

**Listing of Mailout Material  
June 21, 2023**



-  **Cover Memo**
-  **Meeting Agenda**

*I. Review and approve minutes of the meeting of May 17, 2023*


-  **Minutes of May 17, 2023**

*II. Summary of Performance Review of Barry Fick*

*III. St. Catherine University*

-  **Preliminary Financing Plan**
-  **Moody's Credit Opinion**
-  **Resolution Relating to Financing Terms**
-  **Series Resolution**




*IV. FY2024 Administrative Items*

-  **FY2024 Proposed Budget**
-  **FY2024 Annual Fee Analysis**

*V. Old Business*

*VI. New Business*

*VII. Other Business*

-  **"Creative Planning acquires BerganKDV"**
-  **"A look at trends in college consolidation since 2016"**
-  **Budget vs Actual (May 2023)**

# MEMORANDUM



860 BLUE GENTIAN ROAD, SUITE 145, EAGAN, MN  
55121

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Date: 14 June 2023

To: Minnesota Higher Education Facilities Authority Board Members

From: Barry W. Fick, Executive Director

Subject: June 21, 2023, Authority Board Meeting Preview

The focus of the June 2023 Board meeting will be to consider Finance Plan and Series Resolutions for St. Catherine University. The Public Hearings and Application Reviews for the University were held at the April Board meeting.

St. Catherine University has applied for Financing to assist them with the renovation, furnishing, repurposing, reconstruction, and updating a number of academic and administrative buildings on their Saint Paul campus. These Projects are part of St. Catherine's strategic plan.

The Municipal Advisor representing St. Catherine University and MHEFA will be present to discuss the Finance Plan and answer questions. Bond Counsel for the financing will attend and speak to the Series Resolution and any other legal items for the financing.

We will also elect officers for the FY2024 year and provide you with an update of Authority activity since our last meeting, including the Executive Director's Report.

We encourage in-person participation at the meeting, but if you are unable to attend in person, our video link system will be operating for this meeting. Instructions for accessing the video link are available with your Agenda materials.

## **Board Meeting Agenda**

Wednesday, June 21, 2023

2:00 PM

Location: MHEFA Office

*Individuals may request reasonable accommodation or modifications in order to participate in Authority programs by contacting the Authority at least 48 hours in advance of the event.*

- I. Review and approve minutes of the meeting of May 17, 2023
- II. Summary of Performance Review of Barry Fick
- III. St. Catherine University
  - Preliminary Financing Plan – North Slope – Municipal Advisor
  - Resolution Relating to Financing Terms – Taft – Bond Counsel
  - Series Resolution – Taft – Bond Counsel
- IV. FY2024 Administrative Items
  - FY2024 Proposed Budget
  - FY2024 Annual Fee Analysis
  - FY2024 Board Officer Elections
- V. Old Business
- VI. New Business
- VII. Other Business
  - Executive Director's Report

*General Public may attend in-person at the address below,  
via call-in number: 1-877-978-6969 Access Code: 190-781-108#  
or through this link: <https://www.gomeet.com/190-781-108>*



The Minnesota Higher Education Facilities Authority (the “Authority” or “MHEFA”) convened a Special Board meeting at 2:00 pm Central Daylight Time, Wednesday, May 17, 2023.

The Board is conducting this meeting subject to the Open Meeting Law by in-person, telephone, and interactive technology as allowed by Minnesota Statutes. Members participating in the meeting can hear each other and all discussion; members of the public can hear all discussion and votes; and all votes are conducted by a roll call. The board has made provision for the public to monitor the meeting electronically from a remote location. The board has provided notice of the meeting location, the fact that some members may participate by interactive technology, and of the public’s right to monitor the meeting electronically from a remote location.

The Authority Board meeting was held in the lower-level Conference Room at 860 Blue Gentian Road, Eagan, MN 55121. Executive Director Fick was physically present. Mr. Fick meets the state’s requirement for COVID-19 safety through vaccination, including boosters. The location and time of the meeting was duly published and posted on the Authority website and the door of the Authority office.

