Statement. The Bonds are being issued in denominations of $5,000 and integral multiples thereof and shall be fully registered as to principal and interest. Interest on the Bonds will be payable on each June 1 and December 1, commencing December 1, 2015.

Book Entry System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) 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

Optional Redemption

At the College's request, the Authority may elect to prepay on December 1, 2025 and on any day thereafter Bonds due on or after December 1, 2026. Redemption may be in whole or in part. All prepayments shall be at a price of par plus accrued interest.

Extraordinary Optional Redemption

The Bonds will be subject to optional redemption at par and accrued interest in integral multiples of $5,000, as a whole or in part, in certain cases of damage to or destruction or condemnation of the Project Facilities. 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. See "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 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. See Appendix VI, "THE DEPOSITORY TRUST COMPANY."

In the case of Bonds of denominations greater than $5,000, if less than the full principal amount of such Bonds then outstanding is to be called for redemption, then for all purposes in connection with redemption, each $5,000 of principal amount shall be treated as though it were a separate Bond of the denomination of $5,000 bearing the number borne by such fully registered Bond and a subnumber assigned by the Trustee. Interest shall cease to accrue on the portion of the principal amount of such Bond represented by such $5,000 unit or units of principal amount on and after the date fixed for redemption provided that funds sufficient for payment of the redemption price shall have been deposited with the Trustee and available for the redemption of said $5,000 unit or units on the date fixed for redemption and, in such event, such Bond shall not be entitled to the benefit or security of the Indenture or the Loan Agreement to the extent of the portion of its principal amount (and accrued interest to the date fixed for redemption and applicable premium, if any) represented by such $5,000 unit or units of principal amount, nor shall new Bonds be thereafter issued corresponding to said unit or units.

Notice of Redemption

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

Determination of Taxability

If a Determination of Taxability is made that the interest payable on the Bonds is subject to federal income taxes by reason of the application of the provisions of the Internal Revenue Code and regulations thereunder in effect on the date of issuance, the Bonds shall bear additional interest equal to two percent (2.00%) per annum above the basic interest rate from the Date of Taxability effective until the 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 increased interest rate on the Bonds.** See "TAX EXEMPTION" herein and Appendix IV, "DEFINITION OF CERTAIN TERMS."

The College has 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 Plan of Finance

Proceeds of the Bonds will be loaned to the College and will be used to:

1. provide for the refunding on an advance refunding basis a portion of the outstanding principal of the Authority's Revenue Bonds, Series Six-O (St. Olaf College), which financed the Series 2007 Project, as hereinafter defined (the "Refunded Series Six-O Bonds");

2. provide for the refunding on a current refunding basis of the outstanding principal of the Authority's Variable Rate Demand Revenue Bonds, Series Five-M2 (St. Olaf College) (the "Series Five-M2 Bonds");
3. finance the termination of that certain interest rate swap agreement corresponding to the Series Five-M2 Bonds;
4. finance various construction and renovation projects to the College's residential facilities and classroom buildings on its main campus (the "Project"); and
5. pay certain issuance costs.

Refunding the Refunded Series Six-O Bonds

The Series Six-O Bonds are outstanding in the amount of $36,650,000, of which $26,995,000 is allocable to the Refunded Series Six-O Bonds and may be advance refunded. The Series Six-O Bonds have a final maturity date of October 1, 2032 and the Series Six-O Bonds maturing on or after October 1, 2017 are callable in full or in part on any date beginning October 1, 2016 at a price of par plus interest accrued to the redemption date. The Refunded Series Six-O Bonds will be fully defeased from Bond proceeds, a portion of the funds on deposit under the Series Six-O Bonds Indenture, and any necessary contribution from the College on the Issue Date and will be redeemed on October 1, 2016 (the "Series Six-O Redemption Date") at a price of par plus interest to the Series Six-O Redemption Date.

On the Issue Date, a portion of the Bond proceeds will be deposited in the Refunding Account created under the Indenture and immediately transferred to the escrow agent (the "Escrow Agent") for deposit into the escrow account (the "Escrow Account") created under an Escrow Agreement dated as of July 1, 2015. Wells Fargo Bank, National Association, the Trustee for the Bonds, is also the Trustee for the Series Six-O Bonds (the "Series Six-O Bonds Trustee") and will be the Escrow Agent under the Escrow Agreement. The parties to the Escrow Agreement will be the College, the Authority, the Trustee, the Series Six-O Bonds Trustee and the Escrow Agent.

The Escrow Account will be funded with cash and U.S. Treasury securities sufficient, along with earnings thereon, to (i) pay the interest due on the Refunded Series Six-O Bonds through October 1, 2016, (ii) pay the principal of the Refunded Series Six-O Bonds maturing on October 1, 2015 and October 1, 2016, and (iii) redeem at a redemption price equal to par plus accrued interest, on October 1, 2016 the Refunded Series Six-O Bonds maturing on October 1, 2017 and thereafter.

Barthe & Wahrman PA, Certified Public Accountants, will deliver an independent verification report stating that the cash and investments held pursuant to the Escrow Agreement along with interest earned thereon will be sufficient to pay the principal of and interest on the Refunded Series Six-O Bonds as described above through the Series Six-O Redemption Date and to pay the redemption price of the Refunded Series Six-O Bonds on the Series Six-O Redemption Date. The verification report will also confirm the correctness of the mathematical computations supporting Bond Counsel's conclusion that the Bonds are not "arbitrage bonds" as defined in Section 148 of the Code.

The Series Six-O Bonds were issued to provide funds loaned to the College and, together with other funds of the College, were used to: (a) finance a portion of the costs to construct a science building on the College's campus (the "Series 2007 Project"); (b) finance the advance refunding of the outstanding principal of the College's Series Four-R Bonds; (c) fund a debt service reserve account, and (d) pay certain issuance costs.

The Refunded Series Six-O Bonds to be prepaid and refunded, identified by CUSIP, are as follows:

Maturity Date October 1:	Principal	CUSIP: 60416H	Maturity Date October 1:	Principal	CUSIP: 60416H
2015	$ 980,000	JW 5	2020	$1,235,000	KB 9
2016	$1,030,000	JX 3	2022*	$2,665,000	KD 5
2017	$1,075,000	JY 1	2027*	$7,860,000	KJ 2
2018	$1,125,000	JZ 8	2032*	$9,845,000	KK 9
2019	$1,180,000	KA 1			

* *Term Bonds*

Refunding the Series Five-M2 Bonds

The Series Five-M2 Bonds are outstanding in the amount of $8,750,000, have a final maturity date of October 1, 2020 and are callable in full or in part on the first business day of any month at a price of par plus interest accrued to the redemption date. The principal of the Series Five-M2 Bonds will be refunded with Bond proceeds, funds on deposit under the Series Five-M2 Bonds Indenture, and any necessary contribution from the College on the Issue Date and will be redeemed on August 3, 2015 (the "Series Five-M2 Redemption Date") at a price of par plus interest to the Series Five-M2 Redemption Date.

On the Issue Date, a portion of the Bond proceeds will be deposited in the Refunding Account created under the Indenture and immediately transferred to the Redemption Account for the Series Five-M2 Bonds pursuant to the Indenture for the Series Five-M2 Bonds. The College will also deposit with the Series Five-M2 Trustee on the Issue Date from its own funds an amount equal to the maximum interest payable on the Series Five-M2 Bonds to the Series Five-M2 Redemption Date. The maximum interest rate on the Series Five-M2 Bonds is fifteen percent (15%).

On the Business Day prior to August 3, 2015, the Series Five-M2 Trustee will draw on the Series Five-M2 Letter of Credit an amount equal to the outstanding principal of and the accrued interest on the Series Five-M2 Bonds to August 3, 2015. The Series Five-M2 Trustee will then use such funds to redeem on that date the Series Five-M2 Bonds at a redemption price equal to 100% of the principal amount thereof, without premium, plus accrued and unpaid interest thereon. Funds in the Series Five-M2 Redemption Account may be invested pursuant to the Series Five-M2 Indenture and will be used to reimburse the provider of the Series Five-M2 Letter of Credit for such draw. Any balance in the Series Five-M2 Redemption Account following such reimbursement shall be returned to the College.

The Series Five-M2 Bonds were issued to provide funds loaned to the College to finance the current refunding of the College's outstanding City of Northfield, Minnesota College Facility Revenue Bonds, Series 1992, issued by the City of Northfield for the College's benefit, which bonds in turn refinanced bonds issued to finance Ytterboe Hall on the College campus and various campus improvements, including expansion of the College's water system.

The Series Five-M2 Bonds to be prepaid and refunded in the amount of $8,750,000 bear a single maturity of October 1, 2020 and are identified by CUSIP number 604151 7T 1.

In addition, on the Issue Date, a portion of the Bond proceeds equaling the amount of the Termination Payment will be deposited in the Refunding Account created under the Indenture and immediately transferred to the Series Five-M2 Trustee for deposit in the Series Five-M2 Redemption Account. On the Issue Date, the Series Five-M2 Trustee shall pay the Swap Provider the Termination Payment from the Series Five-M2 Redemption Account.

The Project

On the Issue Date, there shall be deposited into the Construction Account Bond proceeds except as otherwise provided in the Indenture for deposit to the Refunding Account and the Bond and Interest Sinking Fund Account. The Project consists of (i) renovation of the College's residence halls, including Kittelsby Hall, Kildahl Hall, Larson Hall and Mohn Hall; (ii) acquisition of residence hall furnishings, fixtures and equipment; (iii) construction of a new connection between the Dittmann Center and the Hall of Music; and (iv) renovation of Holland Hall. The College commenced the Project on January 5, 2015 and expects all elements to be substantially completed by June 30, 2018.

SOURCES AND USES OF FUNDS

Sources of Funds		
Par Amount of the Series Eight-G Bonds		$53,745,000.00
Net premium		7,362,598.60
Transfer from prior debt service reserve		2,235,200.00
Prior debt service reserve earnings		77,015.40
College contribution		151,394.38
Total Sources:		$63,571,208.38
Uses of Funds		
Deposit to Refunding Account:		
Series Six-O Refunding Escrow	$28,676,542.78	
Series Five-M2 Redemption Account – refund bonds	8,868,664.38	
Series Five-M2 Redemption Account – terminate swap	582,730.00	
Total to Refunding Account		$38,127,937.16
Deposit to Construction Account		25,000,000.00
Costs of Issuance, including Underwriter's discount		441,170.63
Deposit to Bond and Interest Sinking Fund Account (rounding)		2,100.59
Total Uses		$63,571,208.38

In the event Bond issuance costs, including Underwriter's discount, exceed 2% of the Bond proceeds, defined as par plus original issue premium, such excess shall be paid by the College from funds other than Bond proceeds.

SOURCE OF PAYMENT FOR THE BONDS AND FINANCIAL COVENANTS

General

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.

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

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 Lien

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

Negative Pledge

As further security for the payments required to be made under the Loan Agreement, the College covenants that except for Permitted Encumbrances, and except as otherwise permitted by the Loan Agreement, the College will not mortgage, grant a lien upon, pledge, grant a security interest in, make an assignment of its interest in or permit the creation of any encumbrance on its real property; provided that the College may mortgage, pledge, assign and grant liens on and security interests in real property so long as the aggregate outstanding principal amount of the debt so secured does not exceed thirty-five percent (35%) of the book value (as determined by generally accepted accounting principles) of the College's Property, Plant and Equipment, as shown on the College's audited financial statements for its most recent audited Fiscal Year, as adjusted to include any increased book value to result from improvements financed by such secured debt.

Financial Covenants

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

The College will also covenant 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. For so long as the Bonds remain outstanding, the College shall incur no Funded Debt with a maturity in excess of two years (except for a refunding or refinancing of Funded Debt outstanding which does not increase the Maximum Annual Debt Service and further excepting that portion of Funded Debt for capital projects for which the College has received written and signed pledges of gifts in an amount at least equal to 80 percent of the estimated costs of such project), unless the average pro forma Debt Service Coverage Ratio for the last two Fiscal Years for which audited financial statements are available was at least 110 percent. In calculating the pro forma Debt Service Coverage Ratio, the following adjustments may be made: (i) if the additional Funded Debt proposed to be incurred is to finance student housing, student dining, student union or other revenue producing facilities, there may be added to the amount of Net Income Available for Debt Service for each Fiscal Year the estimated amount of Net Income Available for Debt Service to be derived from such facility in the first Fiscal Year following the estimated date of completion of such facility as estimated in a report of an Independent Management Consultant to the College and the Trustee; (ii) if the Board of Regents has increased tuition, student fees or other rates or charges at or after the end of such Fiscal Year, there may be added to Net Income Available for Debt Service for each Fiscal Year the amount of such increase net of increased operating expenses, as estimated in a report of an Independent Management Consultant to the College and the Trustee; and (iii) if the additional Funded Debt proposed to be incurred is to finance equipment or facilities that will produce savings in operating costs of the College, there may be added to the amount of Net Income Available for Debt Service for each Fiscal Year the estimated net savings derived from such equipment or facilities, as estimated in a report of an Independent Management Consultant to the College and the Trustee, in the first Fiscal Year following the estimated date of acquisition or construction of such equipment or facilities.

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 expense, and (b) include (as a reduction to the Change in Unrestricted Net Assets for Operating Activities) the cost of current land, building and equipment acquisitions which have been funded through operations and capitalized.

"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 (with adjustments as set forth in (b) above) by Maximum Annual Debt Service to be paid on then Outstanding Funded Debt and the Funded Debt proposed to be incurred.

"Funded Debt" means indebtedness (including a guarantee of indebtedness) for borrowed money having a maturity date of more than one year from the date of incurrence or assumption thereof and which, under generally accepted accounting principles, is shown on the balance sheet as a liability, including such indebtedness whenever payable if renewable at the sole option of the College for a term (including such renewal) of more than one year 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 unless and to the extent the lender thereunder may at its option require repayment at intervals of one year or less and including lease rental obligations with a term of more than one year from the date of incurrence or assumption by the College 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 incurred, the rate of interest shall be an 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 incurred 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 re-lend to a third person), 100 percent of 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 in the computation of debt service, the debt service on the debt proposed to be incurred) of at least 110 percent during the most recent Fiscal Year for which financial statements are available;

(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 commencing on the incurrence thereof and ending on the date when the balloon is payable; as used herein, "balloon" indebtedness means Funded Debt 25 percent 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 from and after the first put date next following the date on which the put indebtedness is incurred as if such put indebtedness bears interest at the Projected Rate as amortized on a level debt service basis of a 25-year period; 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 percent 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 moneys and investments and earnings thereon 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 secured by a mortgage of, security interest in, lien, charge or encumbrance on or pledge of property, real or personal, tangible or intangible, the liability for which is limited to the property financed by or located on or appurtenant to the property financed by such indebtedness, with no recourse to any other property of the College;

(viii) if any part of the Funded Debt outstanding or to be incurred constitutes capital appreciation bonds or notes, the amount of debt service to be taken into account shall be the excess of the accreted value of such bonds or notes in a Fiscal Year over the accreted value in the prior Fiscal Year; "capital appreciation bonds or notes" includes zero coupon bonds and notes and discount bonds or notes issued at less than 95 percent of the par value at maturity, provided that accreted values per year are established at the date of issuance thereof and

(ix) the amount of any reserve fund for any Funded Debt or redemption fund which may be used only to pay, redeem, or purchase such Funded Debt incurred or proposed to be issued may be deducted from debt service for the Fiscal Year or Fiscal Years in which such Funded Debt finally matures and for payment of which the reserve or redemption fund moneys may be used without creating a default.

"Net Income Available for Debt Service" means the Adjusted Increase (Decrease) in Unrestricted Net Assets (plus interest payments on Funded Debt, excluding capitalized interest, if any).

"Projected Rate" means the fixed rate equal to the projected yield at par of an obligation, as set forth in the report of a Rate Setter, which report is acceptable to the Trustee as to form, and shall state that, in determining the Projected Rate, such Rate Setter reviewed the yield evaluations at par of not less than five obligations selected by such Rate Setter, the interest on which is exempt from federal income tax, which obligations such Rate Setter states in its opinion are reasonable comparators to be utilized in developing such Projected Rate and which obligations: (1) were outstanding on a date selected by the Rate Setter, which date so selected occurred during the 45-day period preceding the date of calculation utilizing the Projected Rate in question; (2) to the extent practicable, are obligations of persons engaged in operations similar to those of the College and have a credit rating similar to that of the College; and (3) to the extent practicable, have a remaining term and amortization schedule the same as being assumed for the put indebtedness.

“Rate Setter” means an investment banking firm or other person knowledgeable about the market for comparators required to establish the Projected Rate and nationally recognized as experienced at establishing rates similar to the Projected Rate.

