OFFICIAL STATEMENT DATED MAY 23, 2019

NEW ISSUE **Moody's Rating: A2**
NOT BANK QUALIFIED **See "RATING" Herein**

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 and, to the same extent, is not includable in taxable net income of individuals, estates and trusts for State of Minnesota income tax purposes. Interest on the Bonds is not an item of tax preference in determining federal alternative minimum tax applicable to individuals, or Minnesota alternative minimum tax applicable to individuals, estates or trusts. Interest on the Bonds is subject to the State of Minnesota franchise tax applicable to corporations, including financial institutions. 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 CONSIDERATIONS.")

UNIVERSITY of ST. THOMAS MINNESOTA

$80,525,000
Minnesota Higher Education Facilities Authority
Revenue Bonds, Series 2019
(University of St. Thomas)

(DTC Book Entry Only)

Dated Date: Date of Delivery **Interest Due: April 1 and October 1, Commencing October 1, 2019**

The Minnesota Higher Education Facilities Authority Revenue Bonds, Series 2019 (University of St. Thomas) (the "Bonds") are to mature annually on October 1 as described on the first page following the inside front cover of this Official Statement. Capitalized terms used on this front cover not defined herein shall have the meanings as set forth in Appendix IV "DEFINITIONS OF CERTAIN TERMS."

The Bonds will be subject to redemption at the option of the Authority, at the direction of the University of St. Thomas, a Minnesota non-profit corporation (the "University") on October 1, 2029 and on any date thereafter at par plus accrued interest, in whole or in part prior to maturity, as described herein. The Bonds are subject to extraordinary 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 for the Bonds, or in the event of a Determination of Taxability, as described herein. The Term Bonds are subject to mandatory redemption in installments as described herein. See "THE BONDS – Redemption."

The Bonds will be issued as fully registered Bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of 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 the University pursuant to a Loan Agreement between the Authority and the University, or out of other amounts pledged pursuant to the Indenture as described herein. The Loan Repayments will be a general obligation of the University.

THE BONDS SHALL NOT BE LEGAL OR MORAL OBLIGATIONS OF THE STATE OF MINNESOTA (THE "STATE") NOR SHALL THEY CONSTITUTE A DEBT FOR WHICH THE FAITH AND CREDIT OF THE AUTHORITY OR THE STATE, 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 Dougherty & Company LLC, Minneapolis, Minnesota (the "Underwriter") subject to the opinion as to validity and tax exemption of the Bonds by McGrann Shea Carnival Straughn & Lamb, Chartered, Minneapolis, Minnesota, Bond Counsel. Certain legal matters will be passed upon for the University by Nilan Johnson Lewis PA, Minneapolis, Minnesota and for the Underwriter by Ballard Spahr LLP, Minneapolis, Minnesota. The Bonds are expected to be available for delivery to the Underwriter through the facilities of DTC on or about May 30, 2019.

DOUGHERTY & COMPANY LLC

The Project

First-Year Residence Hall

Second-Year Residence Hall

$80,525,000
Minnesota Higher Education Facilities Authority
Revenue Bonds, Series 2019
(University of St. Thomas)
Maturity Schedule

Maturity Date: October 1	Amount	Rate	Yield	Price		CUSIP 60416J
2021	$ 980,000	4.00%	1.70%	105.244		BK 5
2022	$ 1,220,000	4.00%	1.75%	107.258		BL 3
2023	$ 1,485,000	4.00%	1.77%	109.266		BM 1
2024	$ 1,640,000	4.00%	1.82%	111.035		BN 9
2025	$ 1,820,000	5.00%	1.88%	118.552		BP 4
2026	$ 2,025,000	5.00%	1.94%	120.827		BQ 2
2027	$ 2,250,000	5.00%	2.00%	122.926		BR 0
2028	$ 2,500,000	5.00%	2.07%	124.755		BS 8
2029	$ 2,770,000	5.00%	2.22%	125.547		BT 6
2030	$ 3,055,000	4.00%	2.37%	114.862	*	BU 3
2031	$ 3,185,000	4.00%	2.46%	113.977	*	BV 1
2032	$ 3,310,000	4.00%	2.60%	112.615	*	BW 9
2033	$ 3,465,000	5.00%	2.43%	123.362	*	BX 7
2034	$ 3,640,000	5.00%	2.48%	122.849	*	BY 5
2035	$ 3,825,000	5.00%	2.52%	122.440	*	BZ 2
2036	$ 4,005,000	4.00%	2.78%	110.891	*	CA 6
2037	$ 4,165,000	4.00%	2.82%	110.513	*	CB 4
2040	$13,760,000 †	5.00%	2.70%	120.619	*	CC 2
2041	$ 5,040,000	4.00%	2.95%	109.292	*	CD 0
2044	$16,385,000 †	4.00%	3.00%	108.827	*	CE 8

† Term Bonds

* Priced to the first optional call date of October 1, 2029.

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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 University, 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 University or the Underwriter. The information contained herein, except as it relates to the Authority, DTC, and the Trustee, has been obtained from the University 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 University since the date hereof.

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

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this official statement for purposes of, and as that term is defined in, the Securities and Exchange Commission Rule 15c2-12.

The Underwriter has provided the following sentence for inclusion in this Preliminary Official Statement. The Underwriter has reviewed the information in this Preliminary 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.

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 UNIVERSITY 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 OR FAIL TO OCCUR.

For purposes of compliance with the Securities and Exchange Commission Rule 15c2-12, as amended, and in effect on the date hereof, this Official Statement constitutes an official statement of the Authority that has been deemed final by the Authority as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Bond Counsel
McGrann Shea Carnival Straughn & Lamb, Chartered

Municipal Advisor to the Authority
Baker Tilly Municipal Advisors, LLC

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OFFICIAL STATEMENT

$80,525,000

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

REVENUE BONDS, SERIES 2019
(UNIVERSITY OF ST. THOMAS)

(DTC BOOK ENTRY ONLY)

INTRODUCTORY STATEMENT

This Official Statement provides information concerning the Minnesota Higher Education Facilities Authority (the "Authority") and the University of St. Thomas, a Minnesota nonprofit corporation (the "University"), owner and operator of an institution of higher education with its main campus located in the City of Saint Paul, Minnesota and campuses in other locations including Minneapolis, Minnesota, in connection with the issuance of the Authority's $80,525,000 Revenue Bonds, Series 2019 (University of St. Thomas) (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 certain projects.

The Bonds are also being issued pursuant to a Trust Indenture, dated as of May 1, 2019 (the "Indenture") between the Authority and Wells Fargo Bank, National Association, Minneapolis, Minnesota as trustee (the "Trustee"). The Trustee will serve as the registrar and paying agent for the Bonds.

Pursuant to a Loan Agreement, dated as of May 1, 2019 (the "Loan Agreement") between the University and the Authority relating to the Bonds, the Authority is loaning the Bond proceeds to the University and the University will covenant as its general obligation to make Loan Repayments in amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due.

The University will use Bond proceeds to:

1. Construct, equip, and furnish two new student residence halls and related improvements on the University's Saint Paul Campus and demolish the University's current John Paul II Residence Hall and Faculty Residence to make room for the two new student residence halls (the "Project");
2. Fund capitalized interest on the Bonds during the construction period for the Project; and
3. Pay issuance costs.

See "USE OF PROCEEDS" herein.

The Bonds are secured by a pledge of the Loan Repayments, the payment of which is a general obligation of the University. Under the Loan Agreement, the University will agree to make timely payment of the Loan Repayments.

The Bonds shall not be legal or moral obligations of the State, nor shall they constitute a debt for which the faith and credit of the Authority or the State, 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.

THE BONDS

General

The Bonds will be dated as of the date of delivery. The Bonds will mature annually or be subject to mandatory sinking fund redemption each October 1, commencing October 1, 2021, as set forth on the first page following the inside cover page of this Official Statement. The Bonds are being issued in denominations of $5,000 and integral multiples thereof not exceeding the amount maturing in any maturity, and shall be fully registered as to principal and interest. Interest on the Bonds will be payable on April 1 and October 1 of each year, commencing October 1, 2019.

Book Entry Only System

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

For further information on DTC, see Appendix VI "THE DEPOSITORY TRUST COMPANY" herein.

Redemption

Optional Redemption

The Bonds maturing on or after October 1, 2030 are subject to optional redemption at the University's written direction on October 1, 2029 and on any day thereafter at a price of par plus accrued interest to the redemption date. Redemption may be in whole or in part and if in part in such order of maturity as the University directs and selected randomly within a maturity (or within a maturity of Term Bonds in such order of Sinking Fund Installments as the University shall direct), in integral multiples of $5,000.

In certain circumstances described in the Indenture, the University may request that the notice of redemption be conditional and subject to rescission or cancellation by the University up to five Business Days prior to the redemption date.

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Mandatory Sinking Fund Redemption

Portions of the Bonds maturing on October 1, 2040 and October 1, 2044 (the "Term Bonds") shall be called for redemption on October 1 in the years and in the principal amounts set forth immediately below, without premium, plus accrued interest to the date fixed for redemption, from moneys in the Bond and Interest Sinking Fund Account.

Term Bond Due
October 1, 2040

Year	Amount
2038	$4,360,000
2039	$4,585,000
2040†	$4,815,000

Term Bond Due
October 1, 2044

Year	Amount
2042	$5,245,000
2043	$5,460,000
2044†	$5,680,000

†*Stated maturity.*

The Term Bonds to be so redeemed shall be selected by the Trustee randomly.

The Term Bonds to be redeemed pursuant to the mandatory redemption provisions set forth above may, at the University's option, be reduced by the principal amount of any Bonds of such maturity which at least 45 days prior to such redemption:

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

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

Extraordinary Optional Redemption

The Bonds will be subject to optional redemption at price of par plus 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 certain Project Facilities and upon a Determination of Taxability as provided in the Loan Agreement (see "THE BONDS – Determination of Taxability" herein and Appendix V, "SUMMARY OF DOCUMENTS – The Loan Agreement").

Partial Redemption

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

Conditional Redemption

In case of an optional redemption to be funded in full or part from proceeds from a refunding financing, the University may elect to provide a certificate providing details of the proposed financing as outlined in the Indenture and stating the redemption is conditioned upon providing the Trustee with funds sufficient to effect the refunding at least five Business Days prior to the redemption date or that the University has the right to rescind the redemption notice no later than five Business Days prior to the redemption date (a "Conditional Redemption"). The University may deliver to the Trustee a certificate no later than five Business Days prior to the redemption date instructing the Trustee to rescind the redemption notice. If the Trustee does not receive sufficient funds no later than five Business Days prior to the redemption date the Trustee shall give prompt notice to DTC or affected holders that the redemption did not occur. Such rescission of the redemption notice is not an event of default and the Bonds conditionally called for redemption and not so paid shall remain outstanding.

Determination of Taxability

If a Determination of Taxability is made that the interest payable on any of 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, such 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 such 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 CONSIDERATIONS" herein and Appendix IV, "DEFINITIONS OF CERTAIN TERMS."

The University will have the option to prepay the Bonds 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 equal to par plus accrued interest (including additional interest from the Date of Taxability) and without a premium.

USE OF PROCEEDS

The Plan of Finance

The University will use Bond proceeds to:

1. Construct, equip, and furnish the Project which consists of two new student residence halls and related improvements on the University's Saint Paul Campus and demolish the University's current John Paul II Residence Hall and Faculty Residence to make room for the two new student residence halls;
2. Fund capitalized interest on the Bonds during the construction period for the Project; and
3. Pay issuance costs.

The Project

On the Issue Date, a portion of the Bond proceeds will be deposited into the Construction Account established under the Indenture to be used to fund the Project on the University's Saint Paul campus, including the following:

(a) First-year student residence hall: demolition of the University's existing 130-bed John Paul II Residence Hall and construction of a five (5) story co-ed residence hall with a basement level totaling approximately 221,000 square-feet of space, at an estimated cost of $55,000,000, including associated site work such as landscaping, utilities, infrastructure, and the provision of furniture, fixtures and equipment. The first-year student residence hall will be located on the current site of the John Paul II Residence Hall on the northwest corner of Selby Avenue and Cleveland Avenue. The first-year student residence hall will provide pod style double rooms with a shared bathroom and private shower facilities, a dining hall, space for student amenities (such as study rooms, lounges and social spaces, classrooms, community kitchens, laundry room, etc.), an underground structured parking garage with 115 spaces, an underground pedestrian tunnel connecting the residence hall to adjacent campus buildings, and is anticipated to house 480 students. The University has entered into a cost plus lump sum fee maximum price design-build contract with Opus Design Build L.L.C. for this portion of the Project, in the amount of $49,482,017, which is preliminary and subject to change orders and revisions. Work will commence in May of 2019 and is scheduled for completion in July of 2020 and expected occupancy in August of 2020 prior to the start of the 2020-2021 school year.

(b) Second-year student residence hall: demolition of the University's existing Faculty Residence and construction of a five (5) story co-ed residence hall with a basement level totaling approximately 146,600 square-feet of space at an estimated cost of $35,000,000, including associated site work such as landscaping, utilities, infrastructure, and the provision of furniture, fixtures and equipment. The second-year student residence hall will be located on the site of the University's Faculty Residence on Cleveland Avenue. The second-year student residence will feature student suites, apartments for visiting faculty, community kitchen, study and lounge space. The new residence hall will house two levels of a structured parking garage with 85 spaces, underground pedestrian and utility tunnels connecting the residence hall to adjacent campus buildings, and is expected to house 260 students. The University is expected to enter into a cost plus lump sum fee with a guaranteed maximum price design-build contract with Ryan Companies US., Inc. in mid-to-late May for this phase of the Project in an estimated amount of $30,000,000, which is preliminary and subject to change orders and revisions. Work will commence in May of 2019 and is scheduled for completion in July of 2020 and expected occupancy in August of 2020 prior to the start of the 2020-2021 school year.

The total estimated cost of the Project is $90,000,000, which the University will finance from Bond proceeds.

As a part of the University's (five year) Strategic Plan, a 10-Year Campus Master Plan was developed in which the University identified potential projects supporting the University's mission and vision. Added student housing was included in the 10-Year Campus Master Plan, a portion of which encompasses the Project. See Appendix I "THE UNIVERSITY – The University's Strategic Plan 'St. Thomas 2020: Living Our Mission, Expanding Our Horizon.'"

See the map of the North Portion of the University's Saint Paul Campus in Appendix VIII "PROJECT INFORMATION" herein for the locations of the residence halls comprising the Project.

SOURCES AND USES OF FUNDS

Sources	
Par amount of the Bonds	$80,525,000.00
Original Issue Premium	12,502,399.05
Estimated Interest Earnings on Construction Account*	1,405,402.22
Estimated Interest Earnings on Bond and Interest Sinking Fund Account*	80,293.37
Total Sources:	$94,513,094.64
Uses	
Cost of the Project	$90,000,000.00
Capitalized Interest	4,029,243.75
Costs of issuance, including Underwriter's Discount	483,850.89
Total Uses:	$94,513,094.64

* *Estimated interest earnings on initial deposits of Bond proceeds to the Construction Account for Project Costs and to the Bond and Interest Sinking Fund Account for Capitalized Interest are anticipated to be generated from the University's entering into a Guaranteed Investment Contract.*

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FISCAL YEAR ANNUAL DEBT SERVICE

Fiscal Year Ended June 30:	Debt Service on Parity Obligations	Series 2019 Principal	Series 2019 Interest	Series 2019 Capitalized Interest	Series 2019 Net Debt Service	New Debt Service on all Outstanding University Obligations
2019	$ 17,506,284	0	0	0	0	$ 17,506,284
2020	17,366,300	0	$ 2,994,574	$(2,994,574)	0	17,366,300
2021	17,384,342	0	3,581,550	(1,034,670)	$ 2,546,880	19,931,222
2022	15,895,802	$ 980,000	3,561,950	0	4,541,950	20,437,752
2023	14,915,523	1,220,000	3,517,950	0	4,737,950	19,653,473
2024	14,924,871	1,485,000	3,463,850	0	4,948,850	19,873,721
2025	14,933,461	1,640,000	3,401,350	0	5,041,350	19,974,811
2026	13,246,138	1,820,000	3,323,050	0	5,143,050	18,389,188
2027	13,251,433	2,025,000	3,226,925	0	5,251,925	18,503,358
2028	11,535,641	2,250,000	3,120,050	0	5,370,050	16,905,691
2029	11,537,982	2,500,000	3,001,300	0	5,501,300	17,039,282
2030	11,544,338	2,770,000	2,869,550	0	5,639,550	17,183,888
2031	11,550,721	3,055,000	2,739,200	0	5,794,200	17,344,921
2032	9,977,281	3,185,000	2,614,400	0	5,799,400	15,776,681
2033	9,985,961	3,310,000	2,484,500	0	5,794,500	15,780,461
2034	8,149,483	3,465,000	2,331,675	0	5,796,675	13,946,158
2035	8,147,050	3,640,000	2,154,050	0	5,794,050	13,941,100
2036	8,145,900	3,825,000	1,967,425	0	5,792,425	13,938,325
2037	8,148,500	4,005,000	1,791,700	0	5,796,700	13,945,200
2038	8,148,900	4,165,000	1,628,300	0	5,793,300	13,942,200
2039	3,026,400	4,360,000	1,436,000	0	5,796,000	8,822,400
2040	0	4,585,000	1,212,375	0	5,797,375	5,797,375
2041	0	4,815,000	977,375	0	5,792,375	5,792,375
2042	0	5,040,000	756,200	0	5,796,200	5,796,200
2043	0	5,245,000	550,500	0	5,795,500	5,795,500
2044	0	5,460,000	336,400	0	5,796,400	5,796,400
2045	0	5,680,000	113,600	0	5,793,600	5,793,600
Total:	$249,322,311	$80,525,000	$59,155,799	$(4,029,244)	$135,651,555	$384,973,866

SOURCE OF PAYMENT FOR THE BONDS

General

The Bonds will be special obligations of the Authority payable solely from Loan Repayments made by the University as required by the Loan Agreement or out of other amounts pledged therefor under the Indenture. There is no reserve fund established for the Bonds.

The Bonds are secured by the pledge of the Loan Repayments, which are a general obligation of the University, and other funds, if any, the Trustee holds under the Indenture. The University 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 University will further agree to make such payments out of its operating funds or any other moneys legally available.

The University covenants and agrees in the Loan Agreement to charge tuition, fees, rentals and charges which, together with the University's 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 University as they become due.

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

ACCOUNTS

Summary

The Indenture will provide for the creation of certain trust accounts into which certain proceeds from the sale of the Bonds and revenues received as Loan Repayments under the Loan Agreement are to be deposited. These accounts include a Construction Account, a Bond and Interest Sinking Fund Account, a Costs of Issuance Account, and a Redemption Account. Following Bond Closing, amounts received by the Trustee from the University as Loan Repayments are to be deposited into the Bond and Interest Sinking Fund Account and the Redemption Account as required by the Loan Agreement and used, to the extent needed, to redeem or pay the principal of and interest on the Bonds.

Construction Account

There shall be deposited initially into the Construction Account certain Bond proceeds, except as otherwise required to be deposited into the Bond and Interest Sinking Fund Account and the Costs of Issuance Account. The University will agree in the Loan Agreement to provide for payment of all costs of the Project in excess of the Bond proceeds available therefor. Upon receipt of proper documentation, the Trustee will reimburse or pay for the account of the University 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 any amount of Bond proceeds representing accrued interest, if any, and capitalized interest which is to be used to pay interest on the Bonds during the construction period for the Project. 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 University. Deposits into the Bond and Interest Sinking Fund Account shall be made at least one (1) Business Day prior to each Interest Payment Date in an amount sufficient, together with other amounts on deposit in such account, to pay interest and principal, if any, coming 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.