The public was able to attend the meeting in person, monitor the meeting by calling a toll-free number, and able to connect to the meeting using the video link.

Board members participated in the meeting in-person and by using a video link. The meeting link was sent to Board members prior to the meeting. The use of a video link as an allowable way to hold the Board meeting was confirmed by the State of Minnesota’s Data Practices Office staff prior to the meeting, following Minnesota Statute 13D.015. Board Chair Gary Benson attended in-person, meeting the non-pandemic requirements of one member attending in-person.

### **Executive Summary – Minnesota Higher Education Facilities Authority**

Meeting on May 17, 2023: Board Actions Taken:

<b>Motions:</b>	<b>Result:</b>	<b>Vote:</b>
Approval of Meeting Minutes of April 26, 2023	Passed	Unanimous
Adopt the Adjusted FY23 MHEFA Budget	Passed	Unanimous
Adopt the FY24 Board Meeting Schedule	Passed	Unanimous

<b>Resolutions</b>	<b>Result:</b>	<b>Vote:</b>
Approve Series Resolution Relating to the Minneapolis College of Art and Design Series 2023 Note	Passed	Unanimous
Approve Resolution 05-2023-02 relating to the Managerial Plan 2021-2023 for Achievement Awards 2022-2023 for Authority Staff	Passed	Unanimous

The official meeting began with a roll call to determine who was attending the meeting. The following board members or their designees were participating and attending in-person (IP), by video link (“V”) or telephone (“T”):

Board Members: Gary Benson - IP  
Bonnie Anderson Rons - IP  
Mary Ives – V  
David Rowland - IP  
Mary Thao – V  
Paul Cerkenik - IP

Absent: Mikeya Griffin  
Nancy Sampair  
Ray Vin Zant  
Poawit Yang

Other Attendees: Mark LeMay, Public – IP

MCAD related:       Maxwell (Max) Wilkinson, Blue Rose – MA – V  
                              Justin Kreig, Blue Rose – MA- IP  
                              Bob Toftey, Bond Counsel – T

Staff:                   Barry W. Fick, Executive Director, MHEFA – IP  
                              Amanda Lee, Operations Manager, MHEFA – IP

Gary Benson, Chair, called the meeting order at 2:00 pm CDT. Executive Director Fick confirmed that a quorum was present.

**Agenda Item I – Minutes of the April 26, 2023, Board meeting.**

The first item on the agenda is the review and consideration of the minutes of the April 26, 2023, Authority Board meeting. Bonnie Anderson Rons and Mary Thao noted changes on pages 3 and 7.

Chair Benson asked for a motion to accept and approve the April 26, 2023 Minutes with changes noted by Ms. Rons and Ms. Thao. A motion was made by Mary Ives to approve the April 26, 2023, minutes. The motion was seconded by Bonnie Anderson Rons. Chair Benson asked if there were any questions, discussion, or further changes to the minutes of the April 26, 2023, Board meeting.

There were no further questions or proposed changes to the minutes from Board members.

Chair Benson called for a vote regarding the approval of the minutes. A roll call vote was conducted, and the Board members voted as follows:

Board Members:	Gary Benson	Yes
	Bonnie Anderson Rons	Yes
	David Rowland	Yes
	Mary Thao	Yes
	Mary Ives	Yes

There were no votes against the motion and the Minutes of the April 26, 2023, MHEFA Board meetings were approved.

## **Agenda Item II – Minneapolis College of Art and Design (MCAD) Finance Plan and Series Resolution**

Chair Benson asked Mr. Justin Krieg and Max Wilkinson, both of Blue Rose Capital Advisors, serving as financial advisor to Minneapolis College of Art and Design (MCAD), to discuss the proposed financing plan. The financing is to fund MCAD's acquisition, renovation, furnishing, and refurbishing of an existing apartment building adjacent to the MCAD Minneapolis campus. Acquisition of the property is an integral part of MCAD's plan to require first year students to reside in campus housing.