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

“Subordinated Indebtedness” means indebtedness, the payment of principal, premium, if any, and interest on which (“Subordinated Debt Service”) is subordinated to payment of principal, premium, if any, and interest on the Bonds (“Bonds Debt Service”) by a written instrument, a copy of which is filed with the Trustee, containing substantially the following terms of subordination: (A) no payment of Subordinated Debt Service shall be made by the College if an uncured Event of Default exists under the Indenture for the Bonds, and (B) upon (i) acceleration of the indebtedness or the Bonds or (ii) any dissolution, winding up, reorganization, bankruptcy, insolvency or receivership of the College all Bonds Debt Service then due and to become due in the future on the Bonds shall first be paid in full or provided for in accordance with the Indenture for the Bonds before any further payment of Subordinated Debt Service is made by the College or any receiver, trustee in bankruptcy, liquidating trustee or other person on behalf of the College.

For purposes 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 for the Fiscal Year ended May 31, 2014.

In the event of a change in generally accepted accounting principles or financial statement presentation, the College may request modification to the financial compliance or reporting requirements of the Loan Agreement, provided the request is accompanied by a proposed amendment to the Loan Agreement, and by a certificate of an independent certified public accountant to the effect that: (i) generally accepted accounting principles or financial statement presentation standards relevant to the College’s financial covenants or reporting requirements under the Loan Agreement have changed; (ii) modifications to the financial covenants or reporting requirements contained in the proposed amendment to the Loan Agreement proffered with the certificate are reasonably required to allow the College to comply with the financial compliance and reporting requirements of the Loan Agreement following such changes; and (iii) the modifications reflected by the proposed amendment to the Loan Agreement will not materially prejudice the Holders of the Bonds, then the Authority and the College, subject to the consent of the Trustee, shall enter into the proposed amendment to the Loan Agreement, as authorized by the Indenture, and such amendment will be deemed to be a part of the Loan Agreement.

ACCOUNTS

Summary

The Indenture will provide for the creation of certain trust accounts into which the proceeds from the sale of the Bonds and revenues received as Loan Repayments and other amounts payable under the Loan Agreement are to be deposited. These accounts include a Refunding Account, a Construction Account, a Bond and Interest Sinking Fund Account, and a Redemption Account. The net proceeds of original issue and sale of the Bonds are to be deposited into the Refunding Account, the Construction Account, and the Bond and Interest Sinking Fund 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 and the Redemption Account and used, to the extent needed, to redeem or pay the principal of and interest on the Bonds when due.

Refunding Account

On the Issue Date, there shall be deposited into the Refunding Account Bond proceeds in an amount specified in the Indenture, which amount shall not be invested but shall immediately be transferred to the

Series Six-O Trustee and to the Series Five-M2 Trustee for deposit in the Series Six-O Redemption Account and the Series Five-M2 Redemption Account, respectively, as more fully described in "USE OF PROCEEDS – Refunding the Refunded Series Six-O Bonds " and "USE OF PROCEEDS – Refunding the Series Five-M2 Bonds."

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 Refunding Account and the Bond and Interest Sinking Fund Account. The College will agree in the Loan Agreement to provide for payment of all costs of the Project in excess of the proceeds of the Bonds available therefor and to pay out of available general funds all costs of issuance of the Bonds (including underwriting discount) in excess of 2.00% of the proceeds of the Bonds. Upon receipt of proper documentation, the Trustee will reimburse or pay for the account of the College costs incurred in connection with the Project. When work on the Project has been completed and the Project Equipment has been installed and a certificate to that effect has been furnished to the Trustee, any balance in the Construction Account shall be deposited into the Redemption Account or the Bond and Interest Sinking Fund Account under certain conditions.

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 the rounding amount, if any, which is to be used to pay interest on the Bonds. Deposits shall be made to the Bond and Interest Sinking Fund Account from transfers of amounts in other accounts, as permitted by the Indenture, and from Loan Repayments made by the College. Deposits into the Bond and Interest Sinking Fund Account shall be made at least two (2) 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.

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; and second, at the College's request or direction for the redemption of outstanding Bonds or 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, and the Redemption Account shall be invested by the Trustee as directed by the Authorized Institution Representative only in investments as authorized by law from time to time subject to the additional restrictions set forth in Section 5.04 of the Indenture. See Appendix V – "SUMMARY OF DOCUMENTS – the Indenture – Authorized Investments."

FUTURE FINANCING

The College regularly improves and expands its physical plant. The College does not anticipate financing any additional projects with debt within the next twelve 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 205 issues (including refunded and retired issues) totaling over $2.1 billion, of which approximately $855 million is outstanding as of June 1, 2015. 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 municipal advisor and trustee, are paid by the participating institution.

MUNICIPAL ADVISOR

The Authority has retained Springsted Incorporated, Public Sector Advisors, of Saint Paul, Minnesota, as municipal advisor (the "Municipal Advisor") in connection with the issuance of the Bonds. In preparing the Official Statement, the Municipal 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 Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal 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 Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

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 $60,879,182.35 (representing the aggregate principal amount of the Bonds less an underwriter's discount of $228,416.25 and adjusted for net original issue premium of $7,362,598.60).

The Underwriter intends to offer the Bonds to the public initially at the offering price 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.

Piper Jaffray & Co. 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 Piper Jaffray & Co., including the Bonds. Under the Agreement, Piper Jaffray & Co. will share with Pershing LLC a portion of the fee or commission paid to Piper.

Piper Jaffray & Co. has also entered into a distribution agreement ("Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase Bonds from Piper at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

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

RATING

As noted on the cover page hereof, the Moody's Investors Service has assigned a rating of A1 to the Bonds. Any such 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 such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by the rating agency if in its judgment circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

LITIGATION

The Authority and the College are unaware of any pending or threatened litigation which would affect the validity of the Bonds, 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., 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 Gray, Plant, Mooty, Mooty & Bennett, P.A., Minneapolis, Minnesota and for the Underwriter by Oppenheimer Wolff & Donnelly LLP, 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 change of law as in effect on the date of issuance of the Bonds or 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 are 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.

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.

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

Changes in Federal and State Tax Law

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

From time to time there are Presidential proposals, proposals from various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the 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.

Original Issue Premium

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

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

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 Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

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THE COLLEGE

History

St. Olaf College ("St. Olaf" or the "College") is a four-year, co-educational liberal arts college located in Northfield, Minnesota. The College was founded in 1874 and operated as an academy, St. Olaf's School, until 1886, when a college department was added. The name was changed to St. Olaf College in 1889, and the first college class graduated in 1890. The academy was discontinued in 1917. Throughout its history, St. Olaf has been affiliated with the American Lutheran Church, one of the merging churches that became the Evangelical Lutheran Church in America (ELCA) in January of 1988. However, the College is neither under common management with, nor controlled by, the Evangelical Lutheran Church in America.

Accreditation

The College is accredited by the Higher Learning Commission as well as by appropriate professional organizations. The College is also registered with the Minnesota Office of Higher Education in accordance with Minnesota statutes.

Governance

The Board of Regents governs the College. The current Board has 32 members, each of whom serves a six-year term unless otherwise indicated. Current members are as follows:

Regent Name	Occupation and/or Location
Dr. David R. Anderson, ex officio, Board Secretary	President, St. Olaf College, Northfield, Minnesota
Ms. Nancy J. Anderson	Vice President and Deputy General Counsel, Microsoft Corporation, Redmond, Washington
Dr. Kevin P. Bethke	Assistant Professor of Clinical Surgery, Division of Surgical Oncology, Northwestern University Feinberg School of Medicine, Chicago, Illinois
Ms. Kari Bjorhus	Vice President, Global Communications, Ecolab Inc., St. Paul, Minnesota
Mr. Gregory L. Buck	President, Productivity, Inc., Plymouth, Minnesota
Mr. Dean L. Buntrock, Senior Regent	Former CEO, WMX Technologies, Chicago, Illinois
Mr. Leon G. Clark, Jr.	Medical Student, Mayo Medical School, Rochester, Minnesota
Mr. Samuel M. Dotzler	President, Dotzler Law, LLC, Chicago, Illinois
Rev. Elizabeth Eaton, ex officio	Presiding Bishop, Evangelical Lutheran Church in America, Chicago, Illinois
Rev. William O. Gafkjen	Bishop, Indiana-Kentucky Synod, Evangelical Lutheran Church in America (ELCA), Indianapolis, Indiana
Mr. Peter Gotsch	Managing Director, Svoboda Capital Partners, Chicago, Illinois

Regent Name	Occupation and/or Location
Mr. John B. Grotting	Operating Partner, Frazier Healthcare Ventures, Rancho Santa Fe, California
Mr. Eric Hanson	Senior Managing Director, Macquarie Group, New York, New York
Ms. Janet Hanson, Board Treasurer (a Board officer while not a member)	Vice President & Chief Financial Officer, St. Olaf College, Northfield, Minnesota
Mr. David Hill	Chairman, Freedom Financial Bank, West Des Moines, Iowa
Ms. Jody Kleppe Horner	President, Cargill Meat Solutions, Wichita, Kansas
Mr. Ronald E. Hunter	Retired Assistant Vice President, Chief Trademark Counsel, Cargill Inc., Minneapolis, Minnesota
Ms. B. Kristine Olson Johnson, Board Chair	General Partner, Affinity Capital Management, Minneapolis, Minnesota
Mr. Ward Klein	Chief Executive Officer, Energizer Holdings, Saint Louis, Missouri
Mr. Jay Lund	President and CEO, Andersen Corporation, Oak Park Heights, Minnesota
Dr. Martin E. Marty, Senior Regent	Professor Emeritus, University of Chicago Divinity School, Chicago, Illinois
Mr. Timothy Maudlin	Retired Venture Capitalist, Eden Prairie, Minnesota
Mr. Philip Milne	Owner, Rapid Packaging, Champlin, Minnesota
Ms. Gretchen Morgenson	Assistant Business and Financial Editor, The New York Times, New York, New York
Mr. Addison (Tad) Piper, Senior Regent	Retired Chief Executive Officer, Piper Jaffray, Inc., Minneapolis, Minnesota
Rev. Peter Rogness	Retired Bishop, Saint Paul Area Synod, ELCA, Saint Paul, Minnesota
Mr. Jon W. Salveson	Vice Chairman of Investment Banking, Piper Jaffray, Inc., Minneapolis, Minnesota
Mr. Lawrence Stranghoener, Board Vice Chair	Retired Executive Vice President and Chief Financial Officer, Mosaic Company, Plymouth, Minnesota
Mr. Glenn Taylor	Retired President, MEDCO Health Solutions, Inc., Libertyville, Illinois
Mr. Alphonso Tindall	Partner, Squire Patton Boggs (USA) LLP, New York, New York
Mr. O. Jay Tomson, Senior Regent	Chairman & CEO, First Citizens National Bank, Mason City, Iowa
Mr. Jerrol M. Tostrud, Senior Regent	Retired Executive Vice President, West Publishing Company, Eagan, Minnesota

Regent Name	Occupation and/or Location
Ms. Theresa Hull Wise	Senior Vice President and Chief Information Officer, Delta Airlines, Bloomington, Minnesota

Administration

The principal officers and members of the President's Cabinet are as follows:

President. Dr. David R. Anderson became the College's eleventh president on July 2, 2006. From 1999 until joining the College, Dr. Anderson served as provost and professor of English at Denison University. From 1997 to 1999 he served as vice president for academic affairs and dean of the college at Luther College. From 1993 to 1997 he was a professor of English and associate dean of arts and humanities at Florida Atlantic University. From 1981 to 1993 Dr. Anderson's positions at Texas A&M University included director of undergraduate studies in English. From 1978 to 1980 he was an assistant professor of English and tutor in the St. Olaf College Paracollege. Dr. Anderson received his Bachelor of Arts in English and American Studies from St. Olaf College in 1974 and his Ph.D. in English from Boston College in 1978. He also attended the Institute for Educational Management at Harvard University in 2000 and the Center for Dispute Resolution for training in mediation at Capital University in 2005.

Assistant to the President for Institutional Diversity. Bruce King joined St. Olaf College in August 2008. He has worked for more than twenty years in both secondary and higher education, primarily in roles addressing access, equity and inclusion for underrepresented populations. His immediate prior position was Assistant Vice President for Academic Affairs and Chief Diversity Officer at the University of South Dakota. He has also worked at Hope College, Lake Forest College, Carleton College, Wesleyan University, Minnesota State Colleges and Universities System Office, Bloomington School District in Minnesota, and the Northwest Suburban Integration School District in Maple Grove, Minnesota. Mr. King received a Bachelor of Science in Sociology and Social Work from Iowa State University (1985) and a Masters in Social Work (MSW) from the University of Iowa (1987).

Vice President for Student Life. Greg Kneser joined St. Olaf College in 1989. He served as Director of Residence Life and Associate Dean of Students before being named Dean of Students in the fall of 2000. He was appointed as a Vice President in 2007. Dean Kneser received a B.S. from the University of Wisconsin Whitewater in 1983 and a MA from Northeast Missouri State University in 1984.

Vice President for Enrollment and College Relations. Michael Kyle began his tenure as Vice President and Dean of Enrollment in December 2004. He began his career at St. Olaf in July 1986 after receiving his Bachelor of Arts in Political Science from the College in 1985. He served as an admissions counselor, Assistant Director of Admissions and Associate Director of Admissions and Financial Aid at St. Olaf between 1986 and 1996. He was the Director of Alumni Relations and a gift officer at St. Paul Academy and Summit School from 1996 to 1998. He returned to St. Olaf as a Principal Gifts Officer and Director of Corporate Relations, a position he held until November 2004.

Provost and Dean of the College. Dr. Marci Sortor assumed the position of Provost and Dean of the College in 2011. She joined the College faculty as a professor of history in 2011. Prior to joining the College, Dr. Sortor served for 21 years in various capacities in the history faculty at Grinnell College, including as professor of history, associate dean of the college, vice president of institutional planning, and interim vice president for college and alumni relations. Dr. Sortor received her Ph.D. from the University of California-San Diego.

Vice President and Chief Financial Officer. Janet Hanson began her career at St. Olaf in March of 2014. She came to St. Olaf following 14 years as Vice Chancellor for Administration and Finance at the University of Wisconsin-Superior. Prior to joining UW-Superior, Ms. Hanson served as the Vice President for Business and Finance at Marian College in Fond du Lac, Wisconsin, worked as a project manager and management consultant at American Management Systems, and worked in the budget office at the University of Wisconsin-Oshkosh. She is a certified public accountant and received her baccalaureate degree from the University of Wisconsin-Oshkosh and her master's degree from the University of Wisconsin-Madison.

Assistant Vice President for Facilities. Pete Sandberg came to St. Olaf in April of 1988 as director of facilities. He has been in higher education facilities management for over thirty years, serving Buena Vista College and Carleton College prior to St. Olaf. Mr. Sandberg leads the operations and maintenance effort, as well as capital planning, design, and construction. He is a LEED Accredited Professional by the US Green Building Council and a past president of the Midwest Association of Higher Education Facilities Officers. He received his Bachelor of Science in Education from Winona State University in 1973.

Vice President for Advancement. Enoch Blazis was named Vice President for Advancement in 2008. He came to St. Olaf from Williams College where he managed a portfolio of 200 major gift prospects and contributed to the successful completion of the "Williams Campaign" which raised $500 million. He previously worked in the private sector as a management consultant and entrepreneur in New York City and New England. Mr. Blazis earned his undergraduate degree in mathematics at the United States Naval Academy in 1987, upon which he was commissioned to the United Stated Marine Corps. He served as a Marine infantry officer achieving the rank of major before retiring his commission.

The principal staff person assigned to the debt financing being incurred by the College is Mark R. Gelle, Assistant Vice President and Chief Investment Officer. Mr. Gelle served the College for 20 years as the Director of Financial Aid and Director of Student Financial Services. He was named Assistant Treasurer in January of 1998 and earned his current title in August of 2008. He is a 1976 graduate of St. Olaf with a degree in Economics and he earned an MBA degree from the University of St. Thomas in 1982.

Campus Facilities

The College's 350-acre campus is located in the city of Northfield, Minnesota, 40 miles south of the Minneapolis/Saint Paul metropolitan area. The College also owns approximately 650 acres of land that adjoins the campus on the west, southwest and the north. Much of the land is rented to area farmers, although 60 acres are on a 100-year lease with the Northfield Hospital. In addition, several hundred acres have been set aside as natural lands.

The physical facilities include 17 academic and administrative buildings, 29 student residences, and 10 athletic facilities. The College also owns 27 off-campus houses. The residence halls and off-campus houses accommodate approximately 96% of the student body. The total net book value after depreciation of the College plant and equipment, at May 31, 2014 was $225,042,890 and at May 31, 2013 was $223,568,071. The replacement cost of plant and equipment is estimated to be in excess of $600 million.