Costs of Issuance Account

Initially there shall be deposited into the Costs of Issuance Account an amount of Bond proceeds specified in the Indenture, not to exceed two percent (2%) of the Bond proceeds. The University will agree in the Loan Agreement to pay costs of issuance in excess of such 2% limitation. The University may present invoices to the Trustee representing costs incurred in connection with the issuance of the Bonds which the Trustee shall pay from the Costs of Issuance Account. Any moneys remaining in the Costs of Issuance Account after six months following the Bonds' delivery date shall be transferred to the Construction Account.

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, for the redemption of outstanding Bonds at the request or direction of the University and for the purchase of outstanding Bonds on the market at prices not exceeding the redemption price on the next available date for redemption. Notwithstanding the foregoing, the Trustee is authorized in its discretion to use funds and investments in the Redemption Account to pay the amount of any rebate due the United States in respect of the Bonds under Section 148 of the Internal Revenue Code if the University or the Authority shall have failed to pay or provide for the payment thereof under the Loan Agreement.

Authorized Investments

Moneys on deposit to the credit of the Construction Account, the Bond and Interest Sinking Fund Account, the Costs of Issuance Account, and the Redemption Account shall be invested by the Trustee only in investments as authorized by Minnesota law from time to time. The Indenture sets forth specific parameters as to type, credit quality, and maturity of investments. See Appendix V, "SUMMARY OF DOCUMENTS – The Indenture – Authorized Investments."

RISK FACTORS

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

Risk of Insufficient Collateral

The Bonds are a general obligation of the University secured solely by (a) a pledge by the Authority to the Trustee of amounts payable by the University under the Loan Agreement, and (b) amounts, if any, in accounts and funds which will be held by the Trustee under the Indenture for the payment of principal of, premium, if any, and interest on the Bonds. If an Event of Default occurs, there can be no assurance that such sources will be sufficient to pay the principal of, premium, if any, or interest on the Bonds when due. The Bonds are not secured by a bond insurance policy, letter of credit or any other form of financial guarantee. The University has various other series of bonds and notes issued by the Authority on behalf of the University or otherwise (the "Parity Obligations") which are outstanding under other indentures and loan agreements and funds held or pledged under those documents are not pledged to or available to pay the Bonds. The Parity Obligations are also general obligations of the University.

General Obligation of the University; No Mortgage

No entity or person other than the University is, or shall be, in any way liable or responsible for any payments to be made under the Loan Agreement, the Indenture, or the Bonds or the performance of other University obligations under such documents. Accordingly, for payment of principal, interest, and premium, if any, on the Bonds, holders of the Bonds must look solely to the Loan Repayments to be made by the University under the Loan Agreement and other funds, if any, the Trustee holds under the Indenture for payment of principal of, premium, if any, and interest on the Bonds. The University's obligation to make Loan Repayments is a general, unsecured obligation. The Bonds are not secured by any mortgage on or security interest in any of the University's real or personal property or by any other collateral.

No Debt Service Reserve Fund

Payment of principal and interest on the Bonds is not secured by any debt service reserve fund.

Adequacy of Revenues

Payment of principal of, premium, if any, and interest on the Bonds is intended to be made from the University's Loan Repayments. The University'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 University and may change in the future to an extent that cannot be presently determined.

Reliance on Tuition and Fees

The adequacy of University revenues will be largely dependent on the amount of future tuition revenue the University receives. Such revenue, in turn, will depend primarily on the University'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 University 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 University.

Competition

There is intense competition among institutions of higher education for students. Universities and colleges compete principally based on location, net tuition rates, degree offerings and academic reputation. To the extent that competitors have or achieve an advantage with respect to any of these factors, the University 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 University's unrestricted net assets.

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 University's efforts to attract students.

Financial Aid

Approximately 97% of the University's undergraduate students currently receive some form of financial aid through scholarships, grants, loans, work study, etc., from federal, state, University or private sources covering at least a portion of tuition and fees and living expenses. See Appendix I, "THE UNIVERSITY

– Financial Aid" herein. No assurance can be given that federal and state financial aid will continue to be funded at current levels or that the University will continue to fund student aid at current levels. Curtailment of such aid could cause a decline in enrollment, which could in turn have an adverse effect on the University's revenues.

No assurance can be given that student loans will continue to be available to students and their parents at historical levels. Reductions in availability of such loans or increases in interest rates may cause a decline in enrollment, which may in turn have an adverse effect on the University's revenues.

Damage or Destruction

Although the University will be required to obtain certain insurance as set forth in the Loan Agreement, there can be no assurance that the University 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. Under certain circumstances the Bonds may be subject to redemption at par upon damage to or destruction of all or substantially all, or a portion, of the Project Facilities. See "THE BONDS – Redemption – Extraordinary Optional Redemption" and Appendix V, "SUMMARY OF DOCUMENTS – The Loan Agreement – Damage or Destruction" and " – Condemnation."

Construction Risks

Construction of the Project is subject to ordinary risks associated with new construction, such as risks of cost overruns, contractor and subcontractor claims, noncompletion and delays due to a variety of factors, including, among other things, site difficulties, necessary design changes or final detailing, labor shortage or strife, delays in and shortages of materials, weather conditions, fire, and casualty. Any delays in construction may adversely impact the University's ability to complete the Project by the expected completion date, which may result in, among other things, cost overruns and the loss of housing revenues for all or a portion of a school year. See "USE OF PROCEEDS" herein.

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.

Additional Indebtedness and Liens

The Authority's outstanding debt obligations on behalf of the University (the Parity Obligations) do not contain any direct limitation on the University incurring additional long-term or short-term indebtedness, and the Loan Agreement also does not contain any such limitations. Loan documents for the Authority's $24,210,000 Minnesota Higher Education Facilities Authority Revenue Note, Series Seven-Z, dated March 14, 2014 (the "Series Seven-Z Note"); $8,220,000 Minnesota Higher Education Facilities Authority Revenue Refunding Note, Series 2017B, dated December 29, 2017 (the "Series 2017B Note"); and $10,815,000 Minnesota Higher Education Facilities Authority Revenue Refunding Note, Series 2017C, dated December 29, 2017 (the "Series 2017C Note") entered into by the University described in Appendix I under "Long-Term Debt" contain financial ratio covenants that relate to the University's debt and which may be affected by the issuance of additional debt. The University is in compliance with those covenants and will be in compliance with those covenants upon issuing the Bonds.

Except to the extent additional indebtedness (other than the Bonds) is restricted by such covenants, the University could incur additional indebtedness in the future, and the additional payments of principal and interest required for such indebtedness could limit the funds available to pay the Loan Repayments and the payments of principal and interest required for the University's existing indebtedness.

Except for limitations on certain liens on the Project Facilities, the Loan Agreement does not contain limitations on the University's ability to place liens on its property. Pursuant to the Authority's Series Seven-Z Note, Series 2017B Note, and Series 2017C Note obligations, and subject to certain exceptions contained therein, the University may not transfer or place liens on certain University properties, including those known as McNeely Hall, Morrison Hall, Albertus Magnus Hall, and Flynn Residence Hall, which are located on the University's Saint Paul campus. In addition, the Series 2017B Note and Series 2017C Note Documents restrict the amount of liens on certain of the University's unrestricted funds as of June 30 of each year. Unless the extension or refunding of these Notes continue such lien restrictions or other agreements entered into by the University to subsequently restrict the rights of the University to encumber its property, the University may grant a mortgage or security interest in any of its property to secure existing or future indebtedness and the holders of such secured indebtedness would have a claim on that property that is senior to the unsecured claim of the Bondholders.

Nature of Pro Forma Debt Service Coverage

Certain historical net operating income and other financial information for the University and computed pro forma debt service coverage is provided in Appendix I under the caption "Estimated Maximum Annual Debt Service and Pro Forma Coverage Statement." Such information is unaudited but has been derived from the audited financial statements of the University. The pro forma coverage is merely a mathematical computation as reflected in the applicable table, and constitutes no assurance as to the future debt of the University or the sufficiency of University revenues to satisfy University operations and Bond and other debt service requirements.

University Debt Obligations with Possible Tenders

The University's outstanding debt includes its Series Seven-Z Note, which has a fixed interest rate of 2.77% to its scheduled mandatory tender date of March 1, 2024 when a principal balance of approximately \$11,706,593 is scheduled to be outstanding. The University's outstanding debt includes its Series 2017C Note, which bears interest at a variable rate to its scheduled mandatory tender date of June 1, 2027 when a principal balance of approximately \$4,970,000 is scheduled to be outstanding. See Appendix I, "THE UNIVERSITY – Long-Term Debt" herein and the description of the Series Seven-Z Note and the Series 2017C Note. In the event the University does not refinance either or both of the Series Seven-Z Note of the Series 2017C Note on or before their respective mandatory tender dates or amend the terms of such obligations to extend the respective mandatory tender dates to later dates, the University's obligation to purchase such Notes pursuant to a mandatory tender may limit funds available to make Loan Repayments on the Bonds and other Parity Obligations.

Derivative Products

The University has entered into interest rate swap agreements in the past in connection with a debt issuance. See Note 7 – "Derivative Instruments" of the University's Financial Statements for the fiscal year ended June 30, 2018, included as Appendix VII hereto. The University may enter into other interest rate swap or similar arrangements in the future. Under certain market conditions, including current market conditions, termination of an interest rate swap agreement prior to its expiration may require the University to pay a termination fee to a swap counterparty and such payment could be material to the University. See also Appendix I, "THE UNIVERSITY – Investment Management."

Endowment Portfolio Risk

Market conditions that negatively affect the University's investments may adversely affect debt service coverage and endowment spending. The University's Board of Trustees has approved an investment policy statement (the "IPS") which gives specific guidance about portfolio investments. The IPS defines a diversified investment portfolio utilizing a broad selection of external money managers. The contribution from endowment spending was approximately 5% of the University's operating expenses for the fiscal years ended June 30, 2018. The University's withdrawal formula is based upon 4% of the 12 quarter rolling market value average.

Secondary Market

There can be no assurance that there will always be a secondary market for purchase or sale of the Bonds, and from time to time there may be no market for purchase or sale of the Bonds depending upon prevailing market conditions, the financial condition or market position of firms who may make the secondary market and the financial condition and results of the University and the Project Facilities. The Bonds should therefore be considered long-term investments in which funds are committed to maturity.

Maintenance of Rating

The Bonds will be rated as to their creditworthiness by Moody's (as defined under the heading "RATING"). No assurance can be given that the Bonds will maintain their original credit rating as set forth on the front cover of this Official Statement. If the rating on the Bonds decrease, the Bonds may lack liquidity in the secondary market. See "RATING" in this Official Statement.

Other Possible Risk Factors

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

(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, such as limits on tuition increases, having an adverse effect on the future operating or financial performance of the University.

(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 University's investments and therefore may adversely affect debt coverage and endowment spending.

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

See also "TAX CONSIDERATIONS" herein.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"), the University will enter into a continuing disclosure undertaking (the "Undertaking") for the benefit of beneficial owners of the Bonds to provide certain financial information and operating data relating to the University annually, and to provide notices of the occurrence of any of the events enumerated in the Rule not later than ten business days after the occurrence of the event, 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 Undertaking to be executed by the University at the time the Bonds are delivered, a copy of which is available from the University or the Trustee. Appendix III, "FORM OF CONTINUING DISCLOSURE UNDERTAKING," identifies the financial information and operating data to be provided annually, as well as the list of material events. The Undertaking may be amended under certain circumstances as permitted by the Rule.

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

The University has never failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of material events. Although the University timely filed its continuing disclosure information for the fiscal year ended June 30, 2017, such continuing disclosure information was not initially linked to certain CUSIP numbers for the University's $55,355,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Eight-L, dated March 9, 2016 (the "Series Eight-L Bonds") and its $15,305,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Eight-M, dated March 9, 2016 (the "Series Eight-M Bonds"). The continuing disclosure information for the fiscal year ended June 30, 2017 was subsequently linked to the missing CUSIP numbers for the Series Eight-L Bonds and the Series Eight-M Bonds.

A failure by the University 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 University pursuant to the Undertaking, may adversely affect the transferability and liquidity of the Bonds and their market price.

Any filing pursuant to the Undertaking may be made solely to the Municipal Securities Rulemaking Board (the "MSRB") as provided at http://www.emma.msrb.org.

FUTURE FINANCING

The University regularly improves, expands and changes its physical plant and incurs long-term financing as needed for these purposes. The University does not anticipate issuing debt for new construction projects in the next 12 months. However, the University may incur additional debt of up to $30 million for renovations to its existing residence halls within the next 18 months. The University also monitors its outstanding debt for refunding opportunities. See "RISK FACTORS – Additional Indebtedness and Liens."

THE AUTHORITY

The Minnesota Higher Education Facilities Authority was created by Chapter 868, Laws of Minnesota, 1971 (Minnesota Statutes Sections 136A.25 through 136A.42), 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. Appointed Board members serve staggered four-year terms. 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.

All Authority members must be residents of Minnesota. At least two members must reside outside the metropolitan area of Minneapolis-Saint Paul. At least one member must be knowledgeable in the field of municipal finance, at least one member shall be knowledgeable in the building construction field and at least one member shall be a trustee, director, officer, or employee of an institution of higher education.

The administration and overall operation of the Authority is the responsibility of its Executive Director, Barry W. Fick. Mr. Fick has been the Executive Director of the Authority since July 13, 2016. Mr. Fick has a Bachelor of Science degree in Economics from the University of Minnesota and a Juris Doctorate from Mitchell | Hamline School of Law. Prior to becoming Executive Director of the Authority, Mr. Fick served for 28 years as an executive at Springsted Incorporated, Public Sector Advisors now Baker Tilly Municipal Advisors, LLC.

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 issued bonds totaling over $2.85 billion, of which approximately $900 million of Authority issued debt is outstanding as of April 1, 2019. 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.

Each series of bonds or other obligations of the Authority issued for the benefit of a particular higher education institution is secured by a separate trust indenture or financing agreement (in the case of private placements). Consequently, each series of obligations of the Authority (with the exception of additional bonds with respect to that series) is separate and distinct as to security and source of payment. The Authority may authorize other series of bonds or other obligations for the financing of projects for other private nonprofit educational institutions eligible for Authority financing assistance,

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 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. The Authority does not receive any funds from the State.

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

MUNICIPAL ADVISOR TO THE AUTHORITY

The Authority has retained Baker Tilly Municipal Advisors, LLC, of Saint Paul, Minnesota and Milwaukee, Wisconsin ("Baker Tilly" or "Municipal Advisor") as Municipal Advisor in connection with certain aspects of the issuance of the Bonds. In preparing this Official Statement, Baker Tilly has relied upon University officials, and other sources, who have access to relevant data to provide accurate information for this Official Statement. Baker Tilly has not been engaged, nor has it undertaken, to independently verify the accuracy of such information except as discussed immediately below. Baker Tilly is an independent advisory firm, registered as a municipal advisor, and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

UNDERWRITING

The Bonds are being purchased by Dougherty & Company LLC, Minneapolis, Minnesota (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a purchase price of $92,793,876.55 (representing the aggregate principal amount of the Bonds less an underwriter's discount of $233,522.50 and adjusted for original issue premium of $12,502,399.05).

The University 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.

RELATIONSHIPS

Certain members of the University's Board of Trustees (See Appendix I) have relationships with other parties involved in the construction and financing of the Project, namely:

Trustee	Relationship
Michael E. Dougherty	Co-Founder and Chairman of Dougherty Financial Group LLC, the parent company of Dougherty & Company LLC – The Underwriter
Dr. Amy R. Goldman, Board Vice Chair	Member of the Board of Directors of Opus Design Build L.L.C. – Design-Builder for a portion of the Project
Patrick G. Ryan, Board Chair	Chairman of Ryan Companies US., Inc. – Design-Builder for a portion of the Project

RATING

As noted on the cover page hereof, Moody's Investors Service ("Moody's"), 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York, has assigned a long-term rating of A2 on the Bonds. This rating reflects only the view of such rating agency. Further information concerning such rating is available from Moody's.

Generally, a rating agency bases its ratings on the information and materials furnished it and on investigations, studies and assumptions by the rating agency. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by the rating agency if in its judgment circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

LITIGATION

The Authority and the University are not aware of any litigation that is pending or overtly threatened in writing which would affect the validity of or the tax-exempt nature of the interest on the Bonds, the authority of any party to enter into the Bond-related documents or their ability to perform as described herein, or materially affect the finances of the University or the ability of the University 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 McGrann Shea Carnival Straughn & Lamb, Chartered, Minneapolis, Minnesota, as Bond Counsel. A legal opinion in substantially the form set out in Appendix II herein will be delivered at Bond Closing.

Certain legal matters will be passed upon for the University by Nilan Johnson Lewis PA, Minneapolis, Minnesota, and for the Underwriter by Ballard Spahr LLP, Minneapolis, Minnesota.

TAX CONSIDERATIONS

Federal Tax-Exempt Interest

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 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 University, 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 excludable from 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.

Related Federal Tax Considerations

Ownership of the Bonds may result in collateral federal tax consequences to certain taxpayers, including, without limitation, financial institutions, S corporations with excess net passive income, property and casualty companies, individual recipients of social security or railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, foreign corporations that may be subject to the foreign branch profits tax, and taxpayers who may be deemed to have incurred indebtedness to purchase or carry the Bonds. The nature and extent of the tax benefit to a taxpayer of ownership of the Bonds will generally depend upon the particular nature of such taxpayer or such taxpayer's own particular circumstances, including other items of income or deduction.

Bond Counsel will express no opinion with respect to these or any other collateral tax consequences of the ownership of the Bonds. Prospective investors, particularly those who may be subject to special rules such as those described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Backup Withholding

Interest paid on tax-exempt obligations such as the Bonds is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Minnesota Tax-Exempt Interest and Related 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 excludable from 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

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, however, whether or in what form any other such proposal might be enacted or whether if enacted it would apply to the Bonds even if 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.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, such as described above, as well as any pending or proposed 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.

Original Issue Premium

The Bonds were initially sold to the public at amounts in excess of the principal amount of each 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.

THE FOREGOING IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OF TAX CONSEQUENCES ARISING FROM OWNERSHIP OR DISPOSITION OF THE BONDS OR RECEIPT OF INTEREST ON THE BONDS. PROSPECTIVE PURCHASERS OF BOND-HOLDERS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO APPLICABLE FEDERAL, STATE AND LOCAL TAX RULES.

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. Bondholders should consult their tax advisors with respect to collateral consequences arising from the receipt of interest on the Bonds.

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THE UNIVERSITY

The University of St. Thomas (the "University"), until 1990 known as the College of St. Thomas, a Minnesota not-for-profit corporation, was founded in 1885 by Archbishop John Ireland as St. Thomas Aquinas Seminary. The University became a four-year institution of higher education in 1908 and conferred its first baccalaureate degrees in 1910. The University currently offers a broad range of academic programs leading to undergraduate and graduate degrees. The University does not unlawfully discriminate on the basis of race, creed, color, national origin, gender, age, or physical disability in the employment of faculty or staff, the admission or treatment of students, or in the operation of its educational programs and activities.

The main campus of the University is located in the West Summit Avenue area of Saint Paul, Minnesota, between the downtown districts of Saint Paul and Minneapolis. The Project is located on the north portion of the main campus. The University began its downtown Minneapolis presence in 1987. The University's Minneapolis campus is comprised of four academic buildings, which include the following schools; the University's School of Law; the Opus College of Business; the Schulze School of Entrepreneurship, the Graduate School of Education; the School of Professional Psychology and once complete the Minneapolis campus will also host the College of Health. The University also owns and operates the Bernardi facility in Rome, Italy. Academic programs are also provided in a number of other locations.