The financing for the proposed Series 2023 Note is to be provided by Alerus Financial. They provided financing for the most recent prior MCAD borrowings through the Authority.

Mr. Krieg noted that the terms of the 2023 financing will be similar to the terms of the prior financings. Mr. Krieg referred Board members to a letter from Blue Rose Capital Advisors outlining the MCAD financing terms. The Series 2023 financing will be separated into two Notes. Series 2023A Note will fund the acquisition of the building that will serve as a residence hall for the College. It will be secured by a mortgage on the residence hall. The Series 2023B Note will fund a portion of the cost of the residence hall, due diligence costs, start-up expenses, and other project related costs of the building acquisition. The Series 2023B Note will be secured by a mortgage on certain college properties and investment securities pledged by the College as security, as necessary. The initial interest rate on the Notes will be set according to a formula agreed to between the College and the Bank. The Series 2023B Note may be prepaid at any time, in whole or in part, without penalty. The Series 2023B Note may be prepaid at any time but is subject to a declining pre-payment penalty that expires on June 1, 2028, when the College may prepay the Series 2023A Note without penalty.

Both Notes are subject to mandatory tender prior to their final maturity. On or before the mandatory tender date, the College and the Bank have the option to extend the bank commitment period. In addition, the College has the option to repay the note in full on or before the mandatory tender date. On the mandatory tender date, the College may choose to repay the note and refinance the Notes with a different lender. The mandatory tender rate of the Series 2023A Note is October 1, 2030. The mandatory tender date of the Series 2023B Note is October 1, 2028.

Mr. Krieg and Mr. Wilkinson noted that the College continues to be subject to financial covenants under the Series 2023A and 2023B Notes which are similar to the financial covenants in place with outstanding Alerus loans to the College. The primary differences include an increased minimum liquidity requirement of \$5 Million and a new Pledged Portfolio test, which would require the College to maintain an 85% Loan to Value ratio and the College could pledge additional collateral or repay principal to maintain the Loan to Value ratio. Mr. Krieg and Mr. Wilkinson concluded their presentation and asked if there were any questions about the finance plan for MCAD.

Chair Benson also asked if there were questions for the Blue Rose representatives. There were a number of questions related to the project and options that were considered by MCAD. Mr. Krieg and Mr. Wilkinson provided answers to the questions from the Board that were responsive to Board member questions. After the questions and answers period was concluded, Chair Benson closed the Public Hearing.

Mr. Benson next called on Mr. Robert Toftey, Bond Counsel with the Fryberger Law Firm, to discuss the Series Resolution for MCAD. Mr. Toftey reviewed the Bond Counsel's Series Resolution Private Placement Program Resolution and memorandum, noting various items relating to tax law and highlighting a number of items that are pertinent to the financing.

Mr. Toftey noted that the Series Resolution includes the following elements:

- Recites the basic terms of the Finance Plan and approves the Finance Plan
- Recites the documents related to the Series 2023 Notes
- Recites prior actions taken by the Authority Board related to the Series 2023 Notes
- Recites the authorization of the Authority to issue the Notes
- Approves and authorizes execution of all required documents related to the Notes
- Approves terms of the Notes and authorizes delivery of the Notes
- Ratifies prior actions of the Authority related to the Notes

Mr. Toftey concluded his presentation and asked if there were any questions. There were no questions related to the Series Resolution.

At the conclusion of Mr. Toftey's presentation, Chair Benson asked if there were any questions for Mr. Toftey regarding the Series Resolution. There were no questions.



A motion was made by David Rowland to approve the Series Resolution relating to the Series 2023A and Series 2023B Notes for MCAD. The motion to approve the Resolution was seconded by Bonnie Anderson Rons.

Chair Benson called for a Roll Call vote regarding the approval and acceptance of the Series Resolution related to the Series 2023A and Series 2023B Notes for MCAD. A Roll Call vote was conducted, and the Board members voted as follows:

Board Members:	Gary Benson	Yes
	David Rowland	Yes
	Bonnie Anderson Rons	Yes
	Mary Ives	Yes
	Mary Thao	Yes

There were no votes against the motion and the Series Resolution Relating to the Series 2023A and Series 2023B Notes for Minneapolis College of Art and Design was approved.