The College completed major building programs mainly during the 1950s and 1960s, although many of the campus buildings, which were originally constructed in the 1920s and 1930s, have since been improved. The oldest building on the campus is Old Main, which was built in 1878. The Old Main was renovated in 1982 and again in 2012 and is listed on the National Register of Historic Places. The newest building on campus is Regents Hall of Natural Sciences, which opened in 2008. This $60 million, 180,500 square foot structure received LEED Platinum certification. The College's old science building has been fully renovated and is the home for the College's foreign language departments, education department, student services and other administrative offices, including admissions.

Academic Information

The College offers 44 graduation majors, including 10 teaching certifications, 19 concentrations and 20 pre-professional fields with the most popular majors (in order) being: biology, mathematics, chemistry, economics, English, and music.

The College follows the 4-1-4 academic calendar of two, 14-week semesters of four courses each semester, separated by a one month interim term in January. This calendar is augmented by summer sessions during which as many as four courses may be taken.

Marketing

St. Olaf employs a multifaceted approach to promoting the College among key constituencies and an increasingly national audience. Marketing and Communications activities are closely coordinated with Admissions recruitment efforts and College fundraising, working to complement and expand the reach of those endeavors.

Combining traditional direct mail techniques, admissions publications, and web presentations produced in-house with innovative e-communications and digital and social media initiatives, St. Olaf has been able to increase the number of applicants to record highs. For the fall of 2015, the College achieved the largest applicant pool in its history. The percentage of enrolling students coming from outside Minnesota has grown to more than 60 percent, further strengthening the College's reputation as one of the nation's leading liberal arts colleges.

Recent marketing initiatives have focused on establishing and reinforcing St. Olaf's reputation as a truly national liberal arts college of the highest distinction. Visibility campaigns in Northern and Southern California and Chicago utilize public radio underwriting to cultivate awareness among targeted audiences, including prospective parents. In doing so, these campaigns help prepare those markets for additional admissions inroads, now and in the future, supporting the broader goal of expanding the enrollment reach of the College geographically.

St. Olaf further enhances the effectiveness of its marketing and admissions recruitment activities and its efforts at bringing alumni and donors into a closer relationship with the College through regional and international touring of St. Olaf ensembles such as the world-renowned St. Olaf Choir, extensive web streaming of College events, and the annual PBS broadcast of the St. Olaf Christmas Festival. The College's robust streaming and on demand services were seen by 296,000 unique viewers in the past 3 years; the PBS Special *Christmas in Norway with the St. Olaf Choir* was seen by 3.4 million people in 2013.

Student Enrollment

The College's full-time and head count enrollments are reflected in the table below. These figures reflect enrollments for the fall semester for each year. Full-time student enrollment is typically 100 to 120 students lower in the spring semester.

Academic Year	Full-time Students	Head Count Students
2010/11	3,102	3,156
2011/12	3,113	3,179
2012/13	3,128	3,176
2013/14	3,081	3,125
2014/15	2,989	3,034

The objective of the College is to maintain the full-time, fall semester enrollment of 3,000 over the next several years. The student body enrolled in the fall of 2014 consisted of students from 49 states and 73 foreign countries. Fifty-eight percent (58%) of full-time students come from outside Minnesota.

Applications, Acceptances and Enrollment of New First-Year Students

Year	Applicants	Acceptances	Matriculants	Acceptance Rate	Matriculation Rate
2010/11	4,024	2,302	847	57.2	36.8
2011/12	4,181	2,216	739	53.0	33.4
2012/13	3,937	2,377	864	60.4	36.3
2013/14	4,011	2,374	756	59.2	31.8
2014/15	4,875	2,500	765	51.3	30.6
2015/16*	7,566	2,692	775	35.6	28.8

* As of May 13, 2015.

Academic Profile of New First-Year Students

The College admits qualified men and women from varied geographic, cultural, economic, racial, and religious backgrounds. In determining acceptance, the primary considerations are academic achievement, academic aptitude, and personal qualifications.

Academic Year	Median SAT	Median ACT	Median High School Rank
2010/11	1,320	29	87%
2011/12	1,330	29	88%
2012/13	1,270	29	90%
2013/14	1,310	29	90%
2014/15	1,280	29	90%
2015/16*	1,280	29	89%

* As of May 13, 2015

Geographic Distribution of Entering First-Year Students

The following table shows the estimated geographic distribution of entering first-year students for Fall of 2015:

	Fall 2015
Minnesota	303
Illinois	94
Wisconsin	53
Washington	27
California	23
Iowa	22
Colorado	22
Other Countries	62
Other States	169
Total	775

Student Retention

Fall Semester	New 1st Year	Percent of Students Returning 2nd Year	3rd Year	4th Year	Percent of Graduates By 4th Year	By 5th Year
2009	778	93.2	89.6	87.4	83.8	86.9
2010	844	94.2	89.9	88.9	85.2	
2011	739	92.8	88.5	87.7		
2012	864	93.5	88.9			
2013	752	92.7				
2014	765					

Tuition and Fees

The College charges a Comprehensive Fee for each academic year, which includes tuition up to a maximum course load of 4.5 courses per semester, academic fees, room and a full board plan. Certain other fees may be charged for additional services or special courses. The following table lists the Comprehensive Fees charged for the past four academic years and the upcoming academic year.

Year	Tuition	Room and Board	Comprehensive Fee
2011/12	$38,150	$8,800	$46,950
2012/13	$39,560	$9,090	$48,650
2013/14	$40,700	$9,260	$49,960
2014/15	$41,700	$9,500	$51,200
2015/16	$42,940	$9,790	$52,730

The College offers four optional payment plans for students: a standard semester plan, with payments due in August and January; a monthly plan from June through March of 10 equal payments; a quarterly plan of 4 equal payments due on the 15th of the months of June, September, December and March; and a single payment, with a small discount, due August 15.

The following table lists total gross revenue derived from tuition and fees for the fiscal years ended May 31, 2010 through May 31, 2014:

Year	Tuition and Fees
2009/10	$108,878,236
2010/11	$116,443,659
2011/12	$121,987,911
2012/13	$127,714,049
2013/14	$129,338,239

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Comprehensive Charges for 2015-2016 at Minnesota's Private Colleges

College / University	Tuition and Fees	Room and Board	Comprehensive Charges*
Carleton College	$49,263	$12,783	$62,046
Macalester College	$48,887	$10,874	$59,761
St. Olaf College	**$42,940**	**$9,790**	**$52,730**
College of Saint Benedict	$40,846	$10,229	$51,075
Gustavus Adolphus College	$41,812	$9,176	$50,988
Saint John's University	$40,226	$9,604	$49,830
Hamline University	$38,376	$9,736	$48,112
University of St. Thomas	$38,105	$9,420	$47,525
St. Catherine University**	$37,842	$8,750	$46,592
Augsburg College**	$35,465	$9,380	$44,845
Bethel University**	$34,140	$9,770	$43,910
Concordia College (Moorhead)	$35,464	$7,600	$43,064
The College of St. Scholastica**	$33,994	$8,932	$42,926
Minneapolis College of Art and Design	$35,326	$7,240	$42,566
Saint Mary's University of Minnesota**	$31,335	$8,315	$39,650
Bethany Lutheran College	$25,300	$7,770	$33,070
Concordia University, St. Paul**	$20,750	$8,300	$28,870
Average	**$37,063**	**$9,275**	**$46,327**

*These are standard charges for first-time, full time, full-year undergraduate students, including fees assessed on all undergraduates. Some charges may vary depending on room, board and program choices.

**Six colleges have non-traditional programs for which a separate tuition applies.

Source: Minnesota Private College Council

Financial Aid

Approximately 66% of the full-time students enrolled receive need-based scholarships or grants from the College. An additional 20% of the full-time students receive merit-based (non-need-based) scholarships from the College. The following table is a five-year summary of financial aid from College and non-College sources and these figures include both need-based and merit-based financial aid. NOTE: Figures are in thousands.

	2009/10	2010/11	2011/12	2012/13	2013/14
Unrestricted Institutional Scholarships and Grants	$41,029	$47,090	$50,987	$56,546	$57,273
Federal Pell, SEO, & Teach Smart Grants	2,844	3,153	2,476	1,963	2,361
Minnesota State Grants	1,994	1,430	1,483	1,587	1,674
Other Scholarships and Grants	2,157	2,247	2,369	2,333	2,766
Total Scholarships and Grants	$48,024	$53,920	$57,313	$62,429	$64,074
Student Loans	13,270	13,573	14,108	14,070	15,936
Student Work	4,185	4,070	4,009	4,023	4,327
Total Financial Aid	$65,479	$71,563	$75,430	$80,522	$84,337

Faculty and Staff

The College has 226 full-time faculty members devoted primarily to instruction, and 86 part-time primarily instructional faculty members. The College has a total full time equivalent (FTE) of 270 faculty members devoted to instructional activities. The student to teaching faculty ratio is approximately 12 to 1. The chart below shows the total number of College employees, stated in FTE terms, by category:

Category	Number of FTE Employees
Teaching Faculty	270
Administrative	268
Support Staff	186
Total	724

NOTE: The figures above reflect the allocation of some faculty FTE to administrative duties.

No employees are unionized and there are no pending salary negotiations. The College is not aware of any plans for any of its employees to become unionized.

The average salaries for 2014-2015 by faculty rank are:

Rank	Number of Full-Time Faculty	Average Salary
Professor	63	$98,029
Associate Professor	71	$77,272
Assistant Professor	70	$60,569
Instructor	16	$55,496

Retirement Plans

The College has certain defined contribution pension plans for employees. All employees are eligible to participate after meeting certain eligibility requirements. College contributions are based upon a percentage of salaries. The College's contributions to the retirement plans approximated $3,728,000 and $3,706,000 for the years ended May 31, 2014 and 2013, respectively.

The College also provides postretirement health care benefits for current or retired employees and covered dependents, which are recorded on the accrual basis. Two voluntary employee benefit association (VEBA) trusts were established in fiscal year 2006. The Employee After-Tax-Contributions VEBA Trust (funded solely by employee after tax contributions) and the Employer Contribution VEBA Trust (funded solely be employer pre-tax contributions) were established to provide employee welfare benefit plans providing certain insured and/or self-insured health and life benefits for eligible retired employees and their eligible spouses and dependents. The trusts are managed by a trustee, who invests in money market and mutual funds (Level 1 assets). The trusts are exempt from taxation to the extent permitted under section 501(c)(9) and 512 of the Internal Revenue Code of 1986.

Gifts and Grants

Listed below are College data for gifts and grants for the noted five fiscal years. Pledges are recorded as gifts the year in which the pledges are received.

Fiscal Year Ended May 31	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
2010	$ 9,039,805	$7,244,522	$ 3,407,797	$19,692,124
2011	10,485,459	2,581,043	2,185,749	15,252,251
2012	8,795,255	2,854,769	8,239,270	19,889,294
2013	7,376,924	2,773,183	7,828,449	17,978,556
2014	7,067,881	4,407,861	12,947,328	24,423,070

Endowment and Deferred Gift Investments

Endowment investments and deferred gift investments listed below are shown at market value:

Fiscal Year Ended May 31	Endowment Investments	Deferred Gift Investments	Total Investments
2010	$274,804,000	$43,413,000	$318,217,000
2011	$345,248,000	$30,509,000	$375,757,000
2012	$327,205,000	$27,751,000	$354,956,000
2013	$375,684,000	$31,179,000	$406,863,000
2014	$431,246,000	$33,238,000	$464,584,000

The amounts shown in the Endowment Investments column exclude uncollected pledges to the endowment fund. The amounts shown in the Deferred Gift Investments column exclude life insurance policies owned by the College and deferred gifts held in trust by others, both of which are in the deferred gift fund.

As of March 31, 2015, the unaudited market value of the College's endowment investments was $440.5 million and the market value of the deferred gift investments was $32.5 million.

Endowment funds are managed primarily by outside fund managers retained by the College. The College uses an asset allocation model, which as of May 31, 2014 allocated 40.7% of the endowment to equity investments, 16.8% to fixed income investments, with the remaining 42.5% allocated to alternative assets: 17.6% to hedge funds, 12.7% to real assets and 12.2% to private equity. Income earned and appreciation, both realized and unrealized, are measured to calculate a total return. For the following fiscal years ended May 31, the total return on the endowment was:

Year	Return*
2010	12.90%
2011	20.48%
2012	(4.01%)
2013	14.47%
2014	12.88%

*unaudited

The College endowment spending policy is based on a spending rate of 4.7% of a 16-quarter moving average of market values at the end of the previous calendar year. For fiscal year 2014, the effective payout percentage was 4.4%, based on the market value of the endowment of $376 million as of June 1, 2013.

Fundraising

In May of 2011, the Board of Regents approved the Strategic Initiative Match (SIM). This program authorizes the College to match the spendable income of new endowment gifts and pledges of $50,000 or greater. To be eligible for the match, the endowments must support the College's strategic plan. The matching funds are from a pool of $22 million in undesignated, permanently restricted endowment. The Board of Regents expanded the matching pool to include the investment growth of the original $22 million. As of February 28, 2015, $23.0 million has been raised and $6.2 million remains available for matching. The expectation is that the $6.2 million will be fully earmarked to new gifts and pledges by the end of calendar year 2015.

"The St. Olaf Fund", the annual fund program, seeks to raise $4.5 million in contributions to benefit the operating budget in Fiscal Year 2015. Likewise, the Office of Government and Foundation Relations works closely with members of the St. Olaf faculty to secure research grants and other support that approaches another $4 million per year. Planned gifts and endowment gifts outside of the Strategic Match are expected to be in the $4 to $10 million range per year.

Financial Statements

Appendix VII sets forth the financial statements of the College as of and for the fiscal years ended May 31, 2014 and 2013, audited by Baker Tilly Virchow Krause, LLP, Minneapolis, Minnesota, and prepared in accordance with generally accepted accounting principles (GAAP). The firm has not participated in the preparation of this Official Statement and expresses no opinion on its contents.

Statement of Activities (Unrestricted Portion Only) for Fiscal Years 2010 through 2014

The following table sets forth the statement of activities (unrestricted portion only) prepared in accordance with generally accepted accounting principles (GAAP) based on the College's audited financial statements for the fiscal years 2010-2014.

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ST. OLAF COLLEGE
STATEMENT OF UNRESTRICTED ACTIVITIES

	Fiscal Years Ended May 31, 2010	2011	2012	2013	2014
REVENUES, GAINS AND OTHER SUPPORT					
OPERATING REVENUES					
Tuition	$ 104,828,210	$ 112,457,707	$ 117,960,634	$ 123,100,526	$ 125,052,534
Less: Unfunded scholarships and grants	(40,625,098)	(44,552,976)	(47,042,590)	(51,304,267)	(52,253,439)
Funded scholarships and grants	(4,883,498)	(4,674,349)	(5,217,010)	(5,733,350)	(5,987,436)
Net tuition	59,319,614	63,230,382	65,701,034	66,062,909	66,811,659
Other tuition and fees	4,050,026	3,975,952	4,027,277	4,613,523	4,285,705
Government grants	4,658,381	4,166,600	3,809,058	3,195,056	2,920,402
Private gifts and grants	3,992,030	3,834,659	3,642,521	3,500,673	3,564,227
Long-term investment income and gains allocated for operations	4,986,970	4,822,227	4,425,851	4,487,043	4,717,157
Other sources	2,147,383	2,200,507	2,404,193	2,828,931	2,687,659
Investment income	225,508	269,943	269,200	192,328	204,217
Net gains (losses) on investments and capital assets	(209,092)	(31,507)	38,088	221,095	(390,598)
Auxiliary enterprises -- sales and services	26,263,345	27,907,675	28,386,828	28,646,482	29,356,044
Subtotal:	105,434,165	110,376,438	112,704,050	113,748,040	114,156,472
Net assets released from restrictions	10,552,098	9,703,908	10,382,817	11,199,261	12,842,244
Total Operating Revenues, Gains and Other Support	115,986,263	120,080,346	123,086,867	124,947,301	126,998,716
OPERATING EXPENSES					
Program expenses					
Instruction	45,757,758	47,067,075	48,034,434	50,472,550	52,126,002
Research	1,348,816	1,416,895	1,518,183	1,586,681	1,768,565
Public service	483,989	493,615	535,200	502,765	503,343
Academic support	9,955,461	10,474,866	11,231,638	11,425,652	11,628,462
Student services	15,806,541	16,436,611	17,445,627	18,021,781	17,301,012
Auxiliary enterprises	19,347,124	19,912,051	20,263,432	20,555,623	20,543,154
Support expenses					
Institutional support	9,162,598	9,541,913	10,414,879	9,404,250	9,357,951
Fundraising	3,576,520	3,693,093	4,043,878	3,948,887	4,198,902
Total Operating Expenses	105,438,807	109,036,119	113,487,271	115,918,189	117,427,391
Change in Net Assets from Operating Activities	10,547,456	11,044,227	9,599,596	9,029,112	9,571,325
NONOPERATING ACTIVITIES					
Long-term investment activities					
Investment income	949,784	759,376	600,133	1,276,398	1,443,512
Net gains (losses) on investments	13,642,738	23,099,428	(6,153,907)	20,318,247	19,832,337
Total long-term investment income	14,592,522	23,858,804	(5,553,774)	21,594,645	21,275,849
Less: Long-term investment income and gains allocated for operations	(4,986,970)	(4,822,227)	(4,425,851)	(4,487,043)	(4,717,157)
	9,605,552	19,036,577	(9,979,625)	17,107,602	16,558,692
Student loan income net of expenses	(2,417)	(345,130)	4,131	26,112	248,265
Capital giving activities -- gifts and grants	332,398	2,479,552	1,337,250	679,142	582,075
Deferred giving activities -- gifts	41,996	4,648	6,426	2,053	1,177
Interest rate swap gain (loss), net	(367,706)	(336,337)	(460,251)	7,077	(62,820)
Adjustment to actuarial liability for annuities payable	2,395,657	3,403,045	(694,497)	519,540	333,698
Adjustment to prior service cost and actuarial liability for retiree health plan	1,597,441	(130,186)	(447,163)	1,558,552	(56,276)
Loss from adjustment of hail storm insurance receivable estimate	(348,078)		550,589	216,086	
Loss on assets held for sale for Telecom Operations					(752,167)
Change in Net Assets from Nonoperating Activities	13,254,843	24,112,169	(9,683,140)	20,116,164	16,852,644
Change in Net Assets	23,802,299	35,156,396	(83,544)	29,145,276	26,423,969
Net Assets -- Beginning of Year	152,297,554	176,099,853	211,256,249	211,172,705	240,317,981
NET ASSETS -- END OF YEAR	$ 176,099,853	$ 211,256,249	$ 211,172,705	$ 240,317,981	$ 266,741,950