The University is accredited by the Higher Learning Commission and is registered with the Minnesota Office of Higher Education in accordance with Minnesota Statutes.

Governance

The University is governed by a Board of Trustees, currently composed of 36 members. The maximum number of trustees under the University's Bylaws is 42. The Board elects its own members. The Board maintains staggered terms with five classes of trustees. Each elected member, other than the alumni representative, serves a five-year term, except the Board can elect trustees for fewer than five years in order to maintain a balance across the staggering classes. The Bylaws do not limit the number of terms, but the Board has adopted Board Governance Guidelines that provide that trustees may serve a maximum of two consecutive five-year terms. Trustees who are elected for fewer than five years ("stub terms") to maintain balance across staggering classes may serve for the stub term followed by two consecutive five-year terms. The alumni representative serves for a two-year term.

Following is a list of the members of the Board of Trustees of the University and their business or professional affiliation, as of March 15, 2019:

Trustee	Principal Activity and/or location
John N. Allen	Chief Executive Officer, Industrial Equities, LLP Minneapolis, Minnesota
Lisa S. Anderson	Schoenecker Foundation, Eden Prairie, Minnesota
Archie Black	President & Chief Executive Officer, SPS Commerce Minneapolis, Minnesota
Jeff Buelt	Director of Information Technology, Code42 Minneapolis, Minnesota
Andrew J. Cecere	President and Chief Executive Officer and Chairman U.S. Bancorp, National Association, Minneapolis, Minnesota

Administration

The principal officers of the University are as follows:

President

Dr. Julie H. Sullivan became the 15th president of the University on July 1, 2013. She is the first layperson and woman to serve as president. Dr. Sullivan's prior academic experience includes service as executive vice president and provost at University of San Diego (2005-2013) and as professor and administrator at the University of California-San Diego (2003-2005) and the University of North Carolina at Chapel Hill (1987-2003). Her research and teaching has focused on issues related to corporate and global tax planning and financial reporting to shareholders.

Dr. Sullivan is an innovative academic leader with a purpose. She is passionate about learning and scholarship grounded in the needs of an ever-changing and more complex world. She is a champion for social innovation and has been a leader in the Ashoka Changemaker movement. She also is known for her commitments to globalization and intercultural understanding.

Dr. Sullivan shares her education, financial, and business strategy expertise with public companies and nonprofit organizations. She currently is a board member of TCF Financial Corp., Catholic Charities, Loyola University Chicago, Greater Twin Cities United Way and Greater MSP. She also is a member of the Minnesota Business Partnership, the National Association of Corporate Directors and Minnesota Women's Economic Roundtable.

A native of Florida, Dr. Sullivan has three degrees from the University of Florida, including a Ph.D. in business.

Executive Vice President and Provost

Dr. Richard Plumb joined the University as executive vice president and provost in July 2014. Dr. Plumb, a first-generation college graduate, is a Syracuse, N.Y., native and earned his bachelor's, master's and doctoral degrees in electrical engineering from Syracuse University. He joined the faculty at the University of Kansas in 1989 where he developed an active research and teaching program in electromagnetic scattering and radar systems.

In 1998, Dr. Plumb became professor and chair of the Department of Electrical and Computer Engineering at the State University of New York at Binghamton and served in this role until 2005 when he was appointed dean of the Seaver College of Science and Engineering at Loyola Marymount University in Los Angeles.

Vice President for Business Affairs and Chief Financial Officer

Mr. Mark Vangsgard was appointed Vice President for Business Affairs and Chief Financial Officer on March 31, 2006. Previously, Mr. Vangsgard was with Ecolab for 17 years, most recently in the position of Vice President and Treasurer. He received a bachelor's degree in business finance and economics from the University of St. Thomas (1980) and an M.B.A. from the University of St. Thomas (1990).

Chief Treasury and Investment Officer

Ms. Carol Peterfeso assumed the position of Chief Treasury and Investment Officer in January of 2010 after serving as Assistant Treasurer since 1991. Prior to working at the University, Ms. Peterfeso was at Norwest Bank Minnesota in commercial lending. Ms. Peterfeso received her B.A. degree in business finance from the University of St. Thomas (1987) and an M.B.A. from the University of St. Thomas in 1991. She is also a Chartered Alternative Investment Analyst℠ charter holder.

Facilities

The University's physical plant consists of the buildings and grounds of the main campus in Saint Paul, the buildings and grounds of the Minneapolis campus, and the Bernardi facility in Rome, Italy. As of June 30, 2018, the book value of all property and equipment, net of depreciation, was $407,810,179. Buildings and contents have an insured value of $826,094,949 for the policy year April 1, 2018 – March 31, 2019.

The University's physical facilities in Saint Paul consist of the buildings and grounds on a campus consisting of more than 70 acres. Ten residence halls, eight University-owned houses, and six University-owned apartment buildings are currently configured for a capacity of 2,480 students. As a result of the Project it is estimated that there will be a net increase of approximately 575 students living on campus from the 2020-2021 school year and thereafter.

The University's downtown Minneapolis campus spans three city blocks and consists of four buildings. Additionally, the University leases a parking facility which it has an option to purchase at the end of the lease period, has an option to purchase additional land in downtown Minneapolis, and has other developable space on land it owns in downtown Minneapolis adjacent to that campus.

Libraries

The University has four principal libraries, two on its Saint Paul campus and two on its Minneapolis campus. The University is a member of the Cooperating Libraries in Consortium, Inc., a Saint Paul-Minneapolis private college inter-library consortium; and MINITEX, which provides access to the holdings of the Universities of Minnesota and adjacent states, as well as to the public libraries of the Twin Cities.

Saint Paul Seminary Affiliation

Effective July 1, 1986, an affiliation between the University and The Saint Paul Seminary was finalized and the School of Divinity of the University was established. The School of Divinity's ministerial studies program, consisting of ministerial training, including classroom theological coursework and field education, is directed by the University. The School of Divinity's ministerial formation program, consisting of programs for spiritual and personal growth and the evaluation of readiness of candidates for ministry, is directed by The Saint Paul Seminary.

Academic Information

The University follows the four-one-four academic calendar of two four-month semesters during the school year, separated by a one-month term in January. During each semester, the undergraduate student's normal course load is four courses; during the January term, concentration is on one subject.

The University is comprised of the following nine schools and colleges offering one associate's degree, over 118 bachelor's degrees, 59 master's degrees, 61 certificates, one education specialist, one juris doctor, three doctorates, and ten joint or dual degree programs:

- Dougherty Family College
- College of Arts & Science
- Graduate School of Professional Psychology
- Opus College of Business
- School of Education
- School of Engineering
- School of Law
- School of Social Work
- Saint Paul Seminary School of Divinity

In addition, the University is establishing a College of Health that will include both undergraduate and graduate programs. The College of Health will include newly created programs in nursing as well as two existing programs: Social Work and Professional Psychology. The nursing program will include both undergraduate and graduate nursing and professional programs. Undergraduate nursing is expected to start in the fall of 2021 and graduate programs in the fall of 2022. Searches for a founding Dean and a Director of Nursing are currently in progress.

The University offers undergraduate licensure and career related programs in Air Force, Army and Navy ROTC; pre-dentistry; pre-engineering; pre-law; pre-physical therapy; pre-pharmacy; pre-veterinary and pre-medicine; social work; and elementary and secondary teacher education. The University also partners with the Associated Colleges of the Twin Cities (ACTC) to offer full-time degree-seeking students a cross-registration option through four local private colleges. Students may elect to take approved courses not offered at their home campus through the participating ACTC institutions for a full transferring credit.

The University's Strategic Plan – "St. Thomas 2020: Living Our Mission, Expanding Our Horizon."

The University's (five year) Strategic Plan (the "Plan"), captioned "St. Thomas 2020: Living Our Mission, Expanding Our Horizon," was implemented in 2014 and developed through extensive collaboration by a Strategic Planning Steering Committee, eight subcommittees and the University's Board. Supported by a new Vision Statement, affirmed Mission Statement and Convictions, the University's plan includes five themes:

- Excellence in learning and student engagement;
- Education informed by Catholic mission;
- Diversity and inclusive culture;
- Globalization; and
- One University.

Eight initiatives emerged from the five themes mentioned and are led by the Strategic Planning Oversight Committee. This group oversees the implementation of the initiatives coming from both the task forces and from the President's Office. The Project falls under the initiative "Integrated Planning" in the development of the University's 10-Year Campus Master Plan. The University will update the Plan in 2020.

Faculty and Staff

The faculty-student ratio at the University is approximately 1 to 14. There is no religious or denominational prerequisite or any participatory religious requirement for faculty or staff membership except with respect to the School of Divinity. The University subscribes to the 1940 Statement of Principles on Academic Freedom of the American Association of University Professors and the Association of American Colleges.

As of fall 2018, the University employed 452 full-time and 374 part-time faculty. Total FTE employees number approximately 1,535. The total payroll for the fiscal year ended June 30, 2018 was $138,830,456, not including contributed services of 16 religious employees.

The following table lists the average salary of the lay members of the full-time University faculty for the 2018/19 academic year.

Title	Average Salary
Professor	$116,982
Associate Professor	92,107
Assistant Professor	79,758
Instructor	79,207

The following table lists the highest degrees and professional designations held by the full-time faculty members for the 2018/19 academic year.

	Number
Doctorate, Juris Doctorate	412
Master of Arts, Certified Public Accountant	37
Bachelor of Arts	2
Other	1
Total	452

Enrollments

The following table sets forth the enrollment at the University as of the fall term for the five most recent academic years.

	2014/15	2015/16	2016/17	2017/18	2018/19
Headcount					
Undergraduate	6,234	6,240	6,111	6,092	6,212
Two Year College				107	183
Graduate and Professional	3,995	4,005	3,872	3,679	3,640
Total	10,229	10,245	9,983	9,878	10,035
FTEs					
Undergraduate	6,093	6,091	5,971	5,957	6,090
Two Year College				107	183
Graduate and Professional	2,655	2,628	2,595	2,482	2,510
Total	8,748	8,719	8,566	8,546	8,783

Freshman Applications, Acceptances and Enrollments

	2014/15	2015/16	2016/17	2017/18	2018/19
Applications	5,342	5,427	6,220	6,255	6,819
Acceptances	4,628	4,563	5,142	5,300	5,583
Percent Accepted	87%	84%	83%	85%	82%
Fall Enrolled	1,409	1,421	1,349	1,391	1,640
Percent Enrolled to Accepted	30%	31%	26%	26%	29%
Mean ACT Scores	27	26	27	27	26

The University does not anticipate any material change in first-year applications, acceptances or enrollments for 2019/20.

Transfer Student Enrollment – Fall Semester – Undergraduate Day Program

2014/15	2015/16	2016/17	2017/18	2018/19
251	226	203	236	187

Graduation Rate for First Year Students Graduating in Four Years

Entering Year – Fall	4-year Graduation rate
2010/11	62.4%
2011/12	65.3%
2012/13	64.3%
2013/14	65.3%
2014/15	68.8%

Student Retention

For the past five academic years, retention from the first year to the second year has been as follows:

Fall 2013 to Fall 2014:	85.2%
Fall 2014 to Fall 2015:	89.0%
Fall 2015 to Fall 2016:	88.4%
Fall 2016 to Fall 2017:	88.4%
Fall 2017 to Fall 2018:	86.0%

Student Body

There is no religious or denominational prerequisite or any participating religious requirement for students of the University other than in the School of Divinity. The fall term enrollment at the University for the 2018/19 academic year is 10,035; with a full-time equivalent ("FTE") enrollment of 8,783. International students make up approximately 5.7% of the student population for the 2018/19 academic year, while approximately 77% of the undergraduate population are from within the State.

Athletics

The University is an NCAA Division III school and a current and founding member of the Minnesota Intercollegiate Athletic Conference ("MIAC"). The University has won the MIAC All-Sports Trophy every year since the 2007-2008 school year for both women's and men's athletics.

The University currently offers men and women the opportunity to compete in 20 varsity sports and nearly 40 club teams. More than one-third of all undergraduate students participate in intercollegiate varsity or club competitions. Also, nearly 60 teams participate in the intramural sports program, which schedules competition on campus, among local colleges and independent groups.

Women's Varsity Sports offered at the University include: Basketball, Cross Country, Golf, Hockey, Soccer, Softball, Swimming and Diving, Tennis, Track & Field, and Volleyball.

Men's Varsity Sports offered at the University: Basketball, Baseball, Cross Country, Football, Golf, Hockey, Soccer, Swimming and Diving, Tennis, and Track & Field.

On May 22, 2019, the MIAC announced the involuntary removal of the University from membership in the MIAC effective at the end of the 2020-2021 school year. The reason cited by the MIAC for the removal of the University was the lack of competitive parity within the athletic conference across many sports. The MIAC noted and affirmed in its announcement that the University has not violated any MIAC or NCAA rules and will leave the MIAC in good standing.

The University will immediately begin a thorough and deliberative process to explore options for its intercollegiate athletic teams. The University believes the strength of the University's athletic programs, its institutional commitment to excellence, and its location in the Minneapolis/St. Paul metropolitan area will make the University an attractive candidate to other athletic conferences in the Upper Midwest.

Housing

Students may live either off campus or in one of the residence halls on the Saint Paul campus. Substantially all students residing in a University residence hall are required to board on campus. As of fall 2018, the University has 24 student residences and two seminary student residences on the Saint Paul campus, which house approximately 2,716 students. Approximately 42% of the undergraduate day student population for the 2018/19 academic year reside on the Saint Paul campus.

The current demand for student housing at the University is high. The University saw some incoming first year students housed in converted lounges for the 2018/19 academic year. In addition, approximately 300 students applied for housing that the University did not have space for, and it is anticipated the 2019/20 academic year will bring the same demand.

As a result of the Project it is anticipated that there will be a net increase of approximately 575 students living on campus for the 2020-2021 school year and thereafter. The University is considering the adoption of a housing policy requiring most first and second year students to live on campus beginning as early as fall of 2020, which would be made possible by the addition of the Project.

Tuition and Fees

The University meets the cost of educational programs primarily through tuition and fees. The following table lists the tuition charged full-time students in the University's major programs for the academic years listed:

	2015/16	2016/17	2017/18	2018/19	2019/20*
Undergraduate (full-time) per academic year	$ 37,264	$ 38,720	$ 40,224	$ 41,792	$ 44,780
	$ 825	$ 750	$ 909	$ 944	$ 1,000
School of Engineering	$ 970	$ 1,005	$ 1,044	$ 1,075	$ 1,140
Religious education, per credit	$ 728	$ 757	$ 786	$ 810	TBD
Graduate School of Business, evening and part-time programs, per credit	$ 1,044	$ 1,085	$ 1,128	$ 1,172	$ 1,218
School of Law (full-time) per credit	$ 1,281	$ 1,320	$ 1,360	$ 1,400	$ 1,442

* *Tuition and fees for the 2019/20 school year are estimates at this time as they have not yet received approval from the Board of Trustees.*

The Board of Trustees reserves the right to revise charges from time to time. Although the Board of Trustees anticipates that it will be able to raise current tuition and fees without adversely affecting future enrollment, there can be no assurance that it will be able to do so. Future economic and other conditions may affect the ability to increase tuition and fees while sustaining current levels of enrollment.

The following table lists total revenue derived from tuition and fees, before deducting University funded financial aid, for the fiscal years ended June 30, 2014 through 2018.

Year	Tuition and Fees
2014	$272,837,483
2015	$278,958,640
2016	$288,787,642
2017	$293,445,505
2018	$303,739,500

2018/19 Undergraduate Rate Comparison of Selected Minnesota Private Colleges (Ranked by Comprehensive Charges)

College / University	Tuition and Fees	Room and Board	Comprehensive Charges*
Carleton College	$54,759	$14,085	$68,844
Macalester College	$54,344	$12,156	$66,500
St. Olaf College	$47,840	$10,850	$58,690
College of Saint Benedict	$45,264	$10,904	$56,168
Gustavus Adolphus College	$45,600	$ 9,910	$55,510
Saint John's University	$44,990	$10,319	$55,309
University of St. Thomas	**$42,736**	**$10,412**	**$53,148**
Hamline University	$42,155	$10,358	$52,513
St. Catherine University**	$42,148	$ 9,260	$51,408
Augsburg University**	$38,800	$10,280	$49,080
Concordia College (Moorhead)	$39,878	$ 8,230	$48,108
Bethel University**	$37,300	$10,520	$47,820
Minneapolis College of Art and Design	$39,210	$ 7,986	$47,196
The College of St. Scholastica**	$37,212	$ 9,710	$46,922
Saint Mary's University of Minnesota**	$35,030	$ 9,160	$44,190
Bethany Lutheran College	$27,910	$ 8,100	$36,010
Concordia University, St. Paul**	$22,275	$ 9,000	$31,275
Average	**$41,027**	**$10,073**	**$51,099**

* *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 policy applies.*

Source: The Minnesota Private College Research Foundation, reviewable at www.mnprivatecolleges.org; information posted as of April 29, 2019.

Financial Aid

Approximately 97% of the University's undergraduate students currently receive some form of financial aid including federal, state, University or private sources. Some of the federal and state financial aid programs apply to tuition and fees, whereas others provide aid for living expenses such as transportation, housing (on or off campus) and personal expenses.

Awards of financial aid, excluding competitive scholarships, are granted on the basis of need up to the maximum allowed by the various programs and can be substituted for each other in the establishment of a student's financial aid package. No assurance can be given that federal and state student financial aid will continue to be funded at current levels. If such student aid is curtailed, it may cause the enrollment of the University to decrease, which, in turn, may have an adverse effect on the University's revenues.

Retirement Benefits

Retirement benefits are provided for substantially all full-time employees through Transamerica Retirement Solutions ("Transamerica"). Under this 403(b) retirement plan the University makes contributions of a defined percentage of covered payroll to Transamerica. Contributions charged to unrestricted operations for these benefits were $9,537,792 and $9,477,714 for the years ended June 30, 2018 and 2017, respectively. The University does not have any defined benefit pension plans for its employees. Please reference "Note 12 – Retirement Benefits" of the University's Financial Statements Fiscal Year Ended June 30, 2018 with Report of Independent Auditors, which is included as Appendix VII to this Official Statement.

Unions

The General Drivers, Helpers, and Truck Terminal Employees, an affiliation of the International Brotherhood of Teamsters Local 120, represents approximately 87 employees who are the Building Services Workers, Grounds Service Workers, Grounds Turf Technician, and Mechanic Staff of the University. The terms for Local 120 employees are covered under a three-year agreement with Teamsters Local 120. The agreement runs from March 1, 2018 through February 28, 2021.

The International Union of Operating Engineers Local 70, AFL-CIO, which represents approximately seven engineers, signed an agreement covering the engineers which runs from January 1, 2019 to December 31, 2023.

The Saint Paul Chapter of the National Electrical Contractors Association and the International Brotherhood of Electrical Workers, Local Union No. 110, AFL-CIO agreement covers two electricians at the University. The University provides benefits to Local 110 employees through the arrangement established by the union agreement for the broader union membership. The agreement runs from December 3, 2016 through December 2, 2019.

Adjunct faculty at the University rejected a vote to unionize in the 2014. As part of that decision, the University agreed to provisions such as additional representation of adjunct faculty on committees and modification to benefits for some adjunct faculty meeting certain teaching course loads.

Independent Accountants

The financial statements as of June 30, 2018, included as Appendix VII herein, have been audited by CliftonLarsonAllen LLP, independent accountants, as stated in their report appearing therein.

Statement of Financial Activity for Fiscal Years 2014 through 2018

The table on the following page summarizes the University's statements of unrestricted activities for the fiscal years ended June 30, 2014 through 2018. For more complete information of the University for the fiscal year ended June 30, 2018, see Appendix VII of this Official Statement.