### **Agenda Item III – St. Catherine University Financing**

Executive Director Fick informed the Board that consideration of the next step for the St. Catherine financing will be deferred and considered at a future meeting, it is anticipated that the financing will be brought before the Board in June or July 2023. No Board action related to the St. Catherine financing is necessary at this time.

### **Agenda Item IV – FY2023 Administrative Items**

#### *FY2023 proposed Budget Adjustment*

Chair Benson asked Operations Manager Amanda Lee to present and review the proposed FY23 Adjusted Budget. Operations Manager Lee noted that the Board annually reviews the current fiscal year budget and updates it to reflect changes to both revenue and expenses. For FY23, revenues will be lower than originally budgeted due to changes in the timing of financing requests from borrowers. Interest income will be higher than projected due to higher rates on reinvested Certificates of Deposit.

For expenses, most expense items are favorable to budget, with only one unanticipated expense item being incurred.

On balance, the net results projected for FY23 are \$7,700 less favorable than originally budgeted.

Chair Benson asked if there were questions for Operations Manager Lee about the updated FY23 Budget. Board members asked about certain line items and the timing of borrower financing applications. The Board questions were answered to the satisfaction of the Board.

Chair Benson asked for a motion to adopt the Adjusted FY23 Budget. A motion was made by David Rowland to approve the Adjusted FY23 Budget. The motion to approve the Resolution was seconded by Mary Ives.

Chair Benson called for a Roll Call vote regarding the approval and acceptance of the Adjusted FY23 Budget. A Roll Call vote was conducted, and the Board members voted as follows:

Board Members:	Gary Benson	Yes
	David Rowland	Yes
	Bonnie Anderson Rons	Yes
	Mary Ives	Yes
	Mary Thao	Yes

There were no votes against the motion and the Adjusted FY23 Budget was approved.

#### *FY2023 Plan of Action Results*

Chair Benson asked Executive Director Fick and Operations Manager Amanda Lee to present the FY2023 Plan of Action Results. Executive Director Fick and Operations Manager Lee reviewed the components of the FY2023 Plan of Action and noted that 16 of the 17 Plan of Action items were fully completed and only 1 item was not fully completed. All of the other components were fully completed and in the case of the Annual Conference, the Authority successfully executed 2 conferences in FY2023.

Chair Benson asked if there were any questions related to the FY2023 Plan of Action Results. There were no questions from Board members or the public related to the FY203 Plan of Action Results.

*FY2023 Achievement Award Consideration*

Chair Benson asked Executive Director Fick and Operations Manager Amanda Lee to present the FY2023 Achievement Award Resolution. Executive Director Fick and Operations Manager Lee reviewed the components of the FY2023 Achievement Award Resolution, noting that the Achievement Award is not automatically granted, but must be earned based on defined criteria. The Authority bases the award on how staff meets the FY Plan of Action. The award Resolution for FY2023 allocates the Achievement Award equally between the Executive Director and the Operations Manager. Staff requests the Board consider the proposed Achievement Award resolution.

Chair Benson asked if there were any questions related to the proposed FY2023 Achievement Award Resolution. There were no questions.

A motion was made by Bonnie Anderson Rons to approve the Achievement Awards Resolution. The motion to approve the Resolution was seconded by David Rowland.

Chair Benson called for a Roll Call vote regarding the approval and acceptance of the Resolution for Achievement Awards 2022-2023. A Roll Call vote was conducted, and the Board members voted as follows:

Board Members:	Gary Benson	Yes
	David Rowland	Yes
	Bonnie Anderson Rons	Yes
	Mary Ives	Yes
	Mary Thao	Yes

There were no votes against the motion and the FY2023 Achievement Awards were approved.