Source: Audited Financial Statements of the College

Long-Term Debt of the College

The College's long-term debt outstanding as of June 1, 2015 is as follows:

1. $13,420,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Five-M2, dated July 10, 2002; interest rates are variable and are reset daily, although the College can elect to change the reset period and can convert the bonds to fixed rates; final maturity is October 1, 2020; $8,750,000 is outstanding. A direct pay Letter of Credit from BMO Harris Bank secures such bonds. **The outstanding balance of the Series Five-M2 Bonds will be refunded on August 3, 2015.**

2. $45,405,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Six-O, dated March 1, 2007; fixed rates range from 4.00% to 5.00%; final maturity is October 1, 2032; $36,650,000 is outstanding. **The Refunded Series Six-O Bonds in the amount of $26,995,000 will be prepaid and refunded with Bond proceeds.**

3. $32,440,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Seven-F, dated August 31, 2010; fixed rates range from 2.5% to 5.00%; final maturity is October 1, 2030; $27,840,000 is outstanding.

As of June 1, 2015, the College's total long-term debt outstanding is $73,240,000. After issuance of the Bonds and refunding of the Refunded Series Six-O Bonds and the Series Five-M2 Bonds, the College's outstanding long-term debt will be $91,240,000.

Maximum Annual Debt Service and Pro Forma Coverage Statement

The following table sets forth the College's maximum annual debt service and compares that amount to Fiscal Year 2014 amounts available for debt service. Debt service is based on actual debt service on the Bonds and debt service on the College's currently outstanding long-term debt (excluding the Series Five-M2 Bonds and the Refunded Series Six-O Bonds). Coverage represents the amount of College revenue that was available for debt service for the year ended May 31, 2014, as further detailed in footnote (b) of the table, divided by maximum annual debt service.

This table is intended merely to show the relationship of historic annual revenues of the College available for the payment of debt service to a pro forma statement of combined annual debt service of the College after giving effect to the issuance of the Bonds and refunding of the Refunded Series Six-O Bonds and the Series Five-M2 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.

Maximum Annual Debt Service
and Pro Forma Coverage Statement

Maximum Annual Debt Service [(a)]	Fiscal Year 2014 Amount Available for Debt Service [(b)]	Estimated Coverage [(c)]
$8,011,838	$18,312,119	2.29

Footnotes to the foregoing table:

(a) Maximum annual debt service is based on actual debt service on the Bonds and the College's outstanding debt. Debt service on the Bonds is based on rates received on the Bonds when priced on June 18, 2015.

The College's outstanding debt is adjusted to exclude the Series Five-M2 Bonds and the Refunded Series Six-O Bonds. The balance of the College's outstanding debt consists of the remaining portion of the Series Six-O Bonds in the amount of $9,655,000 and the College's Series Seven-F Bonds in the amount of $27,840,000.

(b) Fiscal year 2014 net income available for debt service:

Change in unrestricted net assets from operating activities	$ 9,571,325
Plus:	
Depreciation, amortization and accretion	12,208,558
Interest expense on funded debt	3,093,117
Less:	
Current land, building and equipment acquisitions funded through operations and capitalized	(6,560,881)
Fiscal Year 2014 net income available for debt service	$ 18,312,119

(c) The amount available for debt service divided by maximum annual debt service.

PROPOSED FORM OF LEGAL OPINION

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$53,745,000
MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
REVENUE BONDS, SERIES EIGHT-G
(ST. OLAF COLLEGE)

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 Eight-G (St. Olaf College), in the aggregate principal amount of $53,745,000 (the "Bonds"), dated July 1, 2015. The Bonds mature on December 1 in the years 2016 through 2032, 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 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 St. Olaf College (the "College"), a Minnesota nonprofit corporation, located in Northfield, Minnesota, in order to (a) finance the costs of (1) renovation of the College's residence halls, including Kittelsby Hall, Kildahl Hall, Larson Hall and Mohn Hall; (2) acquisition of residence hall furnishings, fixtures and equipment; (3) construction of a new connection between the Dittmann Center and the Hall of Music; and (4) renovation of Holland Hall; and (b) refund (1) the Authority's Variable Rate Demand Revenue Bonds, Series Five-M2 (St. Olaf College), including a swap agreement termination payment, and (2) a portion of the Authority's Revenue Bonds, Series Six-O (St. Olaf College), as further described in the Loan Agreement. 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 July 1, 2015, one or more opinions of Gray, Plant, Mooty, Mooty & Bennett, P.A. and Schmitz, Ophaug, Dowd & Blumhoefer, L.L.P., as counsels 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 Gray, Plant, Mooty, Mooty & Bennett, 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, and we have relied on the opinions of Schmitz, Ophaug, Dowd & Blumhoefer, L.L.P. 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, 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. 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: July 1, 2015

Respectfully submitted,

INFORMATION TO BE PROVIDED AS CONTINUING DISCLOSURE

Annual Reporting

The Annual Report Date will be will be the date that is 180 days after each fiscal year end, commencing with the fiscal year ending May 31, 2015. 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 Enrollment
        - Applications, Acceptances and Enrollment of New First-Year Students
        - Academic Profile of New First-Year Students
        - Geographic Distribution of Entering First-Year Students
        - Student Retention
        - Tuition and Fees
        - Financial Aid
        - Faculty and Staff
        - Retirement Plans
        - Gifts and Grants
        - Endowment and Deferred Gift Investments
        - Fundraising
    b. An update of Calculation of Amount Available for Debt Service.

Material 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;
(v) substitution of credit or liquidity providers, or their failure to perform;
(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security;
(vii) modifications to rights of security holders, if material;
(viii) bond calls, if material, and tender offers;
(ix) defeasances;
(x) release, substitution, or sale of property securing repayment of the securities, if material;
(xi) rating changes;
(xii) bankruptcy, insolvency, receivership or similar event of the College;
(xiii) consummation of a merger, consolidation, or acquisition involving the College or sale of all or substantially all of the assets of the College, 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.

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DEFINITIONS OF CERTAIN TERMS

Following are definitions of certain words and terms as used in the Indenture and Loan Agreement related to the Bonds. Definitions of some of the words and terms below may also appear elsewhere in this Official Statement.

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

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

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

Authority: The Minnesota Higher Education Facilities Authority.

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

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

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

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

Bank: BMO Harris Bank, N.A., formerly known as Harris Trust and Savings Bank, as issuer of the Series Five-M2 Letter of Credit.

Beneficial Owner: With respect to any authorized denomination of a Bond in Book-Entry Form, each person who beneficially owns such Bond in such authorized denomination and on whose behalf, directly or indirectly, such authorized denomination of Bond is held by the Depository pursuant to the Book-Entry System.

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

Bond and Interest Sinking Fund Account: The Bond and Interest Sinking Fund Account established pursuant to the Indenture.

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

Bond Purchase Agreement: The Bond Purchase Agreement among the Authority, the College and the Underwriter relating to the Bonds.

Bond Resolution: The Series Resolution of the Authority adopted on May 20, 2015, authorizing the Bonds, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

Bond Year: With respect to the Bonds, (a) the period from the Issue Date to the close of business on June 1, 2016, and (b) each succeeding 12-month period ending at the close of business on June 1 of each year in which the outstanding Bonds, if paid at their stated maturity dates, will be outstanding.

Bonds: The Minnesota Higher Education Facilities Authority Revenue Bonds, Series Eight-G (St. Olaf College).

Book-Entry Form: All Bonds, if such Bonds are all held (i) in the name of the Depository (or its nominee) with each Stated Maturity evidenced by a single Bond certificate or (ii) with the approval of the College, Authority and Trustee, in any similar manner for which Beneficial Owners do not receive Bond certificates evidencing their beneficial ownership in any of the Bonds.

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

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

Business Day: Any day other than a Saturday, a 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: 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 hereof, each Certificate shall include the statements provided for in said Section 1.02.

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

Construction Account: The Construction Account established under the Indenture into which shall be deposited an amount of Bond proceeds specified in the Indenture to be applied to Project Costs.

Continuing Disclosure Agreement: The Continuing Disclosure Agreement between the Trustee and the College, dated as of July 1, 2015.

Date of Taxability: 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: A default on the part of the Corporation in performance of any covenant or condition of this Loan Agreement which, with notice or passage of time or both, would or has become an Event of Default.

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

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

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

EMMA: The Electronic Municipal Market Access System maintained by the Municipal Securities Rulemaking Board or such successor municipal finance electronic filing system.

Escrow Agent: Wells Fargo Bank, National Association, in its capacity as escrow agent under the Escrow Agreement.

Escrow Agreement: The Escrow Agreement among the Corporation, the Authority and Wells Fargo Bank, National Association, in its capacity as the Escrow Agent, the Series Six-O Trustee and the Trustee, to be dated July 1, 2015.

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

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

Holder, Bondholder or Owner: The person in whose name a Bond shall be registered, except if any Bond is in Book-Entry Form, with respect to any consent or approval of a Holder of Bonds, the terms shall mean the Beneficial Owner.

Indenture: The Trust Indenture between the Authority and Wells Fargo Bank, National Association, as Trustee, to be dated as of July 1, 2015, 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 College 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 College or Institution as an officer, employee or member of the Authority, the College or Institution or Board of Regents of the College.

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

Independent Management Consultant: 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: St. Olaf College, a Minnesota institution of higher education with its main campus located in the City of Northfield, Minnesota owned and operated by the College. The Institution is also referred to as the "College" elsewhere in this Official Statement.

Interest Payment Date: June 1 and December 1 of each year, commencing December 1, 2015, and any other date on which the principal of or interest on the Bonds shall be due and payable.

Interest Rate: With respect to the Bonds, the interest rate per annum specified in Section 2.01 of the Indenture, in the column entitled “Interest Rate” for the Bonds of the respective year of maturity.

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

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

Loan Agreement: The Loan Agreement between the Authority and the College, to be dated as of July 1, 2015, as from time to time amended or supplemented.

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

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

Opinion of Counsel: A written opinion of counsel (who need not be Independent Counsel unless so specified) appointed by the College or Authority and acceptable to the Trustee.

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 College) 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: As of any particular time, (i) liens for ad valorem taxes and special assessments not then delinquent, (ii) utility, access and other easements and rights-of-way, mineral rights, restrictions and exceptions that an Independent engineer certifies will not interfere with or impair the use of or operations being conducted in the Project Facilities, (iii) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Project Facilities (including, with respect to Project Equipment, purchase money security interests and equipment leases), and as do not in the aggregate, in the opinion of independent counsel, materially impair the property affected thereby for the purposes for which it was acquired or is held by the College, (iv) those additional encumbrances set forth in Exhibit C to the Loan Agreement, and (v) liens granted by the college to secure Funded Debt allowed under Section 6.15 of the Loan Agreement.

Prior Bond Documents: The Series Five-M2 Bond Documents and the Series Six-O Bond Documents.

Prior Bonds: Collectively, the Refunded Series Five-M2 Bonds and the Refunded Series Six-O Bonds.

Prior Bonds Indentures: The Series Five-M2 Indenture and the Series Six-O Indenture.

Prior Bonds Loan Agreements: The Series Five-M2 Loan Agreement and the Series Six-O Loan Agreement.

Prior Bonds Project: Means the Series 1988 Project, the Series 1992 Project and the Series 2007 Project (and excluding the Series 1998 Project).

Project: (i) renovation of the College's residence halls, including Kittelsby Hall, Kildahl Hall, Larson Hall and Mohn Hall; (ii) acquisition of residence hall furnishings, fixtures and equipment; (iii) construction of a new connection between the Dittmann Center and the Hall of Music; and (iv) renovation of Holland Hall.

Project Buildings: The facilities described in the Project and acquired, improved or constructed with proceeds of the Bonds, including investment earnings, and any other building constructed or improved or refinanced with the proceeds of the Series Five-M2 Bonds or the Refunded Series Six-O Bonds, including investment earnings.

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

Project Equipment: All fixtures, equipment, and other personal property of a capital nature acquired with proceeds of the Prior Bonds or the Bonds, including investment earnings and, with respect to such personal property acquired with proceeds of the Prior Bonds, generally described in the Prior Bond Documents (excluding the Series 1998 Project) and Exhibit B to the Loan Agreement and described in the Certificate of the Project Supervisor furnished pursuant to the Prior Bond Documents or to be furnished pursuant to the Loan Agreement.

Project Facilities: The Project Site, the Project Buildings and the Project Equipment as the same may at any time exist.

Project Site: Those portions of land or interest in land described on Exhibit A to the Loan Agreement which are owned or leased by the College, and on which any Project Buildings are or will be located or otherwise improved as part of the Prior Bonds Project or the Project.

Project Supervisor: means the Project Supervisor appointed as provided in Section 3.07 of the Loan Agreement and in Section 4.09 of the Indenture.

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

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

Reference Rate: 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.

Refunded Series Five-M2 Bonds: The Series Five-M2 Bonds maturing on October 1, 2020, and outstanding in the principal amount of $8,750,000.

Refunded Series Six-O Bonds: The portion of the Series Six-O Bonds described as the "Amount of Maturity or Mandatory Sinking Fund Redemption of Series Six-O Bonds to be Refunded" on Exhibit F to the Loan Agreement; such portion of the Series Six-O Bonds were allocated to financing the Series 2007 Project and are outstanding in the principal amount of $26,995,000.

Refunding Account: The account established under the Indenture for the deposit of certain Bond proceeds to be used to refund the Prior Bonds.

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.

Series Five-M2 Bond Account: The Bond and Interest Sinking Fund Account created under the Series Five-M2 Indenture.

Series Five-M2 Bond Documents: The Series Five-M2 Loan Agreement and the Series Five-M2 Indenture.

Series Five-M2 Bonds: The Minnesota Higher Education Facilities Authority Variable Rate Demand Revenue Bonds, Series Five-M2 (St. Olaf College), dated July 10, 2002, issued in the original principal amount of $13,420,000, the proceeds of which were loaned by the Authority to the Corporation to refinance the Series 1992 Bonds.

Series Five-M2 Indenture: The Trust Indenture between the Authority and the Series Five-M2 Trustee, dated as of July 1, 2002.

Series Five-M2 Letter of Credit: The Irrevocable Transferable Letter of Credit issued by the Bank in favor of the Series Five-M2 Trustee dated July 10, 2002, as extended, to pay the principal of and interest on the Series Five-M2 Bonds.

Series Five-M2 Loan Agreement: The Loan Agreement between the Authority and the College dated as of July 1, 2002.

Series Five-M2 Redemption Account: The Series Five-M2 (St. Olaf College) Redemption Account created under the Series Five-M2 Indenture.

Series Five-M2 Redemption Date: August 3, 2015.

Series Five-M2 Reimbursement Agreement: The Reimbursement Agreement between the Bank and the College dated as of July 1, 2002, relating to the Series Five-M2 Letter of Credit.

Series Five-M2 Reserve Account: The Series Five-M2 (St. Olaf College) Reserve Account created under the Series Five-M2 Indenture.

Series Five-M2 Trustee: Wells Fargo Bank, National Association, successor by consolidation to Wells Fargo Bank Minnesota, National Association, in its capacity as trustee under the Series Five-M2 Indenture.