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UNIVERSITY OF ST. THOMAS
Statement of Unrestricted Activities

For the years ended June 30,

	2014	2015	2016	2017	2018
Operating Revenues					
Tuition & Fees	$ 272,837,483	$ 278,958,640	$ 288,787,642	$ 293,445,505	$ 303,739,500
Less: student aid	(97,034,209)	(101,775,447)	(108,850,761)	(114,413,366)	(125,422,624)
Net tuition and fees	$ 175,803,274	$ 177,183,193	$ 179,936,881	$ 179,032,139	$ 178,316,876
Sales and services of auxiliary enterprises	36,758,981	38,419,034	38,464,314	38,700,672	39,912,067
Private gifts and grants	7,899,636	10,180,476	9,444,938	8,142,165	6,770,812
Grants and contracts	2,869,395	3,200,088	4,318,402	4,578,902	4,554,849
Endowment distributed to operations	1,590,759	1,829,300	4,122,479	3,528,447	2,381,986
Other ordinary investment income	1,254,157	1,154,631	1,177,253	1,304,896	1,826,874
Sales and services of educational departments	4,738,394	5,187,835	7,554,973	4,359,921	4,686,732
Other Revenue	5,862,512	6,226,069	7,887,881	6,813,788	5,857,529
Net assets released from restriction	17,797,351	23,746,299	19,276,039	18,286,569	26,784,285
Total Operating Revenues	$ 254,574,459	$ 267,126,925	$ 272,183,160	$ 264,747,499	$ 271,092,010
Operating Expenditures					
Instruction and other services					
Instruction	124,196,219	121,498,035	133,657,132	127,980,777	128,182,113
Auxiliary enterprises	42,338,495	39,753,630	40,110,793	37,897,605	36,946,944
Student activities and services	31,080,617	32,821,645	35,225,492	32,235,575	31,888,428
Academic support	10,141,733	9,718,578	10,625,096	11,933,607	15,222,253
Libraries	8,929,734	8,921,415	9,810,985	9,180,189	9,276,717
Public service	1,402,358	1,374,810	1,707,616	2,054,672	2,895,576
Research	713,897	834,930	890,446	943,742	1,122,586
Total instruction and other services	$ 218,803,053	$ 214,923,043	$ 232,027,560	$ 222,226,167	$ 225,534,617
Management and general					
General Administration & support	30,794,646	27,388,767	31,183,714	31,776,159	32,386,180
Development	7,429,786	6,674,471	8,087,196	8,081,327	8,672,464
Total Management and General	38,224,432	34,063,238	39,270,910	39,857,486	41,058,644
Total Operating Expenditures	$ 257,027,485	$ 248,986,281	$ 271,298,470	$ 262,083,653	$ 266,593,261
Net Operating Income (loss)	**$ (2,453,026)**	**$ 18,140,644**	**$ 884,690**	**$ 2,663,846**	**$ 4,498,749**
Non-Operating Activities					
Endowment investment gain/(loss):					
Investment ordinary income	948,630	824,918	778,540	836,615	1,139,585
Net capital gain/(loss) on investments	13,405,372	(233,777)	(4,017,422)	12,384,663	6,874,995
Less: Distributed to operations	(1,590,759)	(1,829,300)	(4,122,479)	(3,528,447)	(2,381,986)
Net non-operating endowment gain/(loss)	$ 12,763,243	$ (1,238,159)	$ (7,361,361)	$ 9,692,831	$ 5,632,594
Other investment capital gains/(losses)	11,448,528	(153,761)	(3,653,357)	11,472,518	6,083,741
(Loss) gain on disposal of property and equipment	2,682	(3,577,254)	28,420	372	24,878
Net unrealized gain (loss) on interest rate exchange agreement	343,661	322,337	(517,799)	819,725	567,476
Loss on debt refinancing	(706,971)		(2,915,713)		(4,615,393)
Net Non-Operating Income (loss)	**$ 23,851,143**	**$ (4,646,837)**	**$ (14,419,810)**	**$ 21,985,446**	**$ 7,693,296**
Net (decrease) increase in net assets	**$ 21,398,117**	**$ 13,493,807**	**$ (13,535,120)**	**$ 24,649,292**	**$ 12,192,045**
Net assets, beginning of year	379,216,913	400,615,030	414,108,837	400,573,717	425,223,009
Net assets, end of year	**$400,615,030**	**$414,108,837**	**$400,573,717**	**$425,223,009**	**$437,415,054**

Source: Audited financial statements of the University.

Contributions Receivable

The University of St. Thomas actively solicits and receives gifts and bequests from a variety of donors and also receives various grants from private foundations and from agencies of the federal government.

Major development programs, including efforts to raise capital funds and a variety of annual giving programs among alumni, parents of students, businesses and friends of the University, have been maintained for a number of years.

The University's contributions receivable for the past five fiscal years are shown below. Unconditional promises are recognized at the estimated present value of the future cash flows net of allowances.

	2014	2015	2016	2017	2018
In one year or less	$ 22,364,914	$12,489,577	$17,459,937	$34,773,806	$ 30,599,629
Between one year and five years	113,594,432	102,760,591	101,889,500	85,973,739	102,147,900
More than five years	57,163,526	64,800,000	57,625,000	56,707,500	47,148,572
Total face value of pledges outstanding	$193,122,872	$180,050,168	176,974,437	177,455,045	179,896,101
Discount (to present value)	(36,451,550)	(33,182,870)	(28,118,090)	(24,660,870)	(22,596,080)
Allowance for uncollectible pledges	(6,401,792)	(5,765,132)	(5,700,470)	(5,388,739)	(6,015,185)
Contributions receivable	$150,269,530	$141,102,166	$143,155,877	$147,405,436	$151,284,836

Capital Campaign

The University celebrated the public launch of its scholarships fundraising initiative in November 2017. The $200 million campaign will support scholarships for students with a focus on educational excellence, increasing access and reducing student debt, and is now in its second year with nearly $75 million committed. When complete, more students will have access to an affordable education and student debt will be reduced.

The University is raising additional funds for other University priorities including The Dougherty Family College, which is graduating its first class in May 2019. The Dougherty Family College has raised $29 million towards its $43 million goal. Finally, two modest construction projects are nearing complete funding. The University expects the renovation and expansion of the Chapel of St. Thomas Aquinas with a $13 million goal, and the Center for Well Being with a $2 million goal, both to be fully funded by fall of 2019.

Net Assets Detail

The following table lists the University's net assets for the fiscal years ended June 30, 2016 through 2018. The table includes details on the University's (i) endowment funds which are subject to the restrictions of gift instruments requiring the principal to be maintained in perpetuity and only the income to be utilized either for donor specified purposes or for general University purposes; and (ii) funds functioning as endowment ("Quasi-Endowment") which represent expendable funds received which, by decision of the Board of Trustees of the University, have been retained and invested for the future benefit of the University, which can be utilized, if and when the need arises, for current operating and capital expenditure purposes at the discretion of the Board of Trustees. The table also includes details as to net assets related to operations and to buildings and equipment.

	FY2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment				
Donor-restricted for:				
Student financial aid	$ (469,248)	$ 33,246,567	$ 106,915,454	$ 139,692,773
Instruction and other related activities	(124,123)	51,710,060	169,043,036	220,628,973
Total donor-restricted endowment	(593,371)	84,956,627	275,958,490	360,321,746
Board-designated for educational and general operations	87,156,938	-	-	87,156,938
Total endowment	86,563,567	84,956,627	275,958,490	447,478,684
Operations				
Current unrestricted operations	10,123,698	-	-	10,123,698
Gifts and grants for instructional programs, financial aid, and research	26,513,699	32,139,114	-	58,652,813
Long-term support of educational and general operations	72,941,836	24,474,070	-	97,415,906
Total operations	109,579,233	56,613,184	-	166,192,417
Buildings and Equipment				
Net value of building and equipment	201,233,408	-	-	201,233,408
Funds for building projects, excluding pledges	3,511,002	12,063,411	-	15,574,413
Total buildings and equipment	204,744,410	12,063,411	-	216,807,821
Other				
Annuity trust agreements	(313,493)	10,024,948	-	9,711,455
Total	$ 400,573,717	$ 163,658,170	$ 275,958,490	$ 840,190,377

	FY2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment				
Donor-restricted for:				
Student financial aid	$ (11,071)	$ 43,488,294	$ 130,401,350	$ 173,878,573
Instruction and other related activities	112,906	70,696,719	158,732,712	229,542,337
Total donor-restricted endowment	101,835	114,185,013	289,134,062	403,420,910
Board-designated for educational and general operations	94,580,661			94,580,661
Total endowment	94,682,496	114,185,013	289,134,062	498,001,571
Operations				
Current unrestricted operations	10,191,883	-	-	10,191,883
Gifts and grants for instructional programs, financial aid, and research	24,790,483	40,609,933	-	65,400,416
Long-term support of educational and general operations	88,022,459	21,321,690	-	109,344,149
Total operations	123,004,825	61,931,623	-	184,936,448
Buildings and Equipment				
Net value of building and equipment	201,963,447	-	-	201,963,447
Funds for building projects, excluding pledges	5,830,652	10,745,391	-	16,576,043
Total buildings and equipment	207,794,099	10,745,391	-	218,539,490
Other				
Annuity trust agreements	(258,411)	11,187,941	-	10,929,530
Total	$ 425,223,009	$ 198,049,968	$ 289,134,062	$ 912,407,039

	FY2018			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment				
Donor-restricted for:				
Student financial aid	$ (11,135)	$ 45,793,440	$ 136,195,879	$ 181,978,184
Instruction and other related activities	-	73,763,099	163,649,725	237,412,824
Total donor-restricted endowment	(11,135)	119,556,539	299,845,604	419,391,008
Board-designated for educational and general operations	99,319,259	-	-	99,319,259
Total endowment	99,308,124	119,556,539	299,845,604	518,710,267
Operations				
Current unrestricted operations	7,342,981	-	-	7,342,981
Gifts and grants for instructional programs, financial aid, and research	38,357,354	36,945,104	-	75,302,458
Long-term support of educational and general operations	85,362,854	26,942,517	-	112,305,371
Total operations	131,063,189	63,887,621	-	194,950,810
Buildings and Equipment				
Net value of building and equipment	202,173,082	-		202,173,082
Funds for building projects, excluding pledges	5,129,070	17,167,987	-	22,297,057
Total buildings and equipment	207,302,152	17,167,987	-	224,470,139
Other				
Annuity trust agreements	(258,411)	12,210,885		11,952,474
Total	$ 437,415,054	$ 212,823,032	$ 299,845,604	$ 950,083,690

Source: Audited Financial Statements of the University.

Investment Management

The University's investment policy is established by the Investment Committee of the Board of Trustees. The Investment Committee is composed of fourteen members of the Board of Trustees. The Investment Committee is advised by Cambridge Associates as the investment consultant. Three staff members, led by Chief Treasury and Investment Officer Carol Peterfeso, with over 25 years of experience in institutional investment management, are responsible for the day-to-day management of the fund. All funds are managed by external asset managers with the exception of the Fixed Income allocation. There are a total of 50 different asset managers investing on behalf of the University.

The University's current long-term target allocations, along with allowable ranges are as follows:

- 48% Global Equity (35% Min. – 70% Max.)
- 18% Hedge Funds (10% Min. – 25% Max.)
- 17% Private Investments (0% Min. –35% Max.)
- 12% U.S. Treasuries (5% Min. – 15% Max.)
- 5% Inflation Sensitive (0% Min. – 10% Max.)

The table below shows the fiscal year end June 30, 2018 and 2017 allocation of investment assets and the percentage change of each component from fiscal year ended June 30, 2017.

Asset Class	6/30/18 Market Value	% of Total	6/30/17 Market Value	% of Total	% Change
Cash Equivalents	$ 43,806,381	7.1%	$ 52,492,774	8.9%	-16.5%
Public Equities	279,916,143	45.5%	271,383,569	46.0%	3.1%
Fixed Income	58,152,917	9.4%	52,717,370	8.9%	10.3%
Real Assets	48,320,407	7.9%	49,145,949	8.3%	-1.7%
Marketable Alternatives	105,874,561	17.2%	103,085,611	17.5%	2.7%
Private Equity	79,199,953	12.9%	60,665,399	10.4%	30.6%
Total Market Value	$615,270,362		$589,490,672		4.4%
Total Cost	$515,051,028		$504,260,610		

Long-Term Debt

The University had the following long-term debt outstanding as of May 1, 2019:

(a) $25,685,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Seven-U, dated March 28, 2013 at various rates of interest; principal outstanding is $17,670,000. The final maturity is April 1, 2027. The proceeds financed (1) the refunding of the University's then outstanding Series Five-L Bonds, which financed the construction of the University's School of Law Building and the refunding of the University's then outstanding Series Three-C Bonds, and (2) the refunding of the University's then outstanding Series Five-Z Variable Rate Demand Revenue Bonds, which financed the construction of Schulze Hall on the University's Minneapolis campus. The Series Seven-U Bonds are a general obligation of the University.

(b) $24,210,000 Minnesota Higher Education Facilities Authority Revenue Note, Series Seven-Z, dated March 14, 2014. Interest is fixed at 2.77% to the mandatory tender date of March 1, 2024; principal outstanding is $16,972,593. On the mandatory tender date, the Note is subject to tender and purchase unless the University pursues and is successful in obtaining a new, later tender date pursuant to the underlying documents and subject to the final maturity date of October 1, 2032. The proceeds financed the refunding of the University's Series Five-Y Bonds, which financed building construction on the University's campus. The Series Seven-Z Note is a general obligation of the University.

(c) $55,355,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Eight-L, dated March 9, 2016 at various rates of interest; principal outstanding is $50,615,000. The proceeds financed the refunding on an advance refunding basis of the University's outstanding Series Six-W and Series Six-X Bonds. The Series Eight-L Bonds are a general obligation of the University.

(d) $15,305,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series Eight-M, dated March 9, 2016 at various rates of interest; principal outstanding is $7,925,000. The proceeds financed the refunding on an advance refunding basis of the University's outstanding Series Six-I Bonds. The Series Eight-L Bonds are a general obligation of the University.

(e) $60,750,000 Minnesota Higher Education Facilities Authority Revenue Refunding Bonds, Series 2017A, dated December 28, 2017 at various rates of interest; principal outstanding is $59,050,000. The final maturity is October 1, 2037. The proceeds financed the refunding on an advance refunding basis of the University's outstanding Series Seven-A Bonds. The Series 2017A Bonds are a general obligation of the University.

(f) $8,220,000 Minnesota Higher Education Facilities Authority Revenue Refunding Note, Series 2017B, dated December 29, 2017. Interest is variable and reset quarterly; principal outstanding is $6,810,000. The final maturity is April 1, 2025. The proceeds financed the refunding of the University's Series Seven-O Bonds. The Series 2017B Note is a general obligation of the University.

(g) $10,815,000 Minnesota Higher Education Facilities Authority Revenue Refunding Note, Series 2017C, dated December 29, 2017. Interest is variable and reset quarterly to the mandatory tender date of June 1, 2027; principal outstanding is $10,260,000. On the mandatory tender date, the Note is subject to tender and purchase unless the University pursues and is successful in obtaining a new, later tender date pursuant to the underlying documents and subject to the final maturity of April 1, 2032. The proceeds financed the refunding of the University's Series Seven-P Bonds. The Series 2017C Note is a general obligation of the University.

As of May 1, 2019, the University's total long-term debt outstanding was $169,302,593. The University's long-term debt will increase by the principal amount of the Bonds upon issuance.

Estimated Maximum Annual Debt Service and Pro Forma Coverage Statement

The following table displays information related to the pro forma debt service coverage for outstanding University debt including the debt service on the Bonds. Coverage is calculated by comparing amounts available for debt service for fiscal years 2017 and 2018 with estimated maximum annual debt service (MADS) for the University's outstanding debt after issuing the Bonds.

The two columns on the right of the following table show debt service coverage comparing amounts available for debt service for fiscal years 2017 and 2018, respectively, to estimated MADS. The calculations of amounts available for debt service are detailed in footnote (c) to the table.

Any additional University indebtedness will increase the University's debt service requirements in the future and may reduce the pro forma debt service coverage ratio shown in the table. If the University elects to refund existing debt with one or more new debt issuances, the University's overall debt service payments may be altered.

The table is intended merely to show the relationship of amounts available for the University's debt service for fiscal years 2017 and 2018 to estimated MADS following the issuance of the Bonds. It is not intended and should not be considered a projection of future revenues, expenses, debt service or debt service coverage of the University. There is no assurance that the future amounts available for debt service and debt service coverage of the University or the respective relationships thereof will correspond to the pro forma amount available for debt service, pro forma debt service coverage, combined estimated long-term debt service or the respective relationships thereof shown by or reflected in the following table.

Estimated *(a)* Maximum Annual Debt Service (MADS)		FY 2017 Pro Forma Coverage*(b)*	FY 2018 Pro Forma Coverage*(b)*
On outstanding debt (including the Series 2019 Bonds)*(c)*	$20,437,752	1.36	1.30

(a) *The University's Series 2017B and Series 2017C Notes are variable rate bonds with rates reset quarterly. Pro forma debt service calculations assume that the most recent reset rates continue to maturity.*

(b) *The amount available for debt service for each fiscal year is calculated as shown below and based on the University's fiscal year audited financial statements. This amount is divided by MADS.*

(c) *From the Pro Forma University Debt Service table.*

	FY 2017	FY 2018
Unrestricted Net Operating Income	$ 2,663,846	$ 4,498,749
Plus:		
Depreciation	17,044,590	16,861,705
Interest expense on debt	8,672,626	7,219,308
Less:		
Net assets released from restrictions for building and equipment	(556,755)	(1,936,586)
Amount available for debt service	$27,824,307	$26,643,176
Less:		
Estimated MADS on Outstanding Debt (Including the Series 2019 Bonds)	(20,437,752)	(20,437,752)
Net Income Remaining	$ 7,386,555	$ 6,205,424

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PROPOSED FORM OF LEGAL OPINION

McGRANN SHEA CARNIVAL STRAUGHN & LAMB, CHARTERED

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(1938-2018)

$80,525,000
Minnesota Higher Education Facilities Authority
Revenue Bonds, Series 2019
(University of St. Thomas)

We have acted as bond counsel in to the Minnesota Higher Education Facilities Authority (the "Authority") in connection with the issuance of the Authority's fully registered Revenue Bonds, Series 2019 (University of St. Thomas), in the aggregate principal amount of $80,525,000 (the "Bonds"), dated as of their date of delivery, more fully described in and issued pursuant to the Indenture (defined below).

The Bonds are issued for the purpose of funding a loan from the Authority to the University of St. Thomas, a Minnesota nonprofit corporation and institution of higher education (the "University"), in order to finance educational facilities owned or to be owned and operated by the University and located on its campus in the city of St. Paul, Minnesota. We have examined executed counterparts of the Loan Agreement (the "Loan Agreement") between the Authority and the University, 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 May 1, 2019; one or more opinions of Nilan Johnson Lewis PA, as counsel to the University; 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 University without undertaking to verify such facts by independent investigation. We have also relied upon the opinion of Nilan Johnson Lewis PA, as to the Loan Agreement having been duly authorized and executed and being binding upon the University and as to the corporate organization, tax-exempt status and unrelated trade or business activities, good standing, and powers of the University. As to title to the Project Site (as defined in the Loan Agreement and Indenture), we have relied on information contained in owner and encumbrances reports, title insurance policies or commitments, or title opinions, provided to us by the University or by counsel engaged by it, and have not undertaken any examination of the records of the University or original title records or abstracts of title.
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We have not been engaged or undertaken to verify the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement), and we express no opinion relating thereto (except only matters set forth as our opinion in the Official Statement).