## **Agenda Item V – Administrative Items**

### *FY2024 Plan of Action*

Board Chair Benson asked Executive Director Fick to present the FY2024 Plan of Action. Executive Director Fick noted that the FY2024 Plan of Action continued to focus on the Authority Borrowers and meeting their needs as a primary focus. New focus areas for FY2024 include expanded DEI efforts and development of a long-term succession plan along with updated Position Descriptions for Authority staff. The FY2024 Plan of Action includes continuing and expanded national exposure for the Authority to keep on the leading edge of industry trends and events for the benefit of Authority Borrowers.

Chair Benson asked if there were questions from Board members about the FY2024 Plan of Action. There were no questions.

### **FY2024 Proposed Board Meeting Schedule**

The next item for consideration was the FY2024 proposed Board Meeting Schedule. The policy of the Authority is to hold Board meetings on the 3<sup>rd</sup> Wednesday of the month, beginning at 2:00 pm Central time. If there is no business for the Board to consider, the meeting may be cancelled with adequate notice. Chair Benson asked Operations Manager Lee to outline the proposed FY2024 Board meeting schedule. Operations Manager Lee noted there are no holiday date conflicts in FY2024. That is, there are no meetings that fall during a holiday week. The proposed FY2024 meeting schedule includes a Board recognition at the October 18, 2023 meeting and the annual Authority Finance Conference at the April 17, 2024 meeting.

The Board discussed the timing of the FY2024 meetings and opted to leave all meetings on the 3<sup>rd</sup> Wednesday of the month, reserving the option to cancel or move any meeting at a later date.

Mr. Benson, as Board Chair, asked for a motion to adopt the FY2024 Board Meeting Schedule. A motion to approve the schedule was made by Bonnie Anderson Rons. The motion was seconded by David Rowland.

Chair Benson called for a Roll Call vote regarding the approval of the FY2024 Meeting Schedule. A Roll Call vote was conducted, and the Board members voted as follows:

Board Members:	Gary Benson	Yes
	Bonnie Anderson Rons	Yes
	David Rowland	Yes
	Mary Ives	Yes
	Mary Thao	Yes

There were no votes against the motion and the FY2024 Board Meeting Schedule was approved.

Chair Benson called on Operations Manager Lee to discuss FY2024 Board Officer Elections. Operations Manager Lee discussed the current Officer positions and noted that staff will be contacting Board members prior to the June Authority meeting to determine interest in serving as a MHEFA Board officer. A slate of officers will be prepared based on discussion with current officers and potential board officers. The slate of Board officers will be presented and voted on at the June Authority meeting.

#### **Agenda Item VI – Old Business**

Chair Benson asked if there were any Old Business items from Board members for discussion.

There were no Old Business items from staff or from Board members for discussion.

#### **Agenda Item VII – New Business**

Chair Benson asked if there were any New Business items from Board members for discussion.

There were no New Business items from Board members for discussion.

#### **Agenda Item VIII – Other Business**

Chair Benson called upon Executive Director Fick to discuss Other Business. Mr. Fick presented his Executive Director's report. It included the following items regarding staff and Authority activity and events and personnel changes at the schools.

### **Legislative Update**

Our efforts in the 2023 Legislative session were stymied by questions raised by the House Health Care Chair regarding the University of Minnesota's ability to use the Authority to issue debt and by questions related to for profit healthcare to access Authority financing. The answer is that neither the U of MN nor for profit healthcare can access Authority financing, but the uncertainty was sufficient to defer consideration by the House Health Committee of our bill. We plan to meet with legislators and their staff over the summer to provide additional information and education on the purpose and application of our bill, with the plan to introduce the bill again in the 2024 legislative session. Our bill was approved by the Senate and House Higher Education Committees, the Local Government Committees of the Senate and House and the Senate Healthcare Committee.

We hope to retain the same sponsors and add additional sponsors, both Democratic and Republican.