Series Four-R Bonds: The Minnesota Higher Education Facilities Authority Revenue Bonds, Series Four-R (St. Olaf College), issued in the original principal amount of $15,000,000, the proceeds of which were loaned by the Authority to the College to finance the Series 1998 Project.

Series 1988 Bonds: The City of Northfield, Minnesota, College Facility Revenue Bonds, Series 1988 (St. Olaf College Project), issued in the original principal amount of $13,400,000, the proceeds of which were loaned to the College to finance the Series 1988 Project.

Series 1988 Project: The financing of Ytterboe Hall (student housing) and related equipment, originally financed by the Series 1988 Bonds.

Series 1992 Bonds: The City of Northfield, Minnesota, College Facility Revenue Bonds, Series 1992 (St. Olaf College Project), issued in the original principal amount of $16,500,000, the proceeds of which were loaned to the College (i) to refinance the Series 1988 Bonds, on an advance refunding basis, and (ii) to finance the Series 1992 Project.

Series 1992 Project: The financing of repairs, renovations and improvements to Rand and Thorson Residence Halls, expansion of the College water system and expansion of the College parking facilities, all originally financed by the Series 1992 Bonds.

Series 1998 Project: (i) the acquisition, construction and equipping of Buntrock Commons, a student union type facility of approximately 175,000 square feet for food service operation, student organization offices and support areas, student governmental offices, the bookstore, a movie theater, a student-programmed entertainment facility, the telecommunications center, a post office facility and conference and banquet facilities; (ii) the acquisition and installation of an electrical generator; (iii) the acquisition and installation of hardware and software for general academic and administrative computing, telecommunications and networking; (iv) the acquisition and installation of hardware and software for financial and human resources/payroll information system; (v) classroom renovations and the acquisition of new classroom furnishings; (vi) the acquisition of residence hall furniture; and (vii) various improvements relating to roadways, parking lots, heating control systems, cooling systems and the campus utility distribution system, each including appurtenant site improvements, all originally financed by the Series Four-R Bonds.

Series Six-O Bond Account: The Bond and Interest Sinking Fund Account created under the Series Six-O Indenture.

Series Six-O Bond Documents: The Series Six-O Loan Agreement and the Series Six-O Indenture.

Series Six-O Bonds: The Minnesota Higher Education Facilities Authority Revenue Bonds, Series Six-O (St. Olaf College), dated March 1, 2007, issued in the original principal amount of $45,405,000, the proceeds of which were loaned by the Authority to the College to advance refund the Series Four-R Bonds and to finance the Series 2007 Project.

Series Six-O Indenture: The Trust Indenture between the Authority and the Series Six-O Trustee, dated as of March 1, 2007.

Series Six-O Loan Agreement: The Loan Agreement between the Authority and the College dated as of March 1, 2007.

Series Six-O Redemption Account: The Series Six-O (St. Olaf College) Redemption Account created under the Series Six-O Indenture.

Series Six-O Redemption Date: October 1, 2016.

Series Six-O Reserve Account: The Series Six-O (St. Olaf College) Reserve Account created under the Series Six-O Indenture.

Series Six-O Trustee: Wells Fargo Bank, National Association, in its capacity as trustee under the Series Six-O Indenture.

Series 2007 Project: Financing the acquisition, construction, improvement and equipping of a new approximately 194,000 square foot Science Building, originally financed by the Series Six-O Bonds.

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

Swap Agreement: The ISDA Master Agreement between the Swap Provider and the College, dated as of March 12, 2002, together with the related schedule to the Master Agreement.

Swap Provider: Bank of America, National Association.

Termination Payment: The amount to be paid with proceeds of the Bonds and funds of the College to the Swap Provider on the Issue Date to terminate the Swap Agreement.

Trust Estate: 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: The trustee at the time serving as such under the Indenture, and initially the Trustee will be Wells Fargo Bank, National Association, Minneapolis, Minnesota.

Underwriter: Piper Jaffray & Co., as original purchaser of the Bonds.

SUMMARY OF DOCUMENTS

THE LOAN AGREEMENT

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

Construction of Project

The College represents that construction, acquisition and installation of the Project will be substantially completed by no later than June 30, 2018, subject only to "force majeure," as provided in the Loan Agreement. The College may apply to the Authority at any time to delete from the Project any building, system or equipment proposed to be acquired, constructed or improved as part of the Project, or to add any building, system or equipment to the Project, or both, and upon approval of the Authority, the description of the Project shall accordingly be amended by a supplement to the Loan Agreement executed by the Authority and the College, a copy of which shall be furnished to the Trustee, provided that no such amendment of the description of the Project shall be approved if the Project, as so amended, will not constitute an authorized "project" under the Act or will adversely affect the tax-exempt status of interest on the Bonds and an Opinion of Counsel who is bond counsel to such effect is furnished. The College agrees that it has previously paid or will itself pay all costs relating to the acquisition, construction, improving and equipping of the Project, including costs of issuance of the Bonds, to the extent such payments and costs exceed the proceeds of the Bonds, including investment earnings in the Construction Account.

Redemption of Prior Bonds

The College represents that it will cause the Series Five-M2 Bonds to be prepaid and redeemed on August 3, 2015, will cause the Termination Payment under the Swap Agreement to be paid on the Issue Date and will cause the principal of and interest due on the Refunded Series Six-O Bonds to be paid through October 1, 2016, and will prepay and redeem the Refunded Series-O Bonds maturing on and after October 1, 2017, on October 1, 2016.

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 two Business Days prior to each June 1 and December 1, commencing December 1, 2015, 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 two Business Days prior to each December 1, commencing on December 1, 2016, 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, 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) [reserved]

(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 designated 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 and the Prior Bonds Project 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 (i) so long as 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 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, 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 judgment are worn out, obsolete or require replacement, are no longer used, or the College, by resolution of the Board of Regents, has determined in its judgment are no longer useful.

Operating Expenses and Liens; Negative Pledge

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, and will not permit to be established or to remain unsatisfied any mechanics' lien for labor or materials furnished in connection with the acquisition and construction of the Project or with any remodeling, additions, modifications, improvements, repairs, renewals or replacements of 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. The College covenants that except for Permitted Encumbrances, and except as otherwise permitted by the Loan Agreement, the College will not mortgage, grant a lien upon, pledge, grant a security interest in, make an assignment of its interest in or permit the creation of any encumbrance on its real property; provided that the College may mortgage, pledge, assign and grant liens on and security interests in real property so long as the aggregate outstanding principal amount of the debt so secured does not exceed 35% of the book value (as determined by generally accepted accounting principles) of the College's Property, Plant and Equipment, as shown on the College's audited financial statements for its most recent audited Fiscal Year, as adjusted to include any increased book value to result from improvements financed by such secured debt.

Taxes and Other Governmental Charges

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

The College may, at its expense, in good faith contest any such taxes, assessments, license fees and other 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 80% of the full insurable replacement value of the Project Facilities, 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 shall 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, if consistent with recommendations of an Independent insurance consultant.

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 30 days before the cancellation or modification of the policy limits below the insurance requirements set forth above becomes effective. The College shall annually provide the Trustee with a certificate of insurance compliance within 30 days of the end of the College's Fiscal Year.

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 (i) all or part of the Project Facilities are damaged or destroyed to such extent that 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 an amount described in the Loan Agreement. The Bonds may be redeemed in part if (i) all or a portion of the Project Facilities have been damaged or destroyed, (ii) the College determines that the Project Facilities or portion thereof, as the case may be, is not needed in its operations and (iii) the College has elected not to restore such Project Facilities or portion thereof, as the case may be. (Also see "THE BONDS – Prior Redemption – Extraordinary Redemption")

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 or value 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 and the Trustee, their respective 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 (but not of the Trustee) 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 or the Trustee in excess of the net proceeds received by the Authority or the Trustee from any insurance carried with respect to the loss sustained.

The College agrees to indemnify and hold harmless the Trustee against any and all losses, liability, damages, costs or expenses that the Trustee may suffer or incur arising out of or in connection with the acceptance or administration of the Indenture or the trusts thereunder or the Loan Agreement, except for losses, liability, damages, costs or expenses arising from the Trustee's negligence or willful misconduct.

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; and (b) the College shall furnish to the Trustee an opinion of bond counsel that such consolidation, merger or transfer shall have no effect upon the tax-exempt nature of the interest on the Bonds under the Internal Revenue Code and regulations thereunder.

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

The College has represented that the sum of the principal amount of the Bonds, plus the respective outstanding aggregate principal amounts of all tax-exempt 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 as prohibited by Minnesota Statutes, Section 363A.13; 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 and the Redemption Account are insufficient to pay when due principal, premium, if any, and interest on the Bonds, or (ii) such failure shall continue for five 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) [Reserved]

(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 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 90 days from the date of the entry thereof; or

(g) If, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction 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 90 days from the date of assumption of such custody or control.

The term “force majeure” as used above includes the following: acts of God; strikes, lockouts or other employee disturbances; acts of public enemies; orders, regulations or laws of any kind of the government of the United States of America or of the State of Minnesota or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions, breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the 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 30 days after notice and if the College has taken all action reasonably possible to remedy such default within such 30-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, fees 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.

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THE INDENTURE

The following constitutes a summary of certain provisions of the Trust Indenture (the "Indenture"). This summary does not purport to be complete and reference is made to the full text of the Indenture for a complete recital of its terms. Certain words and terms used in this summary are defined in "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:

(a) 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;

(b) a first lien on and pledge of (i) the moneys and investments in the Accounts covenanted to be created and maintained under the Indenture; provided, however, the funds deposited in the Refunding Account shall be held for the exclusive benefit of the holders of the Prior Bonds, (ii) the moneys and investments in the Construction Account not paid out for Project Costs, and (iii) all accounts, contract rights, general intangibles, moneys and instruments arising therefrom or relating thereto and all proceeds and products of and accessions to any thereof; and

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

Accounts

Bond proceeds, revenues and other funds derived under the Loan Agreement or Indenture 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 Construction Account, Bond and Interest Sinking Fund Account and the Redemption Account shall be invested by the Trustee as directed by the Authorized Institution Representative only in investments as authorized by law from time to time, subject to the additional restrictions generally described 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 state 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 and other accounts 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 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 60 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 as are necessary for the enforcement of its rights and the rights of the Bondholders and the rights of the Authority under the Loan Agreement.

Upon the happening and continuance of an Event of Default, the Trustee may, and shall upon the written request of the Holders of not less than a majority in aggregate principal amount of 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 $10,000,000 in event of merger, resignation or removal by Holders of a majority in principal amount of outstanding Bonds, or in the event of disability, by the Authority or a court. Provision is also made for removal of the Trustee by Bondholders or the Authority, at the request of the 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 (1) direct obligations of the United States of America in such aggregate face amount, bearing interest at such rates, and maturing on such dates sufficient in the opinion of a verification agent, upon which the Trustee may conclusively rely, or (2) in cash, 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% 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% 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 designated 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.

APPENDIX VI

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 and Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). 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 procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority or the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal, interest, and redemption premium, if any, on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or its agent on 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, Authority, or the Trustee. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The Authority, at the 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.

ST. OLAF COLLEGE

FINANCIAL STATEMENTS
INCLUDING INDEPENDENT AUDITORS' REPORT FOR THE
FISCAL YEARS ENDED MAY 31, 2014 AND 2013

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BAKER TILLY

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INDEPENDENT AUDITORS' REPORT

To the Board of Regents
St. Olaf College
Northfield, Minnesota

We have audited the accompanying financial statements of St. Olaf College (the "College"), which comprise the statements of financial position as of May 31, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Olaf College as of May 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The "Highlights" on page 1, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly Virchow Krause, LLP

Minneapolis, Minnesota
October 29, 2014

ST. OLAF COLLEGE

STATEMENTS OF FINANCIAL POSITION
As of May 31, 2014 and 2013

ASSETS

	2014	2013
Cash and cash equivalents	$ 20,911,409	$ 22,722,083
Receivables		
Accounts, net (Note 4)	1,253,139	1,307,034
Contributions, net (Note 5)	6,521,029	5,140,482
Student loans, net (Note 6)	6,928,514	7,241,424
Investments (Note 7)	467,174,402	409,985,321
Other assets	2,402,967	2,432,812
Deposits held by trustee (Note 7)	5,750,566	5,753,767
Beneficial interest in trusts held by others, held at fair value (Note 7)	1,722,106	1,615,072
Beneficial interest in trusts held by others, held at cost (Note 1)	491,350	491,350
Property, plant and equipment, net (Note 9)	225,042,890	223,568,071
TOTAL ASSETS	$ 738,198,372	$ 680,257,416

LIABILITIES AND NET ASSETS

	2014	2013
LIABILITIES		
Accounts payable	$ 4,676,979	$ 3,847,032
Accrued and other liabilities (Note 10)	14,969,698	15,625,416
Deferred revenue	3,118,600	3,862,819
Annuities payable (Note 17)	14,197,682	13,960,913
Interest rate exchange liability (Notes 7 and 18)	797,084	1,049,188
Long-term debt (Note 14)	77,740,864	80,362,179
U.S. government grants refundable	6,240,551	6,559,715
Deposits held in trust for others	2,848,009	2,708,495
Total Liabilities	124,589,467	127,975,757
NET ASSETS		
Unrestricted (Note 2)	266,741,950	240,317,981
Temporarily restricted (Note 2)	166,523,611	147,934,837
Permanently restricted (Note 2)	180,343,344	164,028,841
Total Net Assets	613,608,905	552,281,659
TOTAL LIABILITIES AND NET ASSETS	$ 738,198,372	$ 680,257,416

See accompanying notes to the financial statements.

ST. OLAF COLLEGE

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Year Ended May 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING REVENUES, GAINS AND OTHER SUPPORT				
Tuition	$ 125,052,534			$ 125,052,534
Less: Unfunded scholarships and grants	(52,253,439)			(52,253,439)
Funded scholarships and grants	(5,987,436)			(5,987,436)
Net tuition	66,811,659			66,811,659
Other tuition and fees	4,285,705			4,285,705
Government grants	2,920,402			2,920,402
Private gifts and grants	3,564,227	$ 4,244,638		7,808,865
Long-term investment income and gains allocated for operations	4,717,157	7,951,722		12,668,879
Other sources	2,687,659	65,568		2,753,227
Investment income	204,217	42,710		246,927
Net losses on investments and capital assets	(390,598)	(1,434)		(392,032)
Capital gifts allocated		1,876,288		1,876,288
Auxiliary enterprises - sales and services	29,356,044			29,356,044
	114,156,472	14,179,492		
Net assets released from restrictions (Notes 1 and 3)	12,842,244	(12,842,244)		
Total Operating Revenues, Gains and Other Support	126,998,716	1,337,248		128,335,964
OPERATING EXPENSES				
Program expenses				
Instruction	52,126,002			52,126,002
Research	1,768,565			1,768,565
Public service	503,343			503,343
Academic support	11,628,462			11,628,462
Student services	17,301,012			17,301,012
Auxiliary enterprises	20,543,154			20,543,154
Support expenses				
Institutional support	9,357,951			9,357,951
Fundraising	4,198,902			4,198,902
Total Operating Expenses (Note 16)	117,427,391			117,427,391
Change in Net Assets from Operating Activities	9,571,325	1,337,248		10,908,573
NONOPERATING ACTIVITIES				
Long-term investment activities				
Investment income	1,443,512	1,891,056	$ 78,699	3,413,267
Net gains on investments	19,832,337	25,126,924	1,060,725	46,019,986
Total long-term investment income	21,275,849	27,017,980	1,139,424	49,433,253
Less: Long-term investment income and gains allocated for operations	(4,717,157)	(7,951,722)		(12,668,879)
	16,558,692	19,066,258	1,139,424	36,764,374
Student loan income net of expenses	248,265		92,585	340,850
Capital giving activities - gifts and grants	582,075	163,223	12,574,322	13,319,620
Deferred giving activities - gifts	1,177		373,006	374,183
Capital gifts allocated to operations		(1,876,288)		(1,876,288)
Interest rate swap loss, net of settlements	(62,820)			(62,820)
Adjustment to actuarial liability for annuities payable	333,698	255,090	1,778,409	2,367,197
Adjustment to prior service cost and actuarial liability for retiree health plan	(56,276)			(56,276)
Loss on assets held for sale for Telecom Operations	(752,167)			(752,167)
	16,852,644	17,608,283	15,957,746	50,418,673
Reclassification of prior year net assets		(356,757)	356,757	
Change in Net Assets from Nonoperating Activities	16,852,644	17,251,526	16,314,503	50,418,673
Change in Net Assets	26,423,969	18,588,774	16,314,503	61,327,246
Net Assets - Beginning of Year	240,317,981	147,934,837	164,028,841	552,281,659
NET ASSETS - END OF YEAR	$ 266,741,950	$ 166,523,611	$ 180,343,344	$ 613,608,905

See accompanying notes to the financial statements.