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

1. The Authority is an agency of the State of Minnesota duly organized and existing under the laws 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 University 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 the loan repayments payable by the University under the Loan Agreement which have been assigned 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 are further secured by the pledge of the funds and investments held by the Trustee under the Indenture and by the pledge of funds and rights to payments held by the Trustee, as assignee, under the Loan Agreement. The Bonds are not a general obligation or indebtedness of the Authority within the meaning of any constitutional or statutory limitation, and do not constitute or give rise to a pecuniary liability of the Authority or charge against its general credit, but are payable solely from amounts pledged thereto in accordance with the provisions of the Indenture.

4. Assuming compliance with the covenants in the Loan Agreement and Indenture, the interest on the Bonds is not includable in gross income for purposes of federal income taxation and, to the same extent, is not includable in net taxable income of individuals, estates and trusts for purposes of Minnesota income taxation under present laws and rulings. Interest on the Bonds is not an item of tax preference required to be included in the computation of "alternative minimum taxable income" for purposes of the federal alternative minimum tax applicable to individuals under Section 55 of the Internal Revenue Code of 1986, as amended (the "Code"), or Minnesota alternative minimum tax applicable to individuals, estates or trusts. Interest on the Bonds is subject to the Minnesota franchise tax imposed upon corporations, including financial institutions, measured by taxable income and the alternative minimum tax base. The Bonds are not arbitrage bonds within the meaning of Section 148 of the Code. The Bonds are "private activity bonds" within the meaning of Section 141(a) and "qualified 501(c)(3) bonds" within the meaning of Section 145 of the Code. Ownership of the Bonds will result in disallowance of a deduction for a portion of the interest expense of a "financial institution" under Section 265(b) of the Code. The Authority has not designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265 of the Code. The opinion set forth in this paragraph is subject to the conditions that the Authority, the Trustee and the University comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be included in federal gross income or Minnesota taxable net income retroactive to the date of issuance of the Bonds. The Authority, the Trustee and the University have covenanted to comply with such requirements.

We express no opinion regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership or disposition of the Bonds.

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

Dated at Minneapolis, Minnesota, May __, 2019.

McGrann Shea Carnival
Straughn & Lamb, Chartered

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FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE CERTIFICATE

May 1, 2019

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the University of St. Thomas, a Minnesota nonprofit corporation (the "University"), in connection with the issuance by the Minnesota Higher Education Facilities Authority, an agency of the State of Minnesota (the "Issuer"), of its $80,525,000 Revenue Bonds, Series 2019 (University of St. Thomas) (the "Obligations"), issued pursuant to a Trust Indenture, dated as of May 1, 2019 (the "Indenture"), by and between the Issuer and Wells Fargo Bank, National Association, as trustee (the "Trustee"). Proceeds of the Obligations are being loaned by the Issuer to the University pursuant to a Loan Agreement, dated as of May 1, 2019 (the "Loan Agreement"), between the Issuer and the University. The University covenants and agrees as follows:

Section 1. (a) Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the University for the benefit of the holders and beneficial owners of the Obligations and in order to assist the Participating Underwriter (defined below) in complying with the Rule (defined below). References in this Disclosure Certificate to holders of the Obligations shall include the beneficial owners of the Obligations. This Disclosure Certificate constitutes the written undertaking under the Rule.

(b) Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means, with respect to the University, a document or set of documents which contains (or includes by reference as provided in Section 3(a) hereof) the financial and operating data with respect to the University described in Exhibit A hereto.

"Annual Report Date" means, with respect to each Annual Report, the date so designated in Exhibit A hereto.

"Audited Financial Statements" means the University's annual financial statements which shall be audited and prepared in accordance with generally accepted accounting principles, as in effect from time to time.

"Code" means the Internal Revenue Code of 1986, as amended.

"Dissemination Agent" means such person from time to time designated in writing by the University and which has filed with the University a written acceptance of such designation.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Final Official Statement" means the Official Statement, dated May 22, 2019 delivered in connection with the original issuance and sale of the Obligations, together with any preliminary official statement, amendments thereto or supplements thereof.

"IRS" means the Internal Revenue Service of the Department of the Treasury.

"Listed Events" means any of the events listed in Section 4 of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board, its successors and assigns.

"Participating Underwriter" means any of the original underwriter(s) of the Obligations required to comply with the Rule in connection with the offering of the Obligations.

"Rule" means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" means the Securities and Exchange Commission or any successor to its functions governing state and municipal securities.

<u>Section 3</u>. <u>Provision of Annual Reports</u>.

(a) The University shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, provide to the MSRB, filed in accordance with Section 1(b) of this Disclosure Certificate, an Annual Report. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package. The University may provide the Annual Report by specific reference to documents previously provided to the MSRB or filed with the SEC; provided, however, that if the document so referenced is a final official statement within the meaning of the Rule, such final official statement must be available from the MSRB.

(b) Not later than 5 days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the University shall provide the Annual Report to the Dissemination Agent (if the University is not the Dissemination Agent).

(c) If the University is unable or fails to provide an Annual Report by the date required in subsection (a), the University shall send in a timely manner a notice of such fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

(d) Concurrent with the filing of the Annual Report with the MSRB, the University shall deliver to the Issuer a copy of the Annual Report.

Section 4. Reporting of Significant Events. The University shall give, or cause to be given, to the MSRB, notice of the occurrence of any of the following events with respect to the Obligations, in a timely manner not in excess of ten (10) business days after the occurrence of the event:

(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 the 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 University;

(xiii) consummation of a merger, consolidation, or acquisition involving the University or sale of all or substantially all of the assets of the University, 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;

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

Section 5. Termination of Reporting Obligation. The University's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Obligations. The obligations hereunder of the University shall also terminate upon the release of the obligation of such party to pay any amounts due or to become due under the Loan Agreement; provided that if such release occurs because of any transfer of assets or the merger of the University and the transferee or resultant organization assumes such obligations of the University, the University shall first require such transferee or resultant organization to assume the obligations of the University hereunder.

Section 6. Dissemination Agent. The University may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the University pursuant to this Disclosure Certificate. If at any time there is not any other designated Dissemination Agent, the University shall be the Dissemination Agent.

Section 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the University may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause the undertaking herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 8. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the University from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the University chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the University shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 9. Default. In the event of a failure of the University to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Obligations may take such action as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the University to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Loan Agreement or the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the University to comply with this Disclosure Certificate shall be an action to compel performance.

Section 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the University, the Issuer, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Obligations, and shall create no rights in any other person or entity.

Section 11. Reserved Rights. The University reserves the right to discontinue providing any information required under the Rule if a final determination should be made by a court of competent jurisdiction that the Rule is invalid or otherwise unlawful or, subject to the provisions of Section 7 hereof, to modify the undertaking under this Disclosure Certificate if the University determines that such modification is required by the Rule or by a court of competent jurisdiction.

Section 12 Electronic Signatures**.** An electronic signature of the University to this Disclosure Certificate shall be as valid as an original signature and shall be effective to bind the University to this Disclosure Certificate. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message.

UNIVERSITY OF ST. THOMAS

By: ____
Its: President

By: ____
Its: Chief Financial Officer, Vice President for Finance and Treasurer

[University of St. Thomas signature page to Continuing Disclosure Certificate]

EXHIBIT A

ANNUAL REPORT INFORMATION

The Annual Report Date will be the date that is 270 days after the fiscal year-end, commencing with the fiscal year ended June 30, 2019.

1. Audited financial statements of the University for the most recent complete fiscal year and if audited financial statements are not available by the Annual Report Date then the Annual Report shall contain unaudited financial statements prepared by the University in a format similar to the financial statements contained in the Official Statement, and the audited financial statements of the University shall be filed in the same manner as the Annual Report when they become available.

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

   a. If not included in the audited financial statements, information as of the end of the most recent complete academic or fiscal year, as appropriate, of the matters covered by the Sections entitled:

      - Student Body
      - Freshman Applications, Acceptances and Enrollments
      - Graduation Rate for First Year Students Graduating in Four Years
      - Student Retention
      - Tuition and Fees
      - Financial Aid
      - Faculty and Staff
      - Retirement Benefits
      - Endowment
      - Long-Term Debt
      - Estimated Maximum Annual Debt Service and Pro Forma Coverage Statement

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 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, an agency of the State of Minnesota, in Saint Paul, Minnesota.

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

Authorized Institution Representative: The President, the Executive Vice President and Provost, the Vice President for Business Affairs and Chief Financial Officer, or the Chief Treasury and Investment Officer, or any other person at the time designated to act on behalf of the Corporation by written certificate furnished to the Authority and the Trustee, containing the specimen signature of such person and signed on behalf of the Corporation by the Chair, any Vice-Chair, or the Secretary of its Board of Trustees or the President, any Vice President or the Chief Treasury and Investment Officer, of the Corporation. Such certificate may designate an alternate or alternates.

Authorized Investments: The investments described in the Indenture authorized for moneys in the Accounts created under the Indenture.

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

Bond and Interest Sinking Fund Account: The Bond and Interest Sinking Fund Account created under the Indenture.

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

Bond Counsel: Any firm of nationally recognized bond counsel experienced in matters relating to tax-exempt state and municipal bonds acceptable to the Authority.

Bond Purchase Agreement: The Bond Purchase Agreement dated May 16, 2019, among the Authority, the Underwriter and the Corporation, relating to the Bonds.

Bond Resolution: The Series Resolution of the Authority adopted on April 17, 2019, 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 October 1, 2019, and (b) each succeeding 12-month period ending at the close of business on October 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 2019 (University of St. Thomas), described in the Indenture.

Book-Entry Form: The form of all the 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 Corporation, 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 Participants (or Indirect Participants).

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

Business Day: Any day other than Saturday, Sunday, a legal holiday in the State or any other day that the Depository or banks in the State 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 the Indenture or the Loan Agreement, each Certificate will include the statements provided for in the Indenture or the Loan Agreement.

Completion Date: The date set forth in the Certificate of the Project Supervisor furnished pursuant to the Loan Agreement.

Conditional Redemption: Conditional Redemption has the meaning ascribed to such term in the Indenture.

Construction Account: The Construction Account established under the Indenture.

Construction Period: The period between the date of commencement of the site preparation (including demolition of existing buildings), design, acquisition, construction, furnishing and equipping of the Project and the Completion Date with respect to the Project.

Continuing Disclosure Certificate: The Continuing Disclosure Certificate delivered by the Corporation, dated as of May 1, 2019, relating to the Bonds.

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

Costs of Issuance Account: The Costs of Issuance Account for the Bonds established under the Indenture.

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 the 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 will be a Holder of all the Bonds directly or indirectly for the benefit of Beneficial Owners and approved by the Authority, Corporation and Trustee to act as the Depository; provided any Depository will 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 on the Bonds is includable in gross income of the recipient under Section 103 of the Internal Revenue Code, related sections and regulations thereunder, as 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.

Event of Default: An Event of Default described in the Loan Agreement or Indenture 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: <u>The Bond Buyer,</u> <u>Finance & Commerce</u>, <u>The Wall Street Journal</u>, 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 Corporation's fiscal year, and will initially mean the 12-month period commencing on July 1 in each year.

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

Indenture: The Trust Indenture between the Authority and Wells Fargo Bank, National Association, as Trustee, dated as of May 1, 2019, under which the Bonds are authorized to be issued, and including any indenture supplemental thereto.

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

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

Indirect Participant: Any person who is not a Participant, who clears securities through or maintains a custodial relationship with a Participant, either directly or indirectly, and who has access to the book-entry system.

Institution: University of St. Thomas, a Minnesota institution of higher education with its main campus located in the city of Saint Paul, Minnesota, owned and operated by the Corporation. The Institution is also referred to as the "University" elsewhere in the Official Statement.

Interest Payment Date: April 1 and October 1 of each year, commencing October 1, 2019, and any other date on which the principal of or interest on the Bonds will be due and payable.

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

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 Corporation, dated as of May 1, 2019, as from time to time amended or supplemented.

Loan Repayments: Payments required to be made by the Corporation 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 Corporation as owner or lessee and the Trustee as secured party pursuant to the Indenture, less the cost of recovery (including attorneys' fees) of such moneys from the insuring company or the condemning authority, plus investment earnings thereon.

Opinion of Counsel: A written opinion of counsel (who need not be Independent counsel unless so specified) appointed by the Corporation or Authority, and acceptable to the Trustee, and to the extent required by the Indenture or the Loan Agreement, each Opinion of Counsel will include the statements provided for in the Indenture or the Loan Agreement.

Participant: Any securities broker or dealer, bank, trust company, clearing corporation or other organization entitled to directly record, clear and settle the transfers of beneficial ownership interest of the Bonds directly through the Depository and the book-entry system.

Participating Underwriter: Participating Underwriter has the meaning ascribed to such term in the Continuing Disclosure Certificate.

Principal Trust Office: For the Trustee originally appointed under the Indenture, the designated corporate trust office of the Trustee which at the date of the Indenture is that specified in the Loan Agreement, and for any successor Trustee, means its designated corporate trust office.

Project: Subject to changes pursuant to the Loan Agreement, the Project consists of site preparation (including demolition of existing buildings) for and design, acquisition, construction, furnishing and equipping of new undergraduate student housing, specifically, a five-story, approximately 480-bed pod-style dormitory building with a dining hall, underground pedestrian tunnel connecting the building to existing Institution buildings, and approximately 125 underground parking spaces, on the approximate site of the existing John Paul II residence hall (to be demolished), a five-story, suite-style residence hall for approximately 200 students with a community kitchen, underground pedestrian and utility tunnels connecting the building to existing Institution buildings, and approximately 100 underground parking spaces, on the approximate site of the existing Faculty Residence apartments (to be demolished), and related site improvements. The Project may also include renovation of certain other existing undergraduate student resident facilities.

Project Buildings: The buildings, facilities, and other improvements acquired, improved or constructed with proceeds of the Bonds, including investment earnings.

Project Costs: The costs of improvement, acquisition, construction (including demolition) and equipping of the Project.

Project Equipment: All fixtures, equipment, and other personal property of a capital nature acquired with proceeds of the Bonds (except for any such fixtures, equipment, or other property of a capital nature to be removed in the furtherance of the Project), including investment earnings and, with respect to such personal property acquired with proceeds of the Bonds, generally described in the Loan Agreement and described in any Certificate of the Project Supervisor 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 Supervisor: The Project Supervisor appointed as provided in the Loan Agreement.

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

Redemption Account: The Redemption Account for the Bonds established under the Indenture.

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.

State: The State of Minnesota.

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

Term Bonds: The Bonds maturing in the years 2040 and 2044.

Trust Estate: The interest of the Authority in the Loan Agreement assigned under the Indenture; the revenues, moneys, investments, contract rights, general intangibles and instruments and proceeds and products and accessions thereof as set forth in the Indenture; and additional property held by the Trustee pursuant to 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.

Underwriter: Dougherty & Company LLC, as original purchaser of the Bonds.

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APPENDIX V

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 Corporation represents that it reasonably expects construction, acquisition and installation of the Project will be substantially completed by no later than September 7, 2020, and that all amounts in the Construction Account will be expended by no later than January 31, 2021, subject only to "force majeure," as provided in the Loan Agreement. The Corporation may apply to the Authority at any time to delete from the Project any building, system or equipment proposed to be renovated, expanded, 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 will accordingly be amended by a supplement to the Loan Agreement executed by the Authority and the Corporation, a copy of which will be furnished to the Trustee, provided that no such amendment of the description of the Project will 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 the Authority to such effect is furnished to the Corporation, the Authority and the Trustee. The Corporation has agreed that it has previously paid or will itself pay all costs relating to the acquisition, construction, furnishing 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.

The Loan

The Authority agrees, upon the terms and conditions of the Loan Agreement, to lend to the Corporation the proceeds received by the Authority from the sale of the Bonds exclusive of any accrued interest received on the Issue Date (the "Loan") but including the underwriter's discount and original issue premium or original issue discount (if any), to be deposited in the applicable Accounts established with the Trustee, as provided in the Loan Agreement and in the Indenture. Such proceeds will thereafter be invested and disbursed by the Trustee in accordance with the provisions of the Loan Agreement and the Indenture.

Loan Repayments

Under the Loan Agreement, the Corporation 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 Corporation covenants to pay for the account of the Authority the following amounts:

(a) At least one (1) Business Day prior to each April 1 and October 1, commencing October 1, 2019, the Corporation will deposit into the applicable Bond and Interest Sinking Fund Account, a sum which will be equal to the amount payable as interest on the applicable Bonds on such Interest Payment Date, and, at least one (1) Business Day prior to each October 1, commencing on October 1, 2021, 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 (1) the net amount of funds and investments then on deposit to the credit of the Bond and Interest Sinking Fund Account, and (2) any credits permitted by the Indenture; and

(b) On or prior to a date established for the optional redemption or mandatory redemption and prepayment of any Bonds pursuant to the terms set forth in the Loan Agreement, the Corporation will deposit into the applicable Redemption Account such amount, if any, as will be necessary and sufficient to provide for the redemption of any Bonds called for redemption from such Redemption Account; and

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

(d) The Corporation will 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 the Indenture.

Each payment under this "Loan Repayments" section will be made directly to the Trustee at its Principal Trust Office for the account of the Authority for deposit as provided in the Indenture. The Corporation will 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 Corporation the right to prepay all or part of the Loan Repayments and to redeem the Bonds prior to their maturity in certain events as described under "THE BONDS" in the body of the Official Statement.

As additional payments, the Corporation agrees to pay the annual fee of the Authority, ordinary expenses, reasonable fees and charges of the Trustee, amounts advanced by the Trustee or the Authority, rebate of certain excess investment earnings to the United States, and certain other expenses.

Use of Project Facilities

The Corporation will own, use and operate the Project Facilities at all times 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 Corporation 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 and Possession of Project Facilities by Corporation

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

Operating Expenses and Liens

The Corporation 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 any remodeling, additions, modifications, improvements, repairs, renewals or replacements of the Project Facilities; provided, that the Corporation 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 notify the Corporation 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 Corporation will promptly pay and cause to be satisfied and discharged all such unpaid items.

Taxes and Other Governmental Charges

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

Insurance

The Corporation is required to maintain, or cause to be maintained, at its cost and expense, insurance as follows:

(a) Insurance against loss and/or damage to the Project Facilities and contents under a policy or policies covering such risks as are ordinarily insured against by similar institutions, including (without limiting the generality of the foregoing) fire and extended coverage in an amount not less than 80% of the full insurable replacement value of the Project Facilities and content, but any such policy may have a deductible amount of not more than $500,000. No policy of insurance will be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, without the prior consent thereto in writing by the Trustee. The term "full insurable replacement value" means the actual replacement cost of the Project Buildings (excluding foundation, excavation costs and costs of underground flues, pipes, drains and other uninsurable items) and contents and the Project Equipment. All policies evidencing insurance required by this paragraph (a) with respect to the Project Facilities will be carried in the names of the Corporation and the Trustee as their respective interests may appear and include a lender's loss payable endorsement with the Trustee named as loss payee.

(b) Commercial general public liability insurance, including blanket contractual liability and personal injury liability and automobile insurance, including owned, non-owned and hired automobiles, against liability for injuries to persons 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 $500,000 per occurrence, and against liability for injury to property in the minimum amount for each occurrence of $500,000.

(c) Workers' compensation insurance respecting all employees of the Corporation in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Corporation may be self-insured with respect to all or any part of its liability for workers' compensation.

All insurance required under the Loan Agreement shall be taken out and maintained in responsible insurance companies selected by the Corporation. In the event any of the above-described policies are canceled before the expiration date thereof, notice will be delivered in accordance with the policy provisions. The Corporation may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required. The Corporation will annually provide the Trustee a Certificate of insurance compliance on or before November 1 of each year.