ST. OLAF COLLEGE

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Year Ended May 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING REVENUES, GAINS AND OTHER SUPPORT				
Tuition	$ 123,100,526			$ 123,100,526
Less: Unfunded scholarships and grants	(51,304,267)			(51,304,267)
Funded scholarships and grants	(5,733,350)			(5,733,350)
Net tuition	66,062,909			66,062,909
Other tuition and fees	4,613,523			4,613,523
Government grants	3,195,056			3,195,056
Private gifts and grants	3,500,673	$ 2,355,876		5,856,549
Long-term investment income and gains allocated for operations	4,487,043	7,604,190		12,091,233
Other sources	2,828,931	55,020		2,883,951
Investment income	192,328	33,911		226,239
Net gains on investments and capital assets	221,095			221,095
Capital gifts allocated		1,779,413		1,779,413
Auxiliary enterprises - sales and services	28,646,482			28,646,482
	113,748,040	11,828,410		
Net assets released from restrictions (Notes 1 and 3)	11,199,261	(11,199,261)		
Total Operating Revenues, Gains and Other Support	124,947,301	629,149		125,576,450
OPERATING EXPENSES				
Program expenses				
Instruction	50,472,550			50,472,550
Research	1,586,681			1,586,681
Public service	502,765			502,765
Academic support	11,425,652			11,425,652
Student services	18,021,781			18,021,781
Auxiliary enterprises	20,555,623			20,555,623
Support expenses				
Institutional support	9,404,250			9,404,250
Fundraising	3,948,887			3,948,887
Total Operating Expenses (Note 16)	115,918,189			115,918,189
Change in Net Assets from Operating Activities	9,029,112	629,149		9,658,261
NONOPERATING ACTIVITIES				
Long-term investment activities				
Investment income	1,276,398	1,741,880	$ 36,571	3,054,849
Net gains on investments	20,318,247	23,735,542	462,488	44,516,277
Total long-term investment income	21,594,645	25,477,422	499,059	47,571,126
Less: Long-term investment income and gains allocated for operations	(4,487,043)	(7,604,190)		(12,091,233)
	17,107,602	17,873,232	499,059	35,479,893
Student loan income net of expenses	26,112		26,315	52,427
Capital giving activities - gifts and grants	679,142	412,306	7,721,658	8,813,106
Deferred giving activities - gifts	2,053	5,001	106,791	113,845
Capital gifts allocated to operations		(1,779,413)		(1,779,413)
Interest rate swap gain, net of settlements	7,077			7,077
Adjustment to actuarial liability for annuities payable	519,540	294,550	2,442,527	3,256,617
Adjustment to prior service cost and actuarial liability for retiree health plan	1,558,552			1,558,552
Gain from adjustment of hail storm insurance receivable estimate	216,086			216,086
Change in Net Assets from Nonoperating Activities	20,116,164	16,805,676	10,796,350	47,718,190
Change in Net Assets	29,145,276	17,434,825	10,796,350	57,376,451
Net Assets - Beginning of Year	211,172,705	130,500,012	153,232,491	494,905,208
NET ASSETS - END OF YEAR	$ 240,317,981	$ 147,934,837	$ 164,028,841	$ 552,281,659

See accompanying notes to the financial statements.

ST. OLAF COLLEGE

STATEMENTS OF CASH FLOWS
For the Years Ended May 31, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 61,327,246	$ 57,376,451
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation, amortization and accretion expense	12,208,558	11,846,702
Net gains on investments	(48,680,600)	(48,995,988)
Change in allowance for uncollectible student loans	(80,000)	(15,000)
Interest rate exchange gain	(252,104)	(300,683)
Loss (gain) on dispositions of property, plant and equipment	1,129,570	(130,167)
Actuarial adjustment of annuities payable	1,437,121	1,859,653
Adjustment to prior service cost and actuarial liability for retiree health plan	56,276	(1,558,552)
Gifts of property, plant and equipment	(247,345)	(281,705)
Change in:		
Accounts receivable	53,895	(104,535)
Contributions receivable for operations	(526,968)	49,524
Other assets	4,100	(396,255)
Funds held in trust by others	(107,034)	(140,511)
Change in:		
Accounts payable	505,886	(670,167)
Accrued and other liabilities	(830,813)	572,775
Deferred revenue	(744,219)	(58,408)
Change in deposits held in trust for others	139,514	250,106
Gifts and grants received for long-term investment and plant, net	(13,693,803)	(8,926,951)
Nonoperating investment income	(3,413,267)	(3,054,849)
Net Cash Flows from Operating Activities	8,286,013	7,321,440
CASH FLOWS USED BY INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(14,208,292)	(14,798,197)
Purchases of investments	(76,554,502)	(77,885,223)
Proceeds from sales of investments	68,046,021	76,207,925
Nonoperating investment income	3,413,267	3,054,849
Disbursements of loans to students	(966,351)	(940,809)
Repayments of loans by students	1,359,261	1,421,631
Net Cash Flows Used by Investing Activities	(18,910,596)	(12,939,824)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal repayments of indebtedness	(2,510,000)	(2,420,000)
Gifts and grants received for long-term investment and plant, net	13,693,803	8,926,951
Change in nonoperating contributions receivable	(853,579)	(586,414)
Change in U.S. government grants refundable, net	(319,164)	2,606
Increase in annuities payable from new gifts	374,183	120,902
Payments to annuitants	(1,574,535)	(1,548,423)
Change in trustee account for refinanced bonds, net	3,201	(58,760)
Net Cash Flows from Financing Activities	8,813,909	4,436,862
Net Change in Cash and Cash Equivalents	(1,810,674)	(1,181,522)
CASH AND CASH EQUIVALENTS - Beginning of Year	22,722,083	23,903,605
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 20,911,409	$ 22,722,083
Supplemental Disclosure:		
Interest paid	$ 3,093,117	$ 3,193,055
Property, plant and equipment acquired through accounts payable	993,533	669,472

See accompanying notes to the financial statements.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Organization - Founded in 1874, St. Olaf College (the "College") is a private, four year, residential, liberal arts college located in Northfield, Minnesota. Affiliated with the Evangelical Lutheran Church in America, the College is coeducational and enrolls approximately 3,000 students. The College confers the degrees of Bachelor of Arts and Bachelor of Music.

Basis of Financial Statements - The accounting policies of the College reflect practices common to universities and colleges and are prepared in accordance with 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:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed restrictions. (See Note 2)

Temporarily Restricted Net Assets - Net assets subject to donor-imposed restrictions that will be met by action of the College and/or the passage of time. (See Note 2)

Permanently Restricted Net Assets - Net assets subject to donor-imposed restrictions that the assets 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. (See Note 2)

Releases from Restrictions - Expirations of temporary restrictions on net assets (i.e., the donor-imposed purpose has been fulfilled and/or the stipulated time period has elapsed) are reported on the statement of activities as net assets released from restrictions. (See Note 3) Occasionally donor restrictions related to net assets may be clarified or changed, at which time they are reflected as a reclassification of prior year net assets on the statement of activities.

Revenue Recognition - The timing and classification of revenue are summarized below:

Tuition and Fees and Auxiliary Revenue - Revenues from tuition and auxiliary enterprises are recognized in the period the goods or services are provided as increases in unrestricted net assets. 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.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contribution Revenue - Contributions are recognized as revenues when the donor's commitments are received, as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions or time. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Gifts of assets other than cash are recorded at their estimated fair value at the date of gift.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the temporarily restricted net asset class, and a release to unrestricted net assets is made to reflect the expiration of such restrictions.

The College reports unrestricted contributions of depreciable assets, or of cash and other assets to be used to acquire them, as temporarily restricted revenue. The restriction on the related temporarily restricted net asset is released over the estimated useful lives of the assets using the College's depreciation policies.

Investment Gains and Losses - Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Income and net gains on investments of endowment and similar funds are reported in the statement of activities as follows:

- as increases in unrestricted net assets for board-designated endowment funds and to restore donor-restricted endowment funds with deficiencies;
- as increases in permanently restricted net assets if the terms of the gift that gave rise to the investment require that they be added to the principal of a permanent endowment fund;
- as increases in temporarily restricted net assets in all other cases.

Losses from investments on donor-restricted endowment funds are reported as decreases in permanently or temporarily restricted net assets to the extent of the prior accumulated earnings of each individual endowment fund, with the remainder reflected as reductions to unrestricted net assets. Losses from investments on board designated endowment funds are reported as decreases 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. Certain cash held by the College is restricted for the Perkins Loan Fund.

Receivables - Accounts and loans receivable are carried at cost, less an allowance for doubtful accounts. (See Notes 4 and 6)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments - Investments in publicly traded securities are stated at quoted market value. Other investments, for which no such quoted market values or valuations are readily available, are carried at fair value as estimated by management using values provided by external investment managers. Changes in fair value are recorded as unrealized gains or losses in the period of change. (See Note 7)

Other Assets - Prepaid expenses, inventories and bond issuance costs are included in other assets. Inventories are valued at the lower of cost or market, with the exception of bookstore inventories, which are valued at a percentage of retail value that approximates cost and is not in excess of market. Costs of bond issuance are deferred and amortized over the term of the bonds. Future amortization is projected to approximate $26,000 annually.

Deposits Held by Trustee - Cash, short-term investments and government securities held by the trustee include amounts restricted for debt service as required by the related trust indentures.

Beneficial Interest in Trusts Held by Others - The beneficial interest in trusts held by others and related contribution revenue are recognized at the date the trusts are established for the present value of estimated future payments to be received. Fair market value is not readily determinable for certain farmland held in trust by others in the deferred gift pool, and as such is held at cost value of $491,350 at both May 31, 2014 and 2013.

Property, Plant and Equipment - Physical plant assets are stated at cost at the date of acquisition or market value if donated, less accumulated depreciation. The College typically depreciates its assets on the straight-line basis over estimated useful lives ranging from 15 to 50 years for buildings and improvements and 5 to 15 years for furnishings, library materials and equipment. The College has developed a schedule of the estimated funding required for significant repairs and maintenance of its facilities based on a forty-year life cycle. Normal repair and maintenance expenses are charged to operations as incurred. Certain property and equipment purchased with government grant funds are subject to certain requirements and limitations. Generally, the College capitalizes physical plant additions and equipment in excess of $5,000. (See Note 9)

Deferred Revenue - Certain revenue related to summer and fall 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.

Annuities Payable - Annuities payable represent the College's liability under annuity contracts with donors and irrevocable charitable remainder trusts for which the College serves as the trustee. Assets held under these agreements are included in investments. (See Note 17)

Interest Rate Exchange Liability - The College uses an interest rate exchange agreement as part of its risk management strategy to manage exposure to fluctuations in interest rates and to manage the overall cost of its debt. The interest rate exchange agreement was not entered into for trading or speculative purposes. All derivatives, including those embedded in other contracts as well as interest rate exchange transactions, are recognized as either assets or liabilities and are measured at fair value. Gains or losses resulting from changes in the fair values of the interest rate exchange transactions are reflected in the statements of activities as an increase or decrease to unrestricted net assets. (See Note 18)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U.S. Government Grants Refundable - 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 on 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 shown as a reduction in the government grants refundable liability on the statement of financial position.

Deposits Held in Trust for Others - The College acts as trustee for funds transferred from various organizations for investment management and administrative purposes. The funds are to be distributed back to these organizations as they request them. The College recognizes the funds as a liability in the accompanying statement of financial position.

Advertising Expenses - Advertising costs are expensed when incurred.

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.

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. The College is also exempt from state income taxes. 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 May 31, 2014 and 2013. The College's tax returns are subject to review and examination by federal and state authorities. The tax returns for fiscal years 2011 and thereafter are open to examination by federal and state authorities.

Reclassifications - Certain amounts appearing in the 2013 financial statements have been reclassified to conform with the 2014 presentation. The reclassifications have no effect on reported amounts of total net assets, change in net assets, or change in cash flows.

NOTE 2 - RESTRICTIONS AND LIMITATIONS ON NET ASSET BALANCES

At May 31, 2014 and 2013, the College's unrestricted net assets were allocated as follows:

	2014	2013
Operations	$ 90,942,562	$ 88,101,068
Endowment funds:		
Donor restricted endowment funds (underwater)	(52,354)	(422,283)
Board designated endowment	171,208,168	148,498,795
Total endowment funds	171,155,814	148,076,512
Deferred gifts	3,638,809	3,384,879
Student loan programs - matching federal government	1,004,765	755,522
	$ 266,741,950	$ 240,317,981

Temporarily restricted net assets consist of the following at May 31, 2014 and 2013:

	2014	2013
Gifts and other unexpended revenues and gains available for:		
Scholarships, instruction and other support	$ 7,084,551	$ 6,110,183
Unamortized plant gifts	53,255,042	55,071,873
Acquisition of buildings and equipment	1,202,496	562,240
	61,542,089	61,744,296
Endowment funds:		
Endowment funds temporarily restricted by donor	12,128,927	11,933,124
Earnings not yet appropriated for spending	91,035,714	72,619,025
Total endowment funds	103,164,641	84,552,149
Deferred gifts	1,816,881	1,638,392
	$ 166,523,611	$ 147,934,837

Permanently restricted net assets consist of the following at May 31, 2014 and 2013:

	2014	2013
Endowment funds	$ 161,614,669	$ 146,872,527
Deferred gifts	16,249,912	14,785,484
Student loan funds	2,478,763	2,370,830
	$ 180,343,344	$ 164,028,841

Total net assets consist of the following at May 31, 2014 and 2013:

	2014	2013
Operations	$ 152,484,651	$ 149,845,364
Endowment funds (Note 8)	435,935,124	379,501,188
Deferred gifts (Note 17)	21,705,602	19,808,755
Student loan funds	3,483,528	3,126,352
	$ 613,608,905	$ 552,281,659

NOTE 3 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released to unrestricted operating net assets from temporary donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors as follows for the years ended May 31, 2014 and 2013:

	2014	2013
Amortization of contributions expended for long-lived assets	$ 1,876,288	$ 1,779,413
Scholarships, instruction and other departmental support	10,965,956	9,419,848
	$ 12,842,244	$ 11,199,261

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable, and the related allowance for doubtful accounts, was as follows at May 31, 2014 and 2013:

	2014			2013		
	Receivable	Allowance	Net	Receivable	Allowance	Net
Student accounts	$ 386,470	$ 160,000	$ 226,470	$ 311,796	$ 160,000	$ 151,796
Other accounts	1,615,549	588,880	1,026,669	1,677,538	522,300	1,155,238
Total accounts receivable	$ 2,002,019	$ 748,880	$ 1,253,139	$ 1,989,334	$ 682,300	$ 1,307,034

An allowance for doubtful accounts is recorded annually based on historical experience and management's evaluation of receivables at the end of each year. Bad debts are written-off when deemed uncollectible. Receivables are generally unsecured.

NOTE 5 - CONTRIBUTIONS RECEIVABLE

Contributions receivable include the following unconditional promises to give at May 31, 2014 and 2013:

	2014	2013
Unconditional promises expected to be collected in:		
Less than one year	$ 3,912,027	$ 3,305,909
One to five years	4,679,585	3,741,185
Over five years	15,025	10,712
Gross unconditional promises to give	8,606,637	7,057,806
Less: Unamortized discount	(103,795)	(86,173)
Allowance for uncollectible promises	(1,981,813)	(1,831,151)
	$ 6,521,029	$ 5,140,482

Contributions receivable due within one year are not discounted. Contributions receivable expected to be collected in more than one year have been discounted using historic rates, ranging from 1.00% to 1.50%. As of May 31, 2014, net contributions receivable consisted of $108,696 for plant projects, $5,374,760 for endowments, and $1,037,573 for operations. As of May 31, 2013, net contributions receivable consisted of $133,235 for plant projects, $4,496,642 for endowments, and $510,605 for operations.

NOTE 6 - CREDIT QUALITY OF STUDENT LOANS RECEIVABLE

The College issues uncollateralized loans to students based on financial need. Loans to students are funded through Federal government loan programs or institutional resources. 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. Interest income on student loan receivables is recognized when received, and fees and costs are recognized when incurred. Government student loan program receivables (Perkins) that become uncollectible can be assigned to the federal government. At May 31, 2014 and 2013, student loans receivable represented 0.94% and 1.06% of total assets, respectively.

At May 31, 2014 and 2013 student loans receivable consisted of the following:

	2014	2013
Federal government programs	$ 6,347,154	$ 6,589,338
Institutional programs	1,243,160	1,393,886
	7,590,314	7,983,224
Less allowance for doubtful accounts:		
Beginning of year	(741,800)	(756,800)
Decreases (increases) to allowance	6,031	(4,380)
Write-off recoveries	(27)	
Write-offs	73,996	19,380
End of year	(661,800)	(741,800)
Student loans receivable, net	$ 6,928,514	$ 7,241,424

Funds advanced by the Federal government of $6,435,283 and $6,724,785 at May 31, 2014 and 2013, respectively, are ultimately refundable to the government and are classified as liabilities in the statement of financial position. These amounts are partially offset by related receivables from the Federal government.

At May 31, 2014 and 2013, the past due and current amounts under student loan programs were as follows:

	2014	2013
Past due student loans receivable:		
0-240 days past due	$ 275,273	$ 323,716
240 days - 2 years past due	113,394	116,801
2-5 years past due	207,201	212,196
5+ years past due	255,481	345,480
Total past due	851,349	998,193
Current student loans receivable	6,738,965	6,985,031
Total student loans receivable, gross	$ 7,590,314	$ 7,983,224

NOTE 7 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

Financial Instruments - The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and deposits held in trust for others approximate fair value because of the short term nature of these financial instruments.

The fair value of contributions receivable (pledges) is based on discounted cash flow methodology using discount rates consistent with the expected maturities of the pledges, adjusted for consideration of the donor's credit. The fair value of contributions receivable approximates carrying value and would be considered Level 3 in the fair value hierarchy.

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 fair value of long-term debt is estimated using quoted prices for similar instruments and discounted cash flow analyses using current borrowing rates for similar types of borrowing arrangements, adjusted for the College's credit risk. The estimated fair value of long-term debt approximates $82,200,000 and $83,300,000 at May 31, 2014 and 2013, respectively. The valuation for the estimated fair value of long-term debt would be considered Level 2 on the fair value hierarchy.

The fair value of annuities payable related to split interest agreements is based on a discounted cash flow methodology using assumptions about estimated return on invested assets during the term of the agreement, the contractual payment obligations of the agreement, discount rates that are commensurate with the risks involved, and life expectancies published in the mortality tables. The fair value of the annuities payable approximates carrying value. The fair value for annuities payable related to gift annuities and annuity trusts would be considered Level 2 in the fair value hierarchy. The fair value of annuities payable related to unitrusts would be considered Level 3 in the fair value hierarchy.

Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift.

Fair Value Hierarchy - Fair value is defined in the accounting 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 are 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.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following three categories.

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.

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 market-corroborated inputs.

Level 3 - Inputs are unobservable for the asset or liability. Unobservable inputs reflect the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk) using the best information available in the circumstances, which may include using the reporting entity's own data.

NOTE 7 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Valuation Techniques and Inputs

Level 1 - Level 1 assets include:

> Investments in cash and short-term investments (consisting primarily of money market funds), mutual funds, stocks, bonds, and deposits held by trustee for which quoted prices are readily available.

Level 2 - Level 2 assets include:

> Investments in treasury inflation-protected securities for which quoted prices are not readily available. The fair values are estimated using Level 2 inputs based on multiple sources of information, which may include market data and/or quoted market prices from either markets that are not active or are for the same or similar assets in active markets.

> Investments in certain hedge funds, global equity funds and global bond funds for which quoted prices are not readily available. The College has the ability to redeem its interest in these investments at or near the statement of financial position date. The College has estimated the fair value of these funds by using the net asset value ("NAV") provided by the investee as of December 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 May 31.

Level 2 liabilities include:

> Interest rate exchange liability for which a quoted price is not readily available. The fair value is estimated using an income approach by calculating the present value of the estimated future cash flows and credit valuation adjustments which are based on observable inputs to a valuation model (interest rates, credit spreads, etc.).

Level 3 - Level 3 assets include:

> Investments in certain hedge funds, private equity funds, real estate funds, and commodity funds for which quoted prices are not readily available and the funds cannot be redeemed within a short time period. The College has estimated the fair value of these funds by using the net asset value ("NAV") 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 May 31.

> Investments in real estate for which fair value is based on inputs such as cost, appraisals, and the county assessed value.

> Other investments which represent ownership interests in insurance contracts. The fair value has been estimated based on information provided by the insurance companies.

> Beneficial interest in trusts held by others for which quoted prices are not readily available. The fair values are estimated using an income approach by calculating the present value of the future distributions expected to be received based on a combination of Level 2 inputs (interest rates and yield curves) and significant unobservable inputs (entity specific estimates of cash flows).

NOTE 7 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

There have been no changes in the techniques and inputs used as of May 31, 2014 and 2013.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. The schedules within this note are not intended to indicate the volatility of the investments.

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.

The following tables present information about the College's assets and liabilities measured at fair value on a recurring basis as of May 31, 2014 based upon the three-tier hierarchy:

	Total	Level 1	Level 2	Level 3
ASSETS				
Investments				
Cash and short-term investments	$ 1,482,534	$ 1,482,534		
Marketable securities				
Mutual funds				
Fixed income - domestic	39,337,138	39,337,138		
Fixed income - international	1,333,452	1,333,452		
Fixed income - global	8,588,350	8,588,350		
Equity funds - domestic	53,909,780	53,909,780		
Equity funds - international	59,297,430	59,297,430		
Real asset funds	21,031,958	21,031,958		
Stocks	195,725	195,725		
Bonds	826,800	826,800		
Alternative investments				
Hedge funds	84,443,637		$ 45,690,978	$ 38,752,659
Private equity funds	63,962,912			63,962,912
Global equity funds	61,427,885		61,427,885	
Global bond funds	22,477,852		22,477,852	
Real estate funds	19,086,649			19,086,649
Commodity funds	17,469,000			17,469,000
Treasury inflation-protected securities (TIPS)	8,334,293		8,334,293	
Real estate	2,176,761			2,176,761
Other investments	1,792,246			1,792,246
Total Investments	467,174,402	186,003,167	137,931,008	143,240,227
Deposits held by trustee	5,750,566	5,750,566		
Beneficial interest in trusts held by others	1,722,106			1,722,106
Total	$ 474,647,074	$ 191,753,733	$ 137,931,008	$ 144,962,333
LIABILITIES				
Interest rate exchange liability	$ 797,084	$ -	$ 797,084	$ -

NOTE 7 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables present information about the College's assets and liabilities measured at fair value on a recurring basis as of May 31, 2013 based upon the three-tier hierarchy:

	Total	Level 1	Level 2	Level 3
ASSETS				
Investments				
Cash and short-term investments	$ 1,220,546	$ 1,220,546		
Marketable securities				
Mutual funds				
Fixed income - domestic	36,625,144	36,625,144		
Fixed income - international	1,047,045	1,047,045		
Fixed income - global	7,612,858	7,612,858		
Equity funds - domestic	46,750,455	46,750,455		
Equity funds - international	63,012,637	63,012,637		
Real asset funds	21,400,086	21,400,086		
Stocks	133,461	133,461		
Bonds	1,071,871	1,071,871		
Alternative investments				
Hedge funds	83,039,192		$ 37,308,214	$ 45,730,978
Private equity funds	51,487,178			51,487,178
Global equity funds	43,622,610		43,622,610	
Global bond funds	13,690,764		13,690,764	
Real estate funds	14,150,512			14,150,512
Commodity funds	12,578,632			12,578,632
Treasury inflation-protected securities (TIPS)	9,209,930		9,209,930	
Real estate	1,598,461			1,598,461
Other investments	1,733,939			1,733,939
Total Investments	409,985,321	178,874,103	103,831,518	127,279,700
Deposits held by trustee	5,753,767	5,753,767		
Beneficial interest in trusts held by others	1,615,072			1,615,072
Total	$ 417,354,160	$ 184,627,870	$ 103,831,518	$ 128,894,772
LIABILITIES				
Interest rate exchange liability	$ 1,049,188	$ -	$ 1,049,188	$ -

NOTE 7 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents a reconciliation of the statement of financial position amounts for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended May 31, 2014:

	Balances May 31, 2013	Net realized and unrealized gains	Purchases	Sales	Net transfers in (out) of Level 3	Balances May 31, 2014
Assets						
Alternative Investments						
Hedge funds	$ 45,730,978	$ 1,962,062		$ (4,079,558)	$ (4,860,823)	$ 38,752,659
Private equity funds	51,487,178	14,048,080	$ 6,043,405	(7,615,751)		63,962,912
Real estate funds	14,150,512	1,478,033	8,127,500	(4,669,396)		19,086,649
Commodity funds	12,578,632	462,617	5,718,669	(1,290,918)		17,469,000
Real estate	1,598,461	48,300	530,000			2,176,761
Other investments	1,733,939	58,307				1,792,246
Beneficial interest in trusts held by others	1,615,072	133,752		(26,718)		1,722,106
Total	$ 128,894,772	$ 18,191,151	$ 20,419,574	$ (17,682,341)	$ (4,860,823)	$ 144,962,333

Transfers out includes an investment which has been reclassified to Level 2 as the College has the ability to redeem the investment at NAV in the near term. The transfer amount is based on the fair value as of the date of the event or change in circumstances that caused the transfer.

The amount of total gains for the period included in change in net assets attributable to the change in unrealized gains or losses relating to assets measured at fair value still held at May 31, 2014.	$ 11,682,776

The following table presents a reconciliation of the statement of financial position amounts for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended May 31, 2013:

	Balances May 31, 2012	Net realized and unrealized gains (losses)	Purchases	Sales	Net transfers in (out) of Level 3	Balances May 31, 2013
Assets						
Alternative Investments						
Hedge funds	$ 43,316,704	$ 6,307,753	$ 5,035,301	$ (1,251,290)	$ (7,677,490)	$ 45,730,978
Private equity funds	50,213,032	4,896,579	4,633,408	(8,255,841)		51,487,178
Real estate funds	12,017,671	1,040,678	2,101,586	(1,009,423)		14,150,512
Commodity funds	10,904,262	(48,999)	4,670,593	(2,947,224)		12,578,632
Real estate	1,660,463	118,798		(180,800)		1,598,461
Other investments	2,138,839	67,172	7,057	(479,129)		1,733,939
Beneficial interest in trusts held by others	1,474,561	165,956		(25,445)		1,615,072
Total	$ 121,725,532	$ 12,547,937	$ 16,447,945	$ (14,149,152)	$ (7,677,490)	$ 128,894,772

Transfers out includes an investment which has been reclassified to Level 2 as the College has the ability to redeem the investment at NAV in the near term. The transfer amount is based on the fair value as of the date of the event or change in circumstances that caused the transfer.

The amount of total gains for the period included in change in net assets attributable to the change in unrealized gains or losses relating to assets measured at fair value still held at May 31, 2013.	$ 7,112,874

NOTE 7 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The College uses the NAV as a practical expedient to determine fair value of all underlying investments which (a) do not have a readily determinable fair value; and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

The following table lists the alternative investments in which NAV was utilized as the practical expedient for estimating fair value by major category as of May 31, 2014:

Investment Type	Unfunded Commitments	Fair Value	Redemption Frequency	Redemption Notice Period	Estimated Remaining Life
Alternative Investments					
Hedge funds (a)	$ -	$ 84,443,637	Monthly to annual	30-180 days	N/A (a)
Private equity funds (b)	24,302,625	63,962,912	Not redeemable	N/A	1-15 years
Global equity funds (c)	-	61,427,885	10-45 days	10-45 days	N/A
Global bond bonds (d)	-	22,477,852	Daily	10 days	N/A
Real estate funds (e)	8,593,870	19,086,649	Quarterly, none	45-60 days	3-15 years
Commodity funds (f)	18,520,163	17,469,000	Not redeemable	N/A	6-15 years

(a) Comprised of various hedge funds which primarily focus on absolute return, security selection, and hedging. A portion of the investments in this category cannot be redeemed currently because the investments include restrictions that do not allow for redemption in the first 12 to 36 months after acquisition.

(b) Comprised of various private equity funds with a broad range of investment objectives which include diversified fund of funds focused on venture, buyout, and special situations, as well as smaller direct funds that have more specific niche strategies. These investments are generally not redeemable. Instead, distributions are received through the liquidation of the underlying assets of the fund.

(c) Comprised of three limited partnership investments both holding long-only domestic and international equities.

(d) Comprised of two limited partnership investments at the statement of financial position date; the funds invest in international long-only fixed income securities.

(e) Includes funds having diversified investment objectives ranging from fund of funds that focus on domestic commercial properties to direct open-ended real estate investment trusts (REITs). The REITs have quarterly liquidity with 45 or 60 days notice. The other investments cannot be redeemed, but distributions from each fund will be received as the underlying investments in the funds are liquidated.

(f) Includes fund of funds investments that focus on natural resources and/or energy.

NOTE 8 - ENDOWMENT

The College's endowment consists of approximately 1,600 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Regents to function as endowments. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Regents as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law - The College's Board of Regents has interpreted the Minnesota enacted version of the 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. The College's Board of Regents has determined it is prudent to preserve the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The College classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of a donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the College through the Board of Regent's approval of the annual budget, which is inclusive of the spending rate for its endowment funds established pursuant to the College's spending policy. See Note 1 for further information on net asset classifications.

Endowment net asset composition by type of fund consists of the following as of May 31, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ (52,354)	$ 103,164,641	$ 161,614,669	$ 264,726,956
Board-designated endowment funds	171,208,168			171,208,168
Total endowment net assets	$ 171,155,814	$ 103,164,641	$ 161,614,669	$ 435,935,124

Endowment net asset composition by type of fund consists of the following as of May 31, 2013:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ (422,283)	$ 84,552,149	$ 146,872,527	$ 231,002,393
Board-designated endowment funds	148,498,795			148,498,795
Total endowment net assets	$ 148,076,512	$ 84,552,149	$ 146,872,527	$ 379,501,188

NOTE 8 - ENDOWMENT (CONTINUED)

Changes in endowment net assets for the year ended May 31, 2014 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, May 31, 2013	$ 148,076,512	$ 84,552,149	$ 146,872,527	$ 379,501,188
Total investment return	21,275,849	27,017,980	1,139,424	49,433,253
Contributions	581,976	500	12,574,322	13,156,798
Appropriation of endowment assets for:				
Operating expenditures	(4,717,157)	(7,951,722)		(12,668,879)
Non-operating expenditures	(42,310)		(15,348)	(57,658)
Other changes:				
Transfers	5,900,000	(454,266)	356,757	5,802,491
Matured deferred gifts	80,944		686,987	767,931
Endowment net assets, May 31, 2014	$ 171,155,814	$ 103,164,641	$ 161,614,669	$ 435,935,124

Changes in endowment net assets for the year ended May 31, 2013 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, May 31, 2012	$ 124,449,852	$ 66,141,791	$ 138,394,239	$ 328,985,882
Total investment return	21,591,411	25,477,422	499,059	47,567,892
Contributions	679,142	797	7,721,658	8,401,597
Appropriation of endowment assets for:				
Operating expenditures	(4,487,043)	(7,604,190)		(12,091,233)
Non-operating expenditures	(42,864)		(15,529)	(58,393)
Other changes:				
Transfers	5,645,050	536,329	(38,050)	6,143,329
Matured deferred gifts	240,964		311,150	552,114
Endowment net assets, May 31, 2013	$ 148,076,512	$ 84,552,149	$ 146,872,527	$ 379,501,188

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original value of the gifts contributed to each endowment fund. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were $52,354 and $422,283 as of May 31, 2014 and 2013, 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 Board of Regents. 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.

NOTE 8 - ENDOWMENT (CONTINUED)

Return Objectives and Risk Parameters - The College has adopted investment and spending policies for endowment assets that strive to provide a source of income for spending that is reasonably stable and predictable from year-to-year, while seeking to preserve capital, maintain the purchasing power of the endowment assets, and prudently earn the highest possible rate of return consistent with the College's ability to accommodate risk. Endowment assets include those assets of donor-restricted funds that the College must hold indefinitely or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Regents, the endowment assets are invested in a manner that is intended to produce results that outperform the appropriate benchmark for each asset class and to outperform a simple benchmark of the broad market mix represented by a 70 percent S&P 500 and 30 percent Barclays Aggregate allocation. The College expects its endowment funds, over time, to provide an average real total return of 6 percent, net of fees. Actual returns in any given 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 including asset classes such as public equities, fixed income and alternative assets in order to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The Board of Regents designates only a portion of the College's cumulative investment return for support of current operations; the remainder is retained to support operations of future years and to offset potential market declines. In developing its spending policy, the College considers certain of the following factors which it determines relevant:

1. The duration and preservation of the 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.

The Board has adopted a policy to appropriate for distribution during each fiscal year an amount per endowment unit calculated at a rate of 4.7% of the average endowment market value per endowment unit from the preceding 16 quarters established as of the end of the calendar year prior to the beginning of the fiscal year.

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

At May 31, 2014 and 2013, property, plant and equipment consisted of the following:

	2014	2013
Land	$ 1,232,890	$ 1,232,890
Improvements other than buildings	18,440,803	17,096,974
Buildings	272,070,651	265,766,696
Equipment	48,759,496	50,309,676
Library materials	19,332,611	20,168,907
Art collection	1,463,107	1,414,388
Construction in progress	2,497,006	3,225,080
	363,796,564	359,214,611
Less: Accumulated depreciation	(139,153,674)	(135,646,540)
	224,642,890	223,568,071
Telecom assets held for sale	400,000	
	$ 225,042,890	$ 223,568,071

The majority of the costs of construction in progress as of May 31, 2014 were for the renovation of Kildahl Hall, totaling approximately $1,079,000; campus electrical infrastructure improvements, totaling approximately $587,000; and the Skoglund gym floor, totaling approximately $405,000. These projects are expected to be completed during fiscal 2015 and are being funded primarily by operations.