The Corporation may give notice to the Trustee of modifications to the insurance requirements and deductible amounts, including for the Corporation to be self-insured in whole or in part for any commercial general public liability, if consistent with recommendations of a written report of an Independent insurance consultant or the Corporation's insurance broker provided by the Corporation to the Trustee.

Damage or Destruction of Project Facilities

If the Project Facilities are damaged or partially or totally destroyed, there will be no abatement or reduction 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 Corporation (A) 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 may be desired by the Corporation and as will not impair the character or significance of the Project Facilities as educational facilities, and (B) will apply for such purpose so much as may be necessary of any Net Proceeds of insurance policies resulting from claims for such losses not in excess of $1,000,000, or any additional moneys of the Corporation necessary therefor. All Net Proceeds of insurance resulting from claims for losses up to such amounts will be paid to the Corporation. To the extent that the claim for loss resulting from such damage or destruction exceeds $1,000,000, the Corporation will either repair, rebuild or restore the damaged facilities, or redeem and prepay the Bonds in whole or in part as more fully provided in the Loan Agreement.

The Bonds may be redeemed in whole if all or substantially all of the Project Facilities are damaged or destroyed to such extent that (i) they cannot be reasonably restored within six months or (ii) normal use and operation of the 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 Corporation determines that the Project Facilities so damaged or destroyed are not needed in its operations, (iii) the Corporation has elected not to repair, rebuild, restore or replace such Project Facilities, and (iv) the Corporation elects that available Net Proceeds will be deposited in the Redemption Account and used for the redemption or purchase of outstanding Bonds on the next date for which due notice of redemption can be given (*See also* "THE BONDS – Redemption – Extraordinary Optional Redemption" in the body of this Official Statement).

Condemnation of Project Facilities

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 will be taken in any proceeding involving the exercise of the right of eminent domain, there will be no abatement or reduction in the Loan Repayments payable by the Corporation under the Loan Agreement. All Net Proceeds of awards not in excess of $1,000,000 will be paid to the Corporation. All Net Proceeds of awards over $1,000,000 will be paid and held by the Trustee and the Corporation will either redeem and prepay 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 will be as described in the second and third paragraphs under the "Damage or Destruction of Project Facilities" section above.

Removal of Project Equipment and Building Equipment

The Corporation may remove Project Equipment and Building Equipment from the Project Facilities if no Default exists and upon the following conditions:

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

(b) the Corporation may release any equipment from the definition of Project Equipment (with or without the physical removal thereof) without substitution therefor, provided that the Corporation pays a sum equal to the then value of such Project Equipment as determined by an Independent engineer selected by the Corporation, 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 $250,000, such release and such deposit to the Redemption Account may be effected without such determination of value and Certificate by an Independent engineer; and

(c) the Corporation 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, released or removed equals or exceeds $250,000 the Corporation will deliver to the Trustee a certificate signed by the Authorized Institution Representative stating that the substitution, release or removal of such equipment will not materially impair the character or revenue producing significance or value of the Project Facilities.

Indemnification

The Corporation agrees to hold the Authority and the Trustee, their respective members, directors, officers 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 on its behalf, provided that the indemnity will 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 Corporation 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 Corporation in connection with the sale of the Bonds.

Corporation to Maintain its Existence and Accreditation

The Corporation agrees that, so long as the Bonds are outstanding, it will maintain its existence as a nonprofit corporation and maintain the Institution's existence as a nonprofit 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 corporation or institution, as the case may be, is other than the Corporation, such surviving, resulting or transferee corporation will assume in writing all of the obligations of the Corporation 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 Corporation will furnish to the Trustee an opinion of bond counsel that such consolidation, merger or transfer will have no effect upon the tax-exempt nature of the interest on the Bonds under the Internal Revenue Code and regulations thereunder.

Federal Income Tax Status

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

Institution to be Nonsectarian

Except for the School of Divinity, the Corporation 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 will 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 will 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 (*See also* "THE BONDS – Redemption – Extraordinary Optional Redemption" and "THE BONDS – Determination of Taxability" in the body of the Official Statement). If a Determination of Taxability should occur, any monetary damage or loss resulting from or incident thereto will be limited to the additional interest rate on the Bonds, as more fully set forth in the Loan Agreement.

Other Covenants

The Corporation 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 (except with respect to the School of Divinity); 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 Series 2018A 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 Corporation agrees to indemnify the Authority and the Trustee from losses arising from certain representations made by the Corporation 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 Corporation to the Authority as the Authority's annual fee under the Loan Agreement and any income earned or imputed therefrom.

Events of Default

The following are "Events of Default" under the Loan Agreement and the term "Event of Default" will mean, whenever used in the Loan Agreement, any one or more of the following events:

(a) If the Corporation fails to make any Loan Repayment when due, and either (i) on a Bond principal or interest payment date or redemption date (established or required to be established), the available moneys on deposit in the Bond and Interest Sinking Fund Account and Redemption Account are insufficient to pay when due principal of and interest on the applicable Bonds, or (ii) such failure continues for five Business Days after notice from the Trustee or the Authority to the Corporation that such payment has not been made; or

(b) If the Corporation fails to comply with the provisions of the Loan Agreement relating to arbitrage calculation and rebate requirements; or

(c) [Reserved]

(d) If the Corporation fails to observe and perform for reasons other than force majeure (as defined below), 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 Corporation by the Authority or the Trustee; or

(e) If the Corporation 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 Corporation; or

(f) If a court of competent jurisdiction enters an order, judgment or decree against the Corporation in any insolvency, bankruptcy, or reorganization proceeding, or appointing a trustee or receiver of the Corporation or of the whole or any substantial part of the property of the Corporation, and such order, judgment or decree will 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 assumes custody or control of the Corporation or of the whole or any substantial part of the property of the Corporation, and such custody or control will 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 Corporation. 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 Corporation has taken all action reasonably possible to remedy such default within such 30-day period, the Default will not become an Event of Default for so long as the Corporation diligently proceeds to remedy such default and in accordance with any directions or limitations of time made by the Trustee. The Corporation agrees, however, to use its best efforts to remedy with all reasonable dispatch any cause or causes preventing the Corporation from carrying out its agreements.

Remedies on Default

Whenever any Event of Default has 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 under the caption "Loan Repayments" above for the remainder of the term of the Loan Agreement to be immediately due and payable, whereupon the same will 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 under the Loan Agreement.

(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 or covenant of the Loan Agreement or the Indenture.

Any amounts collected by the Trustee pursuant to action taken will be applied first to advances, fees and expenses, and then to payment of the Bonds (interest, principal and premium, if any), as provided in the Indenture, and any excess to the Corporation.

Amendments

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

THE INDENTURE

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

Granting Clauses

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

(a) all right, title and interest of the Authority under the Loan Agreement, and all Loan Repayments and all other sums due under the Loan Agreement, except the rights of the Authority relating to certain fees, expenses, indemnity and advances;

(b) a first lien on and pledge of (i) the moneys and investments in the Accounts covenanted to be paid and maintained under the Indenture; (ii) the moneys and investments in the Construction Account not paid out for Project Costs; and (iii) with regard to the moneys and investments referenced in the preceding clauses (i) and (ii), 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 Corporation 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 will be deposited into Accounts held by the Trustee as described in "ACCOUNTS" in the body of the Official Statement.

Authorized Investments

Moneys on deposit to the credit of Bond and Interest Sinking Fund Account, the Redemption Account and the Construction Account will be invested by the Trustee as directed in writing by the Authorized Institution Representative only in investments as authorized by the Act, as amended from time to time, and subject to the additional restrictions generally described as follows: (i) direct obligations of the United States government and certain obligations issued or guaranteed by certain of its agencies; (ii) general obligations of states or local governments with taxing powers rated "A" or better by a national bond rating service, or revenue obligations of any state or local government rated "AA" or better by a national bond rating service; (iii) certain commercial paper maturing in 270 days or less; (iv) time deposits fully insured by the Federal Deposit Insurance Corporation or bankers' acceptances of United States banks; (v) certain types of repurchase agreements; (vi) units of certain short-term investment funds and shares of certain money market funds and certain other investment companies; and (vii) certain guaranteed investment contracts issued by a bank or insurance company rated at least in one of the two highest rating categories of a nationally recognized rating agency.

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 and exercise and performance of the powers and duties of the Trustee under the Indenture, and the cost and expense 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 misconduct of the Trustee).

Covenants of the Authority

Under the Indenture the Authority covenants, among other things, to perform its various undertakings and agreements; 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 will, 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 moneys 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 becomes due and payable (whether at maturity or by proceedings for redemption or by declaration of acceleration or otherwise), is not made; or

(b) If payment of any interest on the Bonds when the same becomes due and payable (in which case interest will 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) is not made; or

(c) If the Authority defaults 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 has continued for a period of 60 days after written notice, specifying such default and requiring the same to be remedied, has been given to the Authority and to the Corporation (giving the Corporation 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 will 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 Corporation, as that term is defined in the Loan Agreement, occurs and is continuing.

Remedies

If an Event of Default exists, the Trustee may, and upon written request of the Holders of a majority in aggregate principal amount of the Bonds outstanding and upon being indemnified as described below will, 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 will thereupon become and be immediately due and payable subject, however, to the right of the Holders of a majority in aggregate principal amount of the 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 has been made will 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) will be paid, or the amount thereof will 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 will be obligated (subject, however to its rights to indemnity and notice provided in the Indenture) 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 the 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 to enforce any such other appropriate legal or equitable remedy as the Trustee, being advised by counsel, deems 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 have offered to the Trustee security and indemnity satisfactory to the Trustee 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 first 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 will 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 affiliates, officers and directors are authorized to acquire and hold Bonds and otherwise deal with the Authority or the Corporation 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 Corporation, provided that the Authority may, but is not required to remove the Trustee with or without the request of the Corporation 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 has any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust 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 has become an Event of Default and the Holders of a majority in aggregate principal amount of Bonds outstanding have made written request to the Trustee and 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 have offered to the Trustee indemnity as provided in the Indenture; and no one or more Bondholders of the Bonds 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 will be instituted, had 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 not less than a majority in aggregate principal amount of the Bonds at the time outstanding, will 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 will not be waived unless, prior to such waiver, all arrears of interest, and all expenses of the Trustee have been paid or 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 will 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, will extend to or will affect any subsequent default or Event of Default or will 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 Corporation and their respective successors or assigns:

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

(b) provide for the payment of principal and premium, if any, of the outstanding Bonds and interest thereon by depositing with the Trustee at or at any time before maturity an amount of (i) government obligations described in the Indenture in such aggregate face amount, bearing interest at such rates and maturing at such dates as are sufficient in the opinion of a verification agent, upon which the Trustee may conclusively rely, and/or (ii) cash, to pay the entire amount due or to become due thereon for principal and premium, if any, and interest to maturity of all said Bonds outstanding, or

(c) deliver to the Trustee (1) proof satisfactory to the Trustee 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 as provided in the Indenture, or that arrangements satisfactory to the Trustee have been made insuring that such notice will be given or waived, or (2) a written instrument executed by the Corporation 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 of such outstanding Bonds, and in any such case, deposit with the Trustee before the date on which such Bonds are to be redeemed, as provided in the Indenture, the entire amount of the redemption price, including interest accrued and to accrue, and premium, if any, of (i) government obligations described in the Indenture in such aggregate face amount, bearing interest at such rates and maturing at such dates as are sufficient in the opinion of a verification agent, upon which the Trustee may conclusively rely, and/or (ii) in cash, 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 will also pay or provide for the payment of the unpaid fees and expenses of the Trustee (and its counsel) and the rebate of all amounts due or to become due to the United States under Section 148(f) of the Internal Revenue Code and the Arbitrage Regulations, then and in that case, at the request of the Authority or the Corporation all the Trust Estate will revert to the Authority and the Corporation as their interests appear, and the entire estate, right, title and interest of the Trustee, and of the Owners of the Bonds in respect thereof, will thereupon cease, determine and become void; unless otherwise expressly stated, rights granted by provisions relating to optional redemption of Bonds will thereupon terminate; and the Trustee in such case, upon the cancellation of all Bonds for the payment of which cash or government obligations will not have been deposited in accordance with the provisions of the Indenture, will, 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).

When the Authority or the Corporation has deposited at any time with the Trustee in trust for the purpose, in the manner provided above, or left with it if previously so deposited, cash or government obligations 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 will 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 will be deemed not to be outstanding thereunder; and it will be the duty of the Trustee to hold the funds so deposited for the benefit of the Holders of such Bonds, as the case may be, and from and after such redemption date or maturity, interest on such Bonds so called for redemption will cease to accrue.

Supplemental Indentures

The Authority and the Trustee may enter into such supplemental indentures as are 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 unto the Trustee, subject to such liens or other encumbrances as will be therein specifically described, additional property or properties of the Authority or the Corporation for the equal and proportional benefit and security of the Holders of all Bonds at any time issued and outstanding under the Indenture;

(b) To add to the covenants and agreements of the Authority in the Indenture contained other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Authority or to or upon any successor;

(c) To evidence the succession of any other department, agency, body or Corporation to the Authority and the assumption by such successor of the covenants, agreements and obligations of the Authority;

(d) To cure any ambiguity or to correct or supplement any provision contained in the Indenture or in any supplemental indentures which may be defective or inconsistent with any other provision contained in the Indenture or in any supplemental indenture, 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 will not impair the security of the same; and

(e) To modify the Indenture as authorized by the Bondholders.

In addition and subject to the provisions set forth below, the Holders of not less than a majority in aggregate principal amount of the Bonds under the Indenture then outstanding will have the right to consent to and approve such supplemental indentures as will 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 will 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 will without the consent of or notice to the Bondholders consent to and (if requested) execute any amendment, change or modification of the Loan Agreement as may be required (i) by the provisions of the Loan Agreement, or the Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission, (iii) so as to add additional rights acquired in accordance with the provisions of the Loan Agreement, or (iv) 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 will consent to or execute any other amendment, change or modification of the Loan Agreement without the written approval or consent of the Holders of not less than a majority 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 Bonds then outstanding.

Registration

The Bonds shall be fully registered as to principal and interest at the Principal 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, aggregate principal amount, maturity and interest rate of any authorized denominations. Payment of principal will be at the Principal 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 an account within the United States) to the registered Owner at the address as shown on the registration books of the Trustee, subject to applicable procedures while in book entry form.

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THE DEPOSITORY TRUST COMPANY

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Obligations. The Obligations 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 Obligations, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as 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.

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each Obligation ("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 Obligations 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 Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations 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 Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Obligations 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. Beneficial Owners of Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligation documents. For example, Beneficial Owners of the Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices are required to be sent to DTC. If less than all of the Obligations 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 any such other DTC nominee) will consent or vote with respect to the Obligations unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer or Bond Registrar as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Obligations 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, Agent, the Bond Registrar, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Registrar, Issuer, or the Issuer's agent. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Obligations purchased or tendered, through its Participant, to Agent, and shall effect delivery of such Obligations by causing the Direct Participant to transfer the Participant's interest in the Obligations, on DTC's records, to Agent. The requirement for physical delivery of Obligations in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Obligations are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Obligations to Trustee's DTC account.

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

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

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

FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2018
WITH REPORT OF INDEPENDENT AUDITORS

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CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
University of St. Thomas
Saint Paul, Minnesota

We have audited the accompanying financial statements of University of St. Thomas (the University), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 University'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 University'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.

Board of Trustees
University of St. Thomas

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of University of St. Thomas as of June 30, 2018, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the University's 2017 financial statements, and we expressed an unqualified opinion on those audited financial statements in our report dated November 15, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
November 14, 2018

UNIVERSITY OF ST. THOMAS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2017)

	2018	2017
ASSETS		
Cash and Cash Equivalents	$ 5,407,249	$ 1,750,406
Accounts Receivable, Net	13,495,825	12,552,640
Inventories, Prepaid Expenses, and Other Assets	6,663,104	5,457,482
Contributions Receivable, Net	151,284,836	147,405,436
Student and Other Notes Receivable, Net	5,204,116	5,352,992
Funds Held with Bond Trustees	29,010	5,434,789
Investments	615,270,362	589,490,672
Land, Buildings, and Equipment, Net	407,810,179	413,882,454
Total Assets	$ 1,205,164,681	$ 1,181,326,871
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 21,258,326	$ 24,379,860
Unearned Tuition Income	8,646,857	8,064,371
Deposits and Other Liabilities	34,789,929	30,125,952
Assets Held in Custody for Others	1,031,601	1,171,374
Annuity Obligations	6,481,853	5,760,232
Bonds Payable	178,611,656	194,983,766
Advances from Federal Government for Student Loans	4,260,769	4,434,277
Total Liabilities	255,080,991	268,919,832
NET ASSETS		
Unrestricted	437,415,054	425,223,009
Temporarily Restricted	212,823,032	198,049,968
Permanently Restricted	299,845,604	289,134,062
Total Net Assets	950,083,690	912,407,039
Total Liabilities and Net Assets	$ 1,205,164,681	$ 1,181,326,871

See accompanying Notes to Financial Statements.

UNIVERSITY OF ST. THOMAS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2017)

	2018				2017
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
OPERATING REVENUES					
Tuition and Fees	$ 303,739,500	$ -	$ -	$ 303,739,500	$ 293,445,501
Less: Student Aid	(125,422,624)	-	-	(125,422,624)	(114,413,372)
Net Tuition and Fees	178,316,876	-	-	178,316,876	179,032,129
Sales and Services of Auxiliary Enterprises	39,912,067	-		39,912,067	38,843,069
Private Gifts and Grants	6,770,812	17,853,536	-	24,624,348	22,250,545
Grants and Contracts	4,554,849	331,952	-	4,886,801	5,952,367
Endowment Distributed to Operations	2,381,986	14,040,112	-	16,422,098	16,921,166
Other Ordinary Investment Income	1,826,874	3,648	-	1,830,522	1,307,688
Sales and Services of Educational Departments	4,686,732	-	-	4,686,732	4,366,188
Other Revenue	5,857,529	-	-	5,857,529	6,665,195
Net Assets Released from Restrictions	26,784,285	(26,784,285)	-	-	-
Total Operating Revenues	271,092,010	5,444,963	-	276,536,973	275,338,347
OPERATING EXPENDITURES					
Instruction and Other Services:					
Instruction	128,182,113	-	-	128,182,113	127,761,260
Auxiliary Enterprises	36,946,944	-	-	36,946,944	38,203,701
Student Activities and Services	31,888,428	-	-	31,888,428	31,701,027
Academic Support	15,222,253	-	-	15,222,253	12,889,987
Libraries	9,276,717	-	-	9,276,717	9,180,187
Public Service	2,895,576	-	-	2,895,576	2,551,227
Research	1,122,586	-	-	1,122,586	953,257
Total Instruction and Other Services	225,534,617	-	-	225,534,617	223,240,646
Management and General:					
General Administration and Support Services	32,386,180	-	-	32,386,180	30,237,534
Development	8,672,464	-	-	8,672,464	8,605,520
Total Management and General	41,058,644	-	-	41,058,644	38,843,054
Total Operating Expenditures	266,593,261	-	-	266,593,261	262,083,700
NET OPERATING INCOME	4,498,749	5,444,963	-	9,943,712	13,254,647
NONOPERATING ACTIVITIES					
Permanently Restricted Gifts	-	-	8,327,566	8,327,566	15,134,484
Endowment Investment Earnings:					
Investment Ordinary Income	1,139,585	2,879,248	676,132	4,694,965	3,592,224
Net Capital Gain on Investments	6,874,995	20,228,346	1,767,844	28,871,185	46,094,650
Less: Distributed to Operations	(2,381,986)	(14,040,112)	-	(16,422,098)	(16,921,166)
Net Nonoperating Endowment Gain	5,632,594	9,067,482	2,443,976	17,144,052	32,765,708
Other Investment Capital Gain	6,083,741	51,441	-	6,135,182	11,781,942
Gain on Disposal of Property and Equipment	24,878	-	-	24,878	372
Net Unrealized Gain on Interest Rate Exchange Agreement	567,476	-	-	567,476	819,725
Loss on Debt Refinancing	(4,615,393)	-	-	(4,615,393)	-
Donor Pledge Adjustments	-	18,000	(60,000)	(42,000)	(4,172,403)
Income Tax Reduction	-	191,178	-	191,178	2,632,187
Net Nonoperating Income	7,693,296	9,328,101	10,711,542	27,732,939	58,962,015
NET INCREASE IN NET ASSETS	12,192,045	14,773,064	10,711,542	37,676,651	72,216,662
Net Assets - Beginning of Year	425,223,009	198,049,968	289,134,062	912,407,039	840,190,377
NET ASSETS - END OF YEAR	$ 437,415,054	$ 212,823,032	$ 299,845,604	$ 950,083,690	$ 912,407,039

See accompanying Notes to Financial Statements.