NOTE 10 - ACCRUED AND OTHER LIABILITIES

At May 31, 2014 and 2013, accrued and other liabilities consisted of the following:

	2014	2013
Payroll	$ 9,247,423	$ 9,212,398
Self-insurance reserve (Note 11)	327,000	407,000
Post-retirement benefit obligations (Note 12)	2,548,163	2,562,592
Interest	497,786	514,573
Asset retirement obligations (Note 13)	2,283,953	2,376,379
Other	65,373	552,474
	$ 14,969,698	$ 15,625,416

NOTE 11 - SELF-INSURANCE

The College provides medical benefits through a self-insurance plan, which is available to all employees of the College who meet the eligibility requirements for certain medical expenses. Accrued and other liabilities include an incurred but not reported reserve of approximately $327,000 and $407,000 at May 31, 2014 and 2013, respectively, an estimate of amounts due and payable on existing claims for which the College is self-insured and which are expected to be settled currently. The College is self-insured for the first $200,000 per claim with an aggregate stop loss of approximately $7,534,000. As of May 31, 2014 and 2013, the College had unrestricted net assets of $986,010 and $810,602, respectively, designated for health insurance benefits, which consists of the cumulative amount that employee and college contributions towards health premiums have exceeded expenses over the life of the plan.

NOTE 12 - RETIREMENT PLANS AND POSTRETIREMENT BENEFIT PLAN

The College has certain defined contribution pension plans for employees. All employees are eligible to participate after meeting certain eligibility requirements. College contributions are based upon a percentage of salaries. The College's contributions to the retirement plans approximated $3,728,000 and $3,706,000 for the years ended May 31, 2014 and 2013, respectively.

The College also provides postretirement health care benefits for current or retired employees and covered dependents, which are recorded on the accrual basis. Two voluntary employee benefit association (VEBA) trusts were established in fiscal year 2006. The Employee After-Tax-Contributions VEBA Trust (funded solely by employee after tax contributions) and the Employer Contribution VEBA Trust (funded solely by employer pre-tax contributions) were established to provide employee welfare benefit plans providing certain insured and/or self-insured health and life benefits for eligible retired employees and their eligible spouses and dependents. The trusts are managed by a trustee, who invests in money market and mutual funds (Level 1 assets). The trusts are exempt from taxation to the extent permitted under section 501(c)(9) and 512 of the Internal Revenue Code of 1986.

The following tables set forth the postretirement health care benefit plan's status with amounts reported in the College's financial statements at May 31, 2014 and 2013:

	2014	2013
Change in benefit obligation		
Benefit obligation at beginning of year	$ 8,661,555	$ 9,103,938
Service cost	104,081	100,031
Interest cost	294,350	294,655
Plan participants' VEBA contributions	16,096	26,172
Employer VEBA contributions	895,765	622,941
Actuarial loss/(gain)	709,647	(974,454)
Benefits paid	(689,901)	(511,728)
Benefit obligation at end of year	$ 9,991,593	$ 8,661,555
Change in plan assets		
Fair value of plan assets at beginning of year	$ 6,098,963	$ 5,036,003
Actual return on plan assets	1,109,567	919,705
Employer contributions	908,705	628,811
Plan participants' contributions	16,096	26,172
Benefits paid	(689,901)	(511,728)
Fair value of plan assets at end of year	$ 7,443,430	$ 6,098,963
Funded status		
Funded status at end of year	$ (2,548,163)	$ (2,562,592)
Amounts recognized in the statement of financial position consist of:		
Current liabilities	$ (265,000)	$ (271,000)
Noncurrent liabilities	(2,283,163)	(2,291,592)
Net amount recognized (Note 10)	$ (2,548,163)	$ (2,562,592)

NOTE 12 - RETIREMENT PLANS AND POSTRETIREMENT BENEFIT PLAN (CONTINUED)

	2014	2013
Amounts recognized in change in net assets consist of:		
Prior service cost	$ (587,342)	$ (738,590)
Loss	110,490	205,462
Accumulated change in net assets	$ (476,852)	$ (533,128)
Weighted-average assumptions used to determine benefit obligations at May 31		
Discount rate	3.40%	3.45%
Expected return on plan assets	5.00%	5.00%
Rate of compensation increase	0.00%	0.00%
Components of net periodic benefit cost		
Service cost	$ 104,081	$ 100,031
Interest cost	294,350	294,655
Expected return on plan assets	(304,948)	(251,800)
Amortization of prior service cost	(151,248)	(151,248)
Amortization of net loss		67,441
Net periodic postretirement benefit cost	$ (57,765)	$ 59,079
Changes in net assets		
Net gain	$ (94,972)	$ (1,642,359)
Amortization of prior service cost	151,248	151,248
Amortization of net gain		(67,441)
Total amount recognized in change in net assets	$ 56,276	$ (1,558,552)
Total amount recognized in net periodic benefit cost and change in net assets	$ (1,489)	$ (1,499,473)
Weighted-average assumptions used to determine net periodic benefit cost as of June 1		
Discount rate	3.45%	3.30%
Expected return on plan assets	5.00%	5.00%
Rate of compensation increase	0.00%	0.00%
Assumed health care cost trend rates at May 31		
Health care cost trend rate assumed for next year	6.44% - Post 65 6.44% - Pre 65	7.14% - Post 65 7.14% - Pre 65
Rate to which the cost trend rate is assumed to decline (the ultimate trend)	4.50%	4.50%
Year that the rate reaches the ultimate rate	2030	2030

NOTE 12 - RETIREMENT PLANS AND POSTRETIREMENT BENEFIT PLAN (CONTINUED)

During the year ending May 31, 2015, the College expects to contribute approximately $265,000 in benefit payments for the postretirement medical plan, which includes the liability for post-65 retiree VEBA and the present value of the projected future liability for the pre-65 retiree health plan. The College also expects to contribute approximately $706,000 to the VEBA for current employees during the year ending May 31, 2015.

The following estimated benefit payments for the postretirement medical plan, which reflect expected future service, as appropriate, are expected to be paid during the years ending May 31:

2015	$ 265,000
2016	261,000
2017	248,000
2018	211,000
2019	209,000
2020 - 2024	875,000

It is reasonably possible that changes in these estimates could occur in the near term and that actual results could differ from these estimates and could have a material impact on the financial statements.

NOTE 13 - ASSET RETIREMENT OBLIGATIONS

The College owns certain buildings that contain encapsulated asbestos material and as such records a liability for the reasonably estimated fair value of the conditional asset retirement obligation.

The following shows the activity in the College's asset retirement obligation liability at May 31, 2014 and 2013:

	2014	2013
Balance at beginning of the year	$ 2,376,379	$ 2,443,581
Abatement costs	(227,635)	(324,605)
Accretion expense	118,819	122,179
Adjustments to estimates	16,390	135,224
Balance at end of the year (Note 10)	$ 2,283,953	$ 2,376,379

NOTE 14 - LONG-TERM DEBT

Long-term debt at May 31, 2014 and 2013 consisted of the following:

	Interest	Principal Payment	Year of Maturity	Outstanding Balance 2014	Outstanding Balance 2013
Minnesota Higher Education Facility Authority (MHEFA)					
Variable rate demand revenue bonds, Series Five-M2, issued to refinance Series 1992 bonds	Variable (daily reset) rate 0.061% average 0.09% at 5/31/14	None required until maturity	2021	$ 8,750,000	$ 8,750,000
Revenue bonds, Series Six-O, issued to finance new construction and advance refunding	Bonds bear rates from 4.00% to 5.00%	Annual payments range from $1,410,000 to $2,605,000	2033	38,060,000	39,410,000
Revenue bonds, Series Seven-F, issued to refinance variable debt	Bonds bear rates from 1.30% to 5.00%	Annual payments range from $1,210,000 to $2,345,000	2031	29,050,000	30,210,000
Principal outstanding on bonds				75,860,000	78,370,000
Premium on Series Six-O Revenue Bonds				575,013	606,377
Premium on Series Seven-F Revenue Bonds				1,305,851	1,385,802
Total Long-Term Debt				$ 77,740,864	$ 80,362,179

MHEFA Variable Rate Demand Revenue Bonds, Series Five-M2 are secured by (a) during the variable rate period, an unsecured standby letter of credit which expires on July 10, 2019, which is subject to certain covenants; (b) a pledge of amounts payable by the College under the loan agreement; and (c) money and investments held by the trustee under the indenture. The College incurs an effective letter of credit fee of 59.8 basis points on the unsecured standby letter of credit amount outstanding, and a remarketing fee equal to 12.5 basis points. See Note 18 for information on the interest rate swap agreement applicable to this issue.

MHEFA Revenue Bonds Series Six-O and Seven-F are secured by a pledge of loan repayment from the College and a reserve account and require that certain covenants be maintained.

The College maintains short-term investments and U.S. government securities held by a trustee for retirement of indebtedness that totaled $5,750,566 and $5,753,767 as of May 31, 2014 and 2013, respectively. These funds are intended to satisfy the reserve requirements of the Series Six-O issue and Series Seven-F issue.

NOTE 14 - LONG-TERM DEBT (CONTINUED)

Anticipated principal payments on long-term debt are as follows:

Year Ending May 31:	
2015	$ 2,620,000
2016	2,745,000
2017	2,875,000
2018	3,005,000
2019	3,135,000
Thereafter	61,480,000
Total	$ 75,860,000

NOTE 15 - SHORT-TERM CREDIT ARRANGEMENT

The College has an unsecured $5,000,000 line of credit through Wells Fargo Bank. Borrowings under this line of credit bear interest at an annual rate of 50 basis points below the Bank's base (prime) rate. Interest is payable on the last day of each month. Principal, and any unpaid interest, is due on February 28, 2015. In addition, the agreement requires the College to comply with certain financial covenants. At May 31, 2014 and 2013, there were no outstanding borrowings under this arrangement.

NOTE 16 - EXPENSES BY OBJECT

Expenses reported by function on the statement of activities and change in net assets are summarized below by object for the years ended May 31, 2014 and 2013:

	2014	2013
Compensation	$ 64,292,779	$ 63,508,646
Depreciation, amortization, and accretion	12,208,558	11,846,702
General operating expenses	9,381,622	9,518,425
Food services	8,182,213	8,184,958
Travel and meals	7,487,138	7,921,884
Contract, professional services, insurance, and taxes	7,000,651	6,321,941
Facilities - repairs, maintenance, utilities, fuel	5,798,099	5,433,757
Interest	3,076,331	3,181,876
Total	$ 117,427,391	$ 115,918,189

NOTE 17 - DEFERRED GIFT (SPLIT-INTEREST) AGREEMENTS

The College has arrangements with donors classified as charitable lead trusts, charitable remainder trusts, charitable gift annuities and pooled life income funds. In general, under these arrangements the College receives a gift from a donor in which it has an interest and agrees to pay the donor stipulated amounts. 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 and gender characteristics of the beneficiary. The College used historical discount rates ranging from 1.2% to 11.6% for the years ended May 31, 2014 and 2013 in making the actuarial and gift calculations. In some cases, there can be a time delay in the recording of the asset because of the time needed for discovery, verification of the College's rights, and the determination of the valuation of future payments.

Information pertaining to the College's deferred gift agreements for the years ended May 31, 2014 and 2013 is as follows:

	2014	2013
Cash and investments	$ 34,880,739	$ 32,751,274
Interfund receivable	86,584	65,709
Beneficial interest in trusts held by others, fair value	1,722,106	1,615,072
Beneficial interest in trusts held by others, cost	491,350	491,350
Deposits held in trust for others	(1,277,495)	(1,153,737)
Annuities payable	(14,197,682)	(13,960,913)
	$ 21,705,602	$ 19,808,755
Net Assets		
Unrestricted	$ 3,638,809	$ 3,384,879
Temporarily restricted	1,816,881	1,638,392
Permanently restricted	16,249,912	14,785,484
	$ 21,705,602	$ 19,808,755

NOTE 18 - DERIVATIVES

The College is exposed to certain risks that can materially impact the assets and liabilities on its balance sheet. The primary risks managed by using derivative instruments are interest rate risk and endowment market value risk. The College uses interest rate swaps to manage interest rate risk on its variable interest rate long-term debt instruments. The College uses futures and forward contracts to manage market fluctuations that affect the endowment market value. As neither the swaps nor futures/forward contracts meet the criteria of cash flow hedges under generally accepted accounting standards, the swaps are accounted for as derivatives not designated as hedging instruments. Therefore, the changes in fair value of each derivative are included in the statement of activities. Accounting standards require that an entity recognize all derivative instruments as either assets or liabilities at fair value in the balance sheet.

The College entered into an interest rate exchange agreement (swap) in 2002 on the Series Five-M2 bonds. The swap will mature on October 1, 2020. The notional value of the swap was originally set at $13,420,000, with a fixed interest rate of 4.38%. The notional value of the swap decreases each year to reflect the original amortization schedule of the Series 1992 bonds. As of May 31, 2014, the notional value of the swap was $6,520,000. Under the agreement, each month the College either pays additional interest or receives an interest credit depending on the relationship between the variable one month LIBOR rate and the fixed rate. The College recorded a gain of $252,104 and $300,683 relating to the change in notional value of the agreement for the years ended May 31, 2014 and 2013, respectively. In fiscal years 2014 and 2013 respectively, the College paid $314,923 and $293,606 under the swap agreement. The gain relating to the change in notional value and the losses for payments made under the swap agreement are reflected as a non-operating activity within the interest rate swap gain (loss), net of settlements line on the statement of activities. At May 31, 2014 and 2013, the College has recorded an interest rate exchange liability of $797,084 and $1,049,188, respectively, in the statements of financial position.

The College uses futures and forward contracts to reduce or increase the endowments exposure to the financial markets. The aggregate notional value of the derivative contracts was $3,032,182 at May 31, 2014. The contracts aggregate fair market value was $(9,837) on May 31, 2014, and was included as an investment on the statement of financial position. The income on the contracts realized during the year is represented in gains or losses on investments in the statement of activities. For the year ended May 31, 2014, the College reported a realized gain of $208,095. There were no derivative contracts outstanding at May 31, 2013.

NOTE 19 - CONCENTRATIONS

Financial instruments that potentially subject the College to concentrations of credit risk consist principally of cash and cash equivalents, investments, accounts receivable, notes receivable and derivatives. Cash, cash equivalents and investment holdings are concentrated in a limited number of financial institutions and amounts in excess of FDIC and similar coverage are subject to the usual risks of balances in excess of those limits. Investments are diversified in order to reduce credit risk. Student loans, student 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.

Interest rate exchange agreements between the College and a third party (counterparty) provide for periodic exchange of payments between the parties based on changes in a defined index and a fixed rate and include counterparty credit risk. Counterparty credit risk is the risk that contractual obligations of the counterparties will not be fulfilled. Concentrations of credit risk relate to groups of counterparties that have similar economic or industry characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Counterparty credit risk is managed by requiring high credit standards for the College's counterparties. The counterparties to these contracts are financial institutions that carry investment-grade credit ratings. The interest rate exchange agreements contain collateral provisions applicable to both parties to mitigate credit risk. The College does not anticipate non-performance by its counterparties.

NOTE 20 - RELATED PARTY TRANSACTIONS

The College has various signed contracts with a construction company owned by a former member of the Board of Regents. The contracts were approved unanimously by the Board of Regents in accordance with the College's conflict of interest policy. Amounts payable to the construction company totaled approximately $334,000 and $472,000 as of May 31, 2014 and 2013, respectively.

As of May 31, 2014 and 2013, approximately $3,051,000 and $2,842,000, respectively, of contributions receivable were due from members of the Board of Regents. Contribution revenue from members of the Board of Regents totaled approximately $6,268,000 and $3,031,000 for the years ending May 31, 2014 and 2013, respectively. Board members are not compensated.

The College has invested in various private equity investments, in which members of the Investment Committee and Board of Regents have an affiliation. The individuals fully disclosed their interests in these investments when they were discussed, did not receive a commission or referral fee, and did not participate in the voting regarding these investments. As of May 31, 2014 and 2013, the College's total value of these funds was approximately $19,949,000 and $16,327,000, respectively. The College's cumulative contributions, net of distributions, to these investments as of May 31, 2014 and 2013 totaled approximately $14,818,000 and $15,466,000, respectively. The College's outstanding future commitments to these investments totaled approximately $5,993,000 and $4,666,000 at May 31, 2014 and 2013, respectively.

NOTE 21 - SUBSEQUENT EVENTS

The College has evaluated subsequent events through October 29, 2014, which is the date that the financial statements were issued.

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