UNIVERSITY OF ST. THOMAS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2017)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 37,676,651	$ 72,216,662
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	16,861,705	17,044,590
Amortization of Debt Issuance Costs	430,916	152,256
Net Realized and Unrealized Investment Gains	(35,006,367)	(57,876,592)
Loss on Defeased Bonds	4,615,393	-
Noncash Gifts of Property and Equipment	(13,970)	(56,885)
Contributions Restricted for Long-Term Investment	(8,380,716)	(12,152,922)
Interest and Dividend Income Restricted for Long-Term Investment	(4,694,965)	(3,592,224)
Decrease in Allowance for Uncollectible Pledges	(626,446)	(311,731)
Gain on Disposal of Land, Buildings, and Equipment	(24,878)	(372)
Noncash Contributions of Marketable Securities	(3,050,033)	(387,059)
Change in Operating Assets and Liabilities:		
Decrease (Increase) in Operating Assets		
Accounts Receivable, Net	(943,185)	2,068,695
Contributions Receivable	(3,252,954)	(3,937,828)
Student and Other Notes Receivable	148,876	312,595
Inventories, Prepaids and Other Assets	(1,205,622)	925,596
(Decrease) Increase in Operating Liabilities		
Accounts Payable and Accrued Expenses	(3,121,534)	(2,992,459)
Unearned Tuition Income	582,486	110,492
Deposits and Other Liabilities	6,915,675	(2,524,799)
Assets Held in Custody for Others	(139,773)	(1,790,173)
Annuity Obligations	721,621	(555,682)
Advances from Federal Government for Student Loans	(173,508)	41,208
Net Cash Provided by Operating Activities	7,319,372	6,693,368
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(67,322,690)	(128,855,060)
Proceeds from Sales and Maturities of Investments	79,599,400	125,682,544
Changes in Assets Held with Bond Trustees, Excluding Net Gains and Losses	5,405,779	34,193
Expenditures for Land, Buildings, and Equipment	(10,781,977)	(8,741,671)
Proceeds from Sale of Land, Buildings, and Equipment	31,395	593
Net Cash Provided (Used) by Investing Activities	6,931,907	(11,879,401)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Contributions Restricted for Endowment, and for Land, Buildings, and Equipment	8,380,716	12,152,922
Payments on Bonds Payable	(20,876,393)	(9,735,000)
Payments on Bond Issuance Costs	(542,026)	-
Payments on Capital Leases	(2,251,698)	(2,553,715)
Interest and Dividend Income Restricted for Long-Term Investment	4,694,965	3,592,225
Net Cash Provided (Used) by Financing Activities	(10,594,436)	3,456,432
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,656,843	(1,729,601)
Cash and Cash Equivalents - Beginning of Year	1,750,406	3,480,007
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 5,407,249	$ 1,750,406
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	$ 7,343,476	$ 8,827,381
Building and Equipment Acquisitions Included Under Accounts Payable and Accrued Expenses	$ 338,513	$ 1,484,782
Equipment Acquired through Capital Lease Agreements	$ 4,372,322	$ 2,873,085
Issuance of Bonds Payable to Defease Other Bonds	$ 60,750,000	$ -

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Founded in 1885, the University of St. Thomas (the University) is a Catholic university based in the Twin Cities of St. Paul and Minneapolis. The largest private university in Minnesota, the University offers bachelor's degrees in over 100 major fields of study and more than 60 graduate degree programs including masters, education specialist, juris doctor, and doctorates.

Basis of Presentation

The accompanying statements of the University have been prepared on an accrual basis of accounting.

Net assets and related revenues and expenses are classified into the following three categories based upon the existence or absence of donor-imposed restrictions:

Unrestricted Net Assets

Unrestricted net assets generally result from revenues derived from providing services, receiving unrestricted contributions, and gains and losses that are not recorded in permanently or temporarily restricted net assets. Expenses are reported as decreases in unrestricted net assets.

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of contributed funds subject to specific donor-imposed restrictions, which are contingent upon a specific performance of a future event or specific passage of time before the university may spend the funds.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the Statement of Activities as "Net assets released from restrictions". Contributions of cash or other assets to be used to acquire land, buildings, or equipment are released after the expenditure is made. If a restriction is fulfilled in the same fiscal year in which a contribution is received, the University reports the support (and related expense) as unrestricted.

Permanently Restricted Net Assets

Permanently restricted net assets generally represent the original value of gifts, trusts, and pledges, which are permanently restricted by the donor. Generally, the corpus (original gift) is invested in perpetuity and only the investment income is made available for program operations in accordance with the donor stipulations. In some instances, a portion of the investment income is added to the corpus and is reinvested in perpetuity as stipulated by the donor.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

All liquid cash investments with an original maturity of three months or less when purchased by the University are considered to be cash equivalents.

Cash equivalents that are held for long-term investment are included in the Statement of Financial Position as "Investments". For example, cash held by endowment investment managers for transactional or strategic purposes and cash held for the purchase of buildings and equipment, are reported as investments.

Cash held in bank accounts may at times exceed federally insured limits.

Accounts Receivable

Accounts receivable are stated at net realizable value. The University provides an allowance for bad debts using the allowance method, which is based on management judgement considering historic information.

Inventories

Inventories are recorded at the lower of cost or net realizable value with cost determined on a first-in, first-out (FIFO) basis. Inventories consist mainly of books and materials at the campus stores.

Contributions Receivable

Pledges to give that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The pledge value is calculated by using an income approach of applying a discount rate technique in the year in which the pledge is received. The original discount rate determined at the date of the pledge is applied over the duration of each pledge. The discount rates applied range from 0.3% to 6.4%. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Investments

Investments are stated at fair value and include accrued income. Changes in fair value are recorded as unrealized gains or losses in the period of change. Realized gains and losses on sales of securities are generally determined using the average cost method.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

Marketable securities are reported at fair value based upon quoted market prices or, when quoted values are not available, are valued based on comparative financial instruments. Limited marketability instruments, which primarily include private equity, hedge funds and real estate investments, are valued at the quoted market price for securities in which market quotations are readily available or an estimate of fair value as determined in good faith by the general partner. Because these investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed.

Funds Held with Bond Trustee

Funds held with bond trustees include investments consisting of primarily United States government obligations.

Fair Value Measurements

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

Level 1 – Inputs are unadjusted quoted prices for identical assets or liabilities in an active market.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

The University adopted the standard on disclosures for investments in certain entities that calculate net asset value (NAV) per share or its equivalent, which removes those investments that calculate NAV per share from the fair value disclosure.

Concerning other assets and liabilities not assigned a Level 1-2-3, the market values of receivables, accounts payable and accrued liabilities, and unearned income approximate their carrying values given their short-term nature.

The fair value of bonds payable was determined using the present value of the future cash flows of debt service payments using Level 2 inputs. The discount rate used was based on the current rate on similar debt issues.

The determination of the fair value of loan fund receivables, which are federally sponsored student loans with U.S. Government mandated interest rates and repayment terms and subject to significant restrictions, could not be made without incurring excessive costs.

Land, Buildings, and Equipment

Land, building, and equipment acquisitions are stated at cost if purchased, or fair value if gifted, less accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful life of the related asset.

Asset Retirement Obligations

Asset retirement obligations (ARO) are legal obligations associated with the retirement of long-lived assets. These liabilities are initially recorded at fair value and the related asset retirement costs are capitalized by increasing the carrying amount of the related assets by the same amount as the liability. Asset retirement costs are subsequently depreciated over the useful lives of the related assets. Subsequent to initial recognition, the University records period-to-period changes in the ARO liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flows. The University reduces ARO liabilities when the related obligations are settled.

As of June 30, 2018 and 2017, conditional asset retirement obligations, which are included within deposits and other liabilities in the Statement of Financial Position, totaled $4,164,927 and $3,975,372, respectively. During the fiscal year ended June 30, 2018, the conditional asset retirement obligation increased by $189,555 as a result of asbestos removal costs of $8,769 and accretion of interest of $198,324.

Changes in management's assumptions regarding settlement dates and settlement methods could have a material effect on the liabilities recorded at June 30, 2018.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Tuition Income

Unearned tuition income represents tuition received in advance for the summer term and other University programs to be held substantially after year-end. For summer session terms that begin before July 1 and end in the next fiscal year, tuition is recognized as revenue in the current fiscal year based upon that part of the term completed before July 1.

Assets Held in Custody for Others

Assets held in custody for others represents primarily investments that are held and administered by the University, but are owned by other nonprofit organizations. These related investments are included within investments in the Statement of Financial Position.

Annuity Obligations

Some contributions received, such as interests in charitable gift annuity contracts and charitable trusts, have donor-imposed obligations to make payments to the donor or other beneficiaries. Annuity obligations arising from such gifts are established at the time of the contribution using life expectancy actuarial tables and are revalued annually. Actuarial gains and losses resulting from the annual revaluation of annuity obligations are reflected as temporarily or permanently restricted, consistent with the method used to initially record the contributions.

Contributions

Contributions received, including unconditional donor promises, are recognized as revenue when the University receives the donor’s commitment. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances for uncollectible pledges. Other gifts are recorded at the fair value at the date of the gift.

Promises made that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support. Conditional promises are recorded when donor stipulations are substantially met.

The University reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated asset must be used.

Grants and Contracts

Revenue from government and private grants and contracts are recognized as they are earned in accordance with the agreements. Any funding received before it is earned is recorded as a liability.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonoperating Activities

Nonoperating activities reflect transactions of a long-term investment nature including:

- permanently restricted private gifts and grants which are invested in perpetuity,
- endowment investment earnings reinvested, and withdrawals above the spending policy,
- other nonendowment investment gains or losses,
- reclassification of prior gifts among net asset categories due to changes in donor-imposed restrictions,
- nonrecurring fixed asset gains and losses,
- gain (loss) on debt refinancing,
- other transactions that are significant, nonrecurring, and are not accounted for as part of ongoing budgeted operations.

Advertising Expense

Advertising expenditures are expensed as incurred. Advertising expense for the years ended June 30, 2018 and 2017 was $3,150,917 and $2,383,858, respectively.

Functional Expenses

Expenses are directly coded to programs or support services whenever possible. Expenses that are not directly identifiable by program or support service are allocated based on the best estimates of management.

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.

Investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values will occur in the near term and that such changes could materially affect the financial statements.

Income Taxes

The University qualifies as a tax-exempt nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and similar statutes of Minnesota law. However, any unrelated business income may be subject to taxation. The most significant areas that subject the University to unrelated business income tax (UBIT) include conferences and events, rental activities, alternative investments, and other unrelated income.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prior Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the University's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. The reclassifications have no effect on reported amounts of total net assets or change in total net assets.

NOTE 2 ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at June 30:

	2018	2017
Student Accounts	$ 8,376,674	$ 8,261,812
Less: Allowance for Doubtful Accounts	(2,834,940)	(2,834,940)
Subtotal	5,541,734	5,426,872
Government Grants Receivable	1,467,730	894,255
Other	6,486,361	6,231,513
Total	$ 13,495,825	$ 12,552,640

NOTE 3 CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are recognized at the estimated present value of the future cash flows net of allowances, in the following timeframe at June 30:

	2018	2017
In One Year or Less	$ 30,599,629	$ 17,459,937
Between One Year and Five Years	102,147,900	101,889,500
More than Five Years	47,148,572	58,105,608
Total Face Value of Pledges Outstanding	179,896,101	177,455,045
Discount (to Present Value)	(22,596,080)	(24,660,870)
Allowance for Uncollectible Pledges	(6,015,185)	(5,388,739)
Contributions Receivable	$ 151,284,836	$ 147,405,436

NOTE 4 STUDENT AND OTHER NOTES RECEIVABLE, NET

The University participates in the Perkins federal revolving loan program. The availability of funds for loans under the program is dependent on reimbursements to the pool from repayments on outstanding loans. Funds advanced by the federal government are ultimately refundable to the government and are classified as liabilities in the Statement of Financial Position. Outstanding loans cancelled under the program result in a reduction of the funds available for loan and a decrease in the liability to the government. At June 30, 2018 and 2017, student loans represented 0.4% of total assets, respectively.

At June 30, student and other notes receivable consisted of the following:

	2018	2017
Perkins Loan Program	$ 4,669,586	$ 4,818,462
Other Notes Receivable	534,530	534,530
Total Student and Other Notes Receivable	$ 5,204,116	$ 5,352,992

No allowance for doubtful accounts has been recorded against these note receivables.

At June 30, the following amounts were past due under the Perkins student loan program:

	1 - 60 Days Past Due	60 - 90 Days Past Due	90+ Days Past Due	Total Past Due
2018	$ 19,806	$ 27,066	$ 371,266	$ 418,138
2017	$ 21,386	$ 15,699	$ 361,027	$ 389,878

NOTE 5 INVESTMENTS

The following table summarizes the value of investments at June 30:

	2018	2017
Cash Equivalents	$ 43,806,381	$ 52,492,774
Public Equities	279,916,143	271,383,569
Fixed Income	58,152,917	52,717,370
Real Assets	48,320,407	49,145,949
Marketable Alternatives	105,874,561	103,085,611
Private Equity	79,199,953	60,665,399
Total Market Value	$ 615,270,362	$ 589,490,672

The University investments include operating as well as endowment and other long-term assets. Operating cash is invested in mutual funds, the majority of which is invested in U.S. Treasury obligations. The University's long-term assets are invested in a diversified asset allocation approach, within defined limits, which maintains exposure to global equity, fixed income, real assets, hedge funds, and private equity through a partnership with external investment managers operating through a variety of investment vehicles including separate accounts, commingled funds, mutual funds, and limited partnerships.

The components of investments and investment earnings are summarized below as of June 30:

	2018				2017
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Investment Earnings					
Interest and Dividends	$ 2,966,459	$ 2,882,896	$ 676,132	$ 6,525,487	$ 4,899,912
Capital Gains	12,958,736	20,279,787	1,767,844	35,006,367	57,876,592
Total Investment Results	$ 15,925,195	$ 23,162,683	$ 2,443,976	$ 41,531,854	$ 62,776,504

NOTE 6 FAIR VALUE MEASUREMENTS

Fair Value Hierarchy

The following table presents the University's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis at June 30:

	2018				2017
ASSETS	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total	Total
Funds Held with Bond Trustees:					
Cash Equivalents	$ 27,882	$ -	$ -	$ 27,882	$ 80,544
Fixed Income	-	1,128	-	1,128	5,354,245
Total	27,882	1,128	-	29,010	5,434,789
Investments:					
Cash Equivalents	43,821,915	-	-	43,821,915	52,492,774
Public Equities	65,134,044	10,776,580	325,000	76,235,624	73,042,335
Fixed Income	57,887,516	265,401	-	58,152,917	52,717,370
Private Equity	-	-	2,589,130	2,589,130	2,343,729
Total Investments	166,843,475	11,041,981	2,914,130	180,799,586	180,596,208
Total Assets	$ 166,871,357	$ 11,043,109	$ 2,914,130	$ 180,828,596	$ 186,030,997
LIABILITIES					
Interest Rate Swap Agreements	$ -	$ 1,110,644	$ -	$ 1,110,644	$ 1,678,121

The following table presents the reconciliation to the statement of financial position for financial instruments as of June 30:

	2018	2017
Investments Measured at Fair Value	$ 180,799,586	$ 180,596,208
Investments Measured at Net Asset Value	434,470,776	408,894,464
Total	$ 615,270,362	$ 589,490,672

The following table provides a summary of changes in fair value of the University's Level 3 financial assets for the years ended June 30:

	Public Equities	Private Equity	Total
Balance as of July 1, 2016	$ 325,000	$ 7,582,916	$ 7,907,916
Realized Capital Loss	-	(3,103,001)	(3,103,001)
Unrealized Capital Loss	-	(2,245,602)	(2,245,602)
Purchases and Other Acquisitions	-	109,416	109,416
Balance as of June 30, 2017	325,000	2,343,729	2,668,729
Unrealized Capital Loss	-	(99,998)	(99,998)
Purchases and Other Acquisitions	-	345,399	345,399
Balance as of June 30, 2018	$ 325,000	$ 2,589,130	$ 2,914,130

NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)

Net Asset Value

The fair value of certain investments has been estimated using the Net Asset Value (NAV) as reported by the management of the fund. FASB guidance allows for the use of the NAV as a "practical expedient" to estimate the fair value of alternative investments. NAV reported by each alternative investment fund is used as a practical expedient to estimate the fair value of the University's interest in the fund. The University generally considers a redemption period of 90 days or less to be near term.

Investments in certain entities that calculate NAV per share (or its equivalent) as of June 30, 2018:

Redemption Frequency	Net Asset Value	Unfunded Commitments	Redemption Notice Period	Redemption Restrictions
Daily/Weekly:				
Public Equities	$ 23,388,495	$ -	3 Days	
Total Daily/Weekly	23,388,495	-		
Monthly:				
Public Equities	102,188,528	-	6-30 Days	
Real Assets	13,573,243	-	30 Days	
Marketable Alternatives	29,748,649	-	5-30 Days	
Total Monthly	145,510,420	-		
Quarterly:				
Public Equities	60,308,957	-	60 Days	
Real Assets	13,384,658	-	60 Days	
Marketable Alternatives	25,777,548	-	60-90 Days	
Total Quarterly	99,471,163	-		
Annual:				
Public Equities	15,192,403	-	120 Days	
Marketable Alternatives	10,307,515	-	60-90 Days	One fund has a side pocket
Total Annual	25,499,918	-		
Two or More Years:				
Public Equities	2,602,136	2,641,177	NA	
Real Assets	21,362,507	-	NA	
Marketable Alternatives	19,664,401	12,364,057	60-90 Days	One fund has a side pocket
Marketable Alternatives	20,376,449	-	NA	Two funds have holdbacks
Private Equity	76,595,287	120,159,281	NA	
Total Two or More Years	140,600,780	135,164,515		
Total Level 2 and Level 3 with NAV Per Share	$ 434,470,776	$ 135,164,515		

NOTE 7 DERIVATIVE INSTRUMENTS

The University uses interest rate swaps as part of its risk management strategy to manage exposure to fluctuations in interest rates and to manage the overall cost of its debt. Interest rate swaps are used to manage identified and approved exposures and are not used for speculative purposes. The interest rate swaps are recognized as either assets or liabilities on the Statement of Financial Position and are measured at fair value. Interest rate swaps are often held for the life of the strategy, but may reflect significant interim unrealized gains or losses depending on the change in value since the inception of the contract. All unrealized and realized gains and losses from the interest rate exchange agreements are reflected in the Statement of Activities.

In February 2006, the University entered into a forward interest rate swap agreement having a notional amount of $12,300,000. This swap was utilized to reduce the volatility risk for a portion of the University's variable interest rate exposure on debt issue Series Six-H. The series six-H bond issue has been refinanced twice since 2006, most recently in 2017 by the 2017C bonds. The swap remains outstanding, but the notional amount reduces annually to match the amortization of the 2017C bonds. The swap has a notional value of $10,740,000 and $11,280,000 as of June 30, 2018 and 2017, respectively. Under the swap agreement, the counterparty will pay the University a variable interest rate equal to 67% of the three-month London Interbank Offered Rate (LIBOR) and the University will pay the counterparty a fixed rate of 3.553% for a term that ends October 1, 2032.

An investment manager retained by the University has been authorized to use certain financial derivative instruments. Specifically, equity futures are used to invest cash in equities and/or obtain equity market exposure. In addition, commodity futures contracts are also utilized to obtain market index exposure. The University's derivative instruments involve varying degrees of risk of loss in excess of the amount recognized in the Statement of Financial Position arising from potential changes in market prices. The market value of the derivative contracts was $5,885,479 and $14,383,832 as of June 30, 2018 and 2017, respectively. Net gains (losses) from these derivative contracts is summarized as follows:

	2018	2017
Investment Gain (Loss)	$ (1,006,611)	$ 1,795,635

In addition, the University, through its investment activities, is indirectly involved in such activities as trading in futures, forward contracts, and other derivative products. Derivatives are used to adjust portfolio risk exposure. While these instruments may contain varying degrees of risk, the University's risk with respect to such transactions is limited to its respective share in each investment pool.

NOTE 8 LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment and related accumulated depreciation at June 30 consist of the following:

	2018	2017
Land	$ 36,879,986	$ 36,886,486
Land Improvements	13,050,157	10,482,538
Buildings	498,579,229	495,968,339
Equipment, Library Books, Art Objects	138,380,828	135,628,087
Cost of Land, Buildings, and Equipment	686,890,200	678,965,450
Less: Accumulated Depreciation	(281,468,723)	(268,001,194)
Land, Buildings, and Equipment, Net of Depreciation	405,421,477	410,964,256
Add: Construction-in-Progress	2,388,702	2,918,198
Land, Buildings, and Equipment, as Reported	$ 407,810,179	$ 413,882,454

NOTE 9 BONDS PAYABLE

Bonds payable consists of the following at June 30:

	2018	2017
MHEFA Revenue Bonds, Series Seven-A Payable through 2039, interest at 4% to 5%, uncollateralized, proceeds used for Anderson Student Center	$ -	$ 68,800,000
MHEFA Revenue Bonds, Series 2017A Payable through 2037, interest at 3% to 5%, uncollateralized, proceeds used for Anderson Student Center	60,750,000	-
MHEFA Revenue Bonds, Series Eight-L Payable through 2039, interest at 3% to 5%, uncollateralized, proceeds used to advance refund Series 6W and 6X, original proceeds used for Anderson Athletic and Recreation Complex and Anderson Parking Facility	52,305,000	53,935,000
MHEFA Revenue Bonds, Series Seven-U Payable through 2027, interest at 4% to 5%, uncollateralized, proceeds used to advance refund Series 5L and 5Z, original proceeds used for School of Law building, Schulze Hall and Terrence Murphy Hall	19,175,000	20,610,000
MHEFA Revenue Notes, Series Seven Z Payable through 2034, interest at 2.77%, uncollateralized, proceeds used to refund Series Five-Y, original proceeds used for Flynn Hall	17,941,593	18,887,593

NOTE 9 BONDS PAYABLE (CONTINUED)

	2018	2017
MHEFA Revenue Bonds, Series Eight-M	$ 10,495,000	$ 12,970,000
Payable through 2022, interest at 4%, uncollateralized, proceeds used to advance refund Series 6I, original proceeds used for Opus Hall, Morrison Hall and the Science and Engineering Center		
MHEFA Variable Rate Demand Revenue Bonds, Series Seven P	-	11,280,000
Payable through 2032, variable interest rate (not to exceed 15%), uncollateralized, proceeds used to refund Series Six-H, original proceeds used for McNeely Hall		
MHEFA Variable Rate Demand Revenue Bonds, Series 2017C	10,815,000	-
Payable through 2032, variable interest rate (not to exceed 15%), uncollateralized, proceeds used to refund Series Six-H, original proceeds used for McNeely Hall		
MHEFA Variable Rate Demand Revenue Bonds, Series Seven-O	-	9,480,000
Payable through 2025, variable interest rate (not to Payable through 2025, variable interest rate (not to exceed 15%), uncollateralized, proceeds used to refund Series Four-O and Five-C, original bond proceeds used for Science and Engineering Center, John Roach Center, Morrison Hall, and other additions		
MHEFA Variable Rate Demand Revenue Bonds, Series 2017B	8,220,000	-
Payable through 2025, variable interest rate (not to exceed 15%), uncollateralized, proceeds used to refund Series Four-O and Five-C, original bond proceeds used for Science and Engineering Center, John Roach Center, Morrison Hall, and other additions		
Total Face Value of Long-Term Debt	179,701,593	195,962,593
Less: Debt Issuance Costs	(1,089,937)	(978,827)
Total Face Value of Long-Term Debt, Net of Costs	$ 178,611,656	$ 194,983,766
Approximate Market Value of Long-Term Debt	$ 195,676,147	$ 216,019,718

Interest expense was $7,219,308 and $8,672,626 for the years ended June 30, 2018 and 2017, respectively.

NOTE 9 BONDS PAYABLE (CONTINUED)

As of June 30, 2018, the variable interest rate associated with the above variable debt issues, and the associated interest rate swap agreements, was approximately 1.0%.

The annual maturities for bonds payable at June 30, 2018 are as follows:

Years Ending June 30,	Amount
2019	$ 10,399,000
2020	10,650,000
2021	11,099,000
2022	10,025,000
2023	9,445,000
Thereafter	126,993,656
Total	$ 178,611,656

The University has a line of credit of $15,000,000 with interest at LIBOR plus .75% which expires on June 18, 2019. At June 30, 2018 and 2017, the University had no borrowings under the line of credit.

In 2018, $79,785,000 was borrowed to defease the Seven-A, Seven-P and Seven-O series. While a loss from debt refinancing for 2018 of $4,615,393 is reported in the Statement of Activities, the refinancing transactions will result in lower overall debt service payments to the University.

NOTE 10 ENDOWMENT

The University's endowment consists of over 400 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees of the University has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as permanently restricted net assets (a) the original value of 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.

NOTE 10 ENDOWMENT (CONTINUED)

The remaining portion of the 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 University in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the University 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 University
7. The investment policies of the University

Changes in endowment net assets for the years ended June 30 are as follows:

	2018				2017
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Endowment Net Assets as of July 1	$ 94,682,496	$ 110,184,973	$ 289,134,062	$ 494,001,531	$ 447,478,684
Investment Return:					
Investment Ordinary Income	1,139,585	2,879,248	676,132	4,694,965	3,592,224
Realized and Unrealized Capital Gain	6,874,995	20,228,346	1,767,844	28,871,185	46,094,650
Total Investment Gain	8,014,580	23,107,594	2,443,976	33,566,150	49,686,874
Release of Spending Policy	(2,381,986)	(14,040,112)	-	(16,422,098)	(16,921,166)
Contributions and Adjustments	(155,643)	112,906	8,267,566	8,224,829	13,109,519
Addition to (Withdrawal from) Quasi-Endowment from (to) Operations	-	-	-	-	(1,450,000)
Other (Expense) Revenue, Net	(851,323)	191,178	-	(660,145)	2,097,620
Endowment Net Assets at June 30	$ 99,308,124	$ 119,556,539	$ 299,845,604	$ 518,710,267	$ 494,001,531

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets totaled $213,568 as of June 30, 2018. These deficiencies result from unfavorable market fluctuations that occurred shortly after investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Trustees. 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 10 ENDOWMENT (CONTINUED)

Return Objectives and Risk Parameters

The University has adopted investment and spending policies for endowment assets that attempt to minimize the volatility of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of a representative benchmark, while assuming an appropriate level of investment risk. The University expects its endowment funds, over time, to provide a real rate of return sufficient to meet the University's spending policy, 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 University 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 University targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The University follows an endowment spending policy which authorizes spending of a percentage of the five-year average market value of most endowments. This percentage is established annually for each endowment by the President of the University. The average aggregate spending rate approximated 4% in 2018 and 2017. The intent of the spending policy is to provide a resource to fund expenditures in accordance with the donor's wishes and at the same time, increase endowment fund value as a protection against inflation.

NOTE 11 NET ASSET SUMMARY AND RELEASES

Net assets at June 30 consists of the following:

	2018				2017
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Endowment					
Donor-Restricted for:					
Student Financial Aid	$ (11,135)	$ 45,793,440	$ 136,195,879	$ 181,978,184	$ 169,878,533
Instruction and Other Related Activities	-	73,763,099	163,649,725	237,412,824	229,542,337
Total Donor-Restricted Endowments	(11,135)	119,556,539	299,845,604	419,391,008	399,420,870
Board-Designated for Educational and General Operations	99,319,259	-		99,319,259	94,580,661
Total Endowment	99,308,124	119,556,539	299,845,604	518,710,267	494,001,531
Operations					
Current Unrestricted Operations	7,342,981	-	-	7,342,981	10,191,883
Gifts and Grants for Instructional Programs, Financial Aid, and Research	38,357,354	36,945,104	-	75,302,458	69,400,456
Long-Term Support of Educational and General Operations	85,362,854	26,942,517	-	112,305,371	109,344,149
Total Operations	131,063,189	63,887,621	-	194,950,810	188,936,488
Buildings and Equipment					
Net Value of Buildings and Equipment	202,173,082	-	-	202,173,082	201,963,447
Funds for Building Projects	5,129,070	17,167,987	-	22,297,057	16,576,043
Total Buildings and Equipment	207,302,152	17,167,987	-	224,470,139	218,539,490
Other					
Annuity Trust Agreements	(258,411)	12,210,885	-	11,952,474	10,929,530
Total	$ 437,415,054	$ 212,823,032	$ 299,845,604	$ 950,083,690	$ 912,407,039

Temporarily restricted net assets were released from donor restrictions by incurring expenses, which satisfied the restricted purpose, or by the occurrence of other events specified by donors in the following manner at June 30:

	2018	2017
Purpose Restrictions Accomplished:		
Instructional Activities, Student Financial Aid, and Other Purposes	$ 21,847,699	$ 14,729,814
Unrestricted Donor Pledges Received for Education and General Operations	3,000,000	3,000,000
Buildings and Equipment	1,936,586	556,755
Total Restrictions Released	$ 26,784,285	$ 18,286,569

NOTE 12 RETIREMENT BENEFITS

Retirement benefits are provided for substantially all full-time employees. Under this 403(b) retirement plan, the University makes contributions of a defined percentage of covered payroll. Contributions charged to unrestricted operations for these benefits were $9,537,792 and $9,477,261 for the years ended June 30, 2018 and 2017, respectively.

NOTE 13 RELATED PARTY TRANSACTIONS

Pledges totaling $29,904,985 and $32,941,907 for the years ended June 30, 2018 and 2017, respectively, from Board of Trustee members are included in the Statement of Financial Position as Contributions Receivable.

A Board member is related to a company that has provided building design and construction services. Any contracts entered into were approved in accordance with the Board of Trustees conflict of interest policy.

The University provides administrative support to the St. Paul Seminary through accounting assistance, access to the University's administrative computer systems to record financial transactions, building maintenance and utility services, general access to the University computer network, and other support functions. In addition, the St. Paul Seminary provides subsidies to the University for operations of the Saint Paul Seminary School of Divinity of the University of St. Thomas. The receivable due from the St. Paul Seminary was $2,824,881 and $2,742,316 for the years ended June 30, 2018 and 2017, respectively. This receivable balance is included on the statement of financial position.

NOTE 14 LEASES

The University has entered into both operating and capital leases for facilities, equipment, and vehicles. The lease terms generally range from one month to 18 years with options to renew at varying times. The gross amount of equipment recorded as a capital leases was $11,677,290 and $10,667,368 at June 30, 2018 and 2017, respectively. Accumulated depreciation for equipment recorded under capital leases was $5,682,720 and $5,974,199 at June 30, 2018 and 2017, respectively.

The lease payments for the years ended June 30, 2018 and 2017 were $3,387,669 and $3,235,272, respectively.

Minimum lease payment commitments as of June 30, 2018 are as follows:

Year Ended June 30,	Capital Leases	Operating Leases
2019	$ 2,896,064	$ 1,523,675
2020	1,975,124	1,123,903
2021	1,094,084	1,167,870
2022	221,119	1,213,566
2023	-	1,261,060
Thereafter through 2034	-	15,267,040
Total Future Commitments	6,186,391	21,557,114
Less: Amount Representing Interest	(29,297)	-
Present Value of Future Minimum Lease Payments	$ 6,157,094	$ 21,557,114

NOTE 14 LEASES (CONTINUED)

The University has an operating lease with escalating payments during the lease term that ends in 2034. As a result, a deferred rent payable of $4,775,195 is recorded at June 30, 2018 for the difference between the actual payments and the straight-line rent expense. The capital lease obligation, and deferred rent payable, are included within deposits and other liabilities in the Statement of Financial Position.

NOTE 15 COMMITMENTS AND CONTINGENCIES

In the normal course of operations, the University is subject to various claims and lawsuits. Additionally, amounts received and expended under various federal and state programs are subject to audit by government agencies. In management's opinion, the ultimate resolution of these contingencies would not have a significant adverse effect upon the overall financial position, operations, or cash flows of the University.

The University is self-insured with respect to certain workers compensation costs. The University's stop-loss insurance limits the University's liability to $500,000 per incident and $1,923,165 in aggregate per year.

The University has a self-insured health benefit plan that covers active employees who elect to participate. Total claims and stop-loss provision costs, less premium payments from participants, were $11,211,750 and $10,062,911 for the fiscal years ended June 30, 2018 and 2017, respectively. The University carries stop-loss insurance coverage that limits the University's claim liability to $200,000 for each individual on an annual basis, with an aggregate claim liability of $18,589,096 for 2018.

NOTE 16 SUBSEQUENT EVENTS

The University has evaluated subsequent events through November 14, 2018, which is the date that the financial statements were approved and issued.

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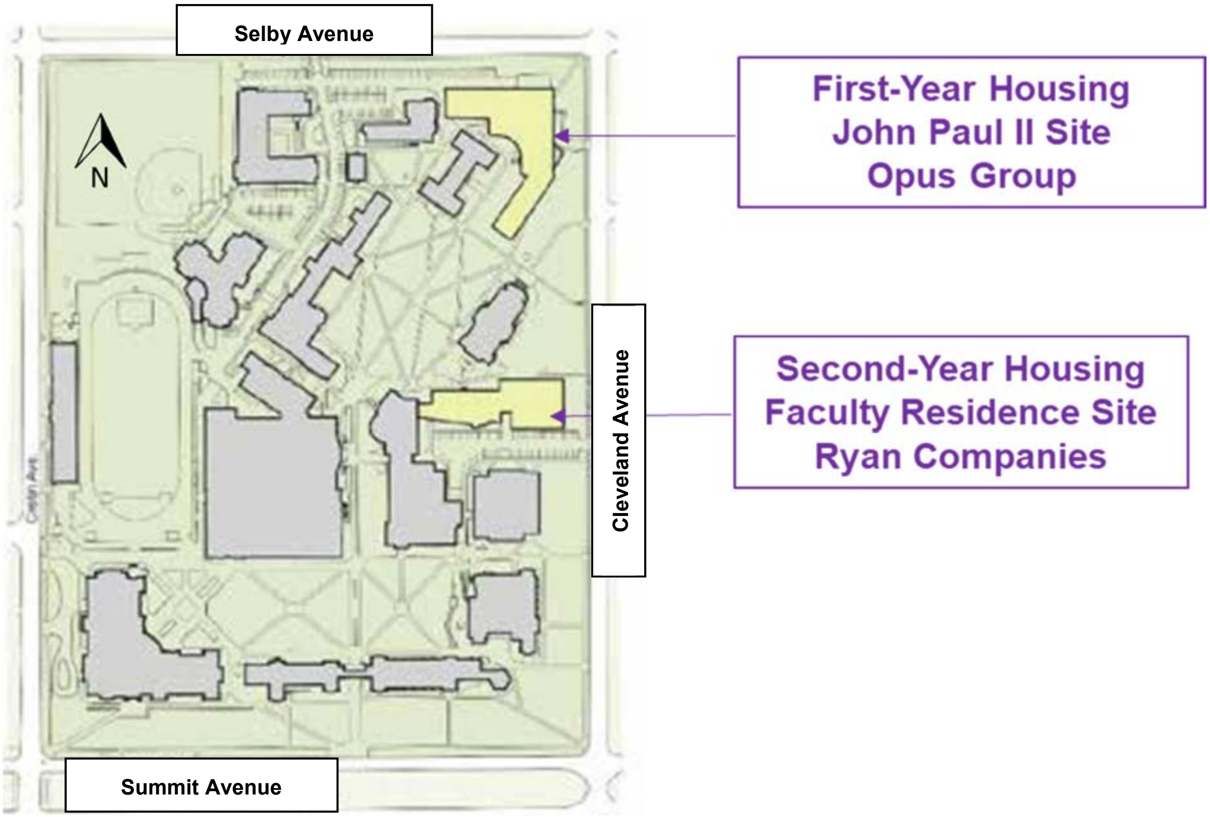
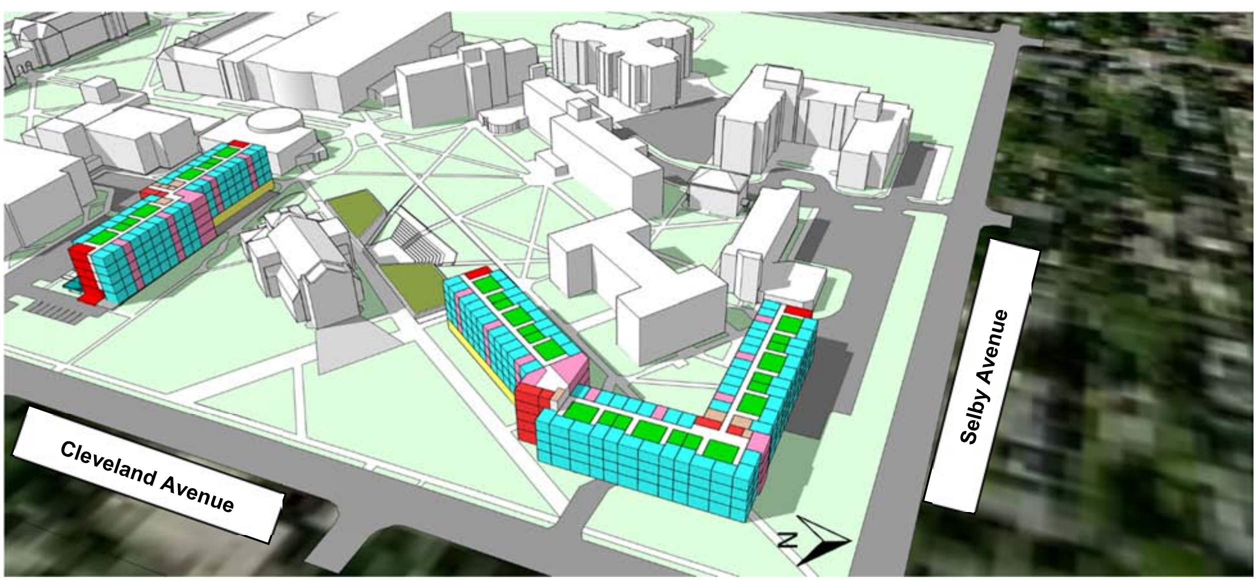
PROJECT INFORMATION

New Residence Halls Site Plan – North Campus



Residence Halls



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