### **Rating Agency Update**

- Moody's Investors Service has lost an Analyst from the Minnesota Higher Education team and will add another analyst this summer
- Executive Director Fick will meet with Moody's staff in NYC this summer to address the higher education analysts, discuss Moody's staffing plans, rating updates for 2023, and record a Podcast

### **Borrower Assistance and Financing Application Update**

- We are engaged in preliminary discussions with four schools about financing projects in the calendar year 2023, which includes the Fiscal Year 2023 and the first ½ of the Authority's FY2024
- We continue collaborating with multiple schools on Moody's rating updates for this summer
- We completed compliance with Continuing Disclosure obligations for FY23

### **Borrower Staffing Update**

No additional updates since April

### Various

The Conference sponsored by the SEC was very successful. I again met with the head of the SEC Office of Municipal Securities, other OMS staff and a number of attorneys and regulatory staff for the first time since Covid.

Executive Director Fick will be attending the GFOA National Conference in Portland, OR next week where he is speaking on a number of panels.

Chair Benson asked Paul Cerkenik, President of the Minnesota Private College Council and ex-officio MHEFA Board member, to provide background information to the Board about the new State of Minnesota Public College tuition program. Mr. Cerkenik outlined the basic rules of the new program, noting it is based on income and is a “last dollar” aid, to be used after all other federal and state aid programs have been accessed. Executive Director Fick referred Board members to two news articles about the new program that were included in the Board information packet for May 2023. Mr. Cerkenik noted it will be some time before the effect and impact of the new program will be known. Mr. Fick noted that the program is one of many factors that the Minnesota private institutions of higher education consider in their budgets.

Chair Benson asked Operations Manager Lee to discuss the Budget vs. Actual Report for the period from January 1, 2023 through April 30, 2023. Operations Manager Lee noted that a number of the variances in the Budget vs. Actual report were modified in the revised FY23 Budget adopted earlier in the May 2023 Board meeting. Expenses for the fiscal year-to-date are generally lower than projected and revenues will be lower than projected due to timing of Authority bonds issued for borrowers which will occur in FY24 rather than FY23 as originally projected.

Chair Benson asked if there was any Other Business to come before the Board. There was no Other Business for the Board to consider, and Chair Benson asked for a motion to adjourn the regular Board Meeting And move to closed session. The purpose of the closed session is to evaluate the performance of the Executive Director. The motion to adjourn the Board meeting and go into closed session was made by Mary Ives and seconded by Bonnie Anderson Rons.

Chair Benson called for a voice vote regarding the adjournment of the regular meeting and moving to closed session. A Voice vote was conducted, and the Board members voted to adjourn the regular meeting at 3:45 pm Central Time and move to closed session to conduct a performance evaluation

of the Executive Director of the Authority. The Board asked Mr. Fick to excuse himself from the Closed Session.

During the Executive Session, the Board discussed Mr. Fick's self-assessment, added performance feedback, and approved submission of Mr. Fick's performance review with a rating of outstanding. After their discussion, the Board asked Mr. Fick to return to the meeting. Chair Benson spoke for the Board and noted that the Board agreed with Mr. Fick's self-assessment. The Board rated his performance "outstanding."

Chair Benson asked if there was any other business to come before the closed session. There was none.

Board Chair Benson asked for a motion to adjourn the closed session of the Board meeting. The motion to adjourn was made by Bonnie Anderson Rons and the second provided by David Rowland. The Board acted by voice vote to adjourn the closed session at 4:15 pm, Central Daylight Time.

Respectfully submitted,

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Assistant Secretary





North Slope Capital Advisors  
2000 S. Colorado Blvd  
Tower 1, Suite 2000-412  
Denver, CO 80222  
303-953-4101

June 21, 2023

Minnesota Higher Education Facilities Authority  
c/o Mr. Gary D. Benson, Board Chair  
and Mr. Barry W. Fick, Executive Director  
860 Blue Gentian Road, Suite 145  
Eagan, MN 55121

Dear Chair Benson, Mr. Fick, and Authority Board Members:

As the independent registered municipal advisor for St. Catherine University (the "University"), we are pleased to provide this *Preliminary Financing Plan Summary* for the University's proposed Series 2023 Revenue Bonds (the "2023 Bonds"). Below are the highlights of the preliminary financing plan followed by a detailed summary:

<i>Preliminary Financing Plan Highlights*</i>	
<b>Par Amount (Estimated as of 6-16-2023)</b>	\$21,040,000
<b>Financing Type</b>	New Money
<b>New Money Descriptions (the "Projects")</b>	Renovations and restoration of Mendel Hall (\$10MM), campus housing renovations (\$6MM), infrastructure and technology improvements (\$5MM), all on the University's St. Paul campus.
<b>Capitalized Interest</b>	Up to six months
<b>First Principal Payment Date</b>	October 1, 2024
<b>Final Maturity Date</b>	October 1, 2052
<b>Underlying Rating</b>	Baa1
<b>Underwriter</b>	RBC Capital Markets
<b>Expected Pricing Date</b>	June 27, 2023
<b>Expected Closing/Delivery Date</b>	July 18, 2023

Based on our review of the preliminary financing plan prepared by RBC Capital Markets with collaboration from North Slope Capital Advisors, including the terms of the financing as summarized on the following pages, North Slope Capital Advisors is confident the finance plan can be successfully marketed by the underwriter, and the University can fund the resulting debt service. We recommend the Authority issue the 2023 Bonds to finance the Projects for the University.

Respectfully submitted,

NORTH SLOPE CAPITAL ADVISORS by  
Stephanie M. Chichester, President

NORTH SLOPE CAPITAL ADVISORS by  
Nick E. Taylor, Managing Director

cc: Ms. Tracey Gran, Senior Vice President, and Chief Financial Officer  
Ms. Mary Thao, University Controller  
Mr. David Sengstock, Director of Budgeting and Planning  
Taft Law, Bond Counsel

\*Preliminary, subject to change based on final pricing.

**PRELIMINARY FINANCING PLAN SUMMARY**  
**MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY**

**\$21,040,000\***  
**REVENUE BONDS, SERIES 2023**  
**(St. Catherine University)**

**June 21, 2023**

This Preliminary Financing Plan Summary (the “Summary”) represents North Slope Capital Advisors’ (“North Slope”) review of the financing structure and is based on the most recent discussions with the University, the Minnesota Higher Education Facilities Authority (the “Authority”), and the Underwriter. As of the date of this Summary, the University has decided to issue long-term fixed rate bonds to fund the Projects. The structure of the 2023 Bonds is expected to amortize over 30 years with a final maturity of October 1, 2052, and provide for a level debt service structure. The structure provided below is preliminary and subject to revision prior to the pricing of the 2023 Bonds which is expected to occur on or around June 27, 2023.

Issuer:	Minnesota Higher Education Facilities Authority (the “Authority”)
Borrower:	St. Catherine University (the “University”)
Purpose of the 2023 Bonds:	<p>The University will use the proceeds of the 2023 Bonds to finance or reimburse the University for a portion of the costs of the following:</p> <ol style="list-style-type: none"><li>(1) Renovation to the Historic Mendel Building to create science and technology spaces, including flexible faculty research spaces and technologically advanced labs;</li><li>(2) Renovations to Sister Alberta and Sister Georgia student apartment buildings and Caecilian and St. Mary residence halls;</li><li>(3) Pay for other permissible renovation and capital projects of the University, including renovations to the Butler Center, Whitby Hall and Fontbonne Hall, and other projects, all on the University’s Saint Paul campus;</li><li>(4) Fund up to six months of interest during construction, and</li><li>(5) Pay issuance costs.</li></ol>
Issue Size:	<p>The estimated par amount of the 2023 Bonds of \$20.680 million*, including estimated new issue premium of approximately \$353,000*, will be used to fund the Projects and pay the costs of issuance. The estimated par amount of the 2023 Bonds is less than the Authority’s not-to-exceed par of \$22.5 million as of the writing of this Summary.</p>

\* Preliminary; subject to change.

**Minnesota Higher Education Facilities Authority**  
**Revenue Bonds, Series 2023 (St. Catherine University)**

Preliminary Financing Plan Summary

Date: June 21, 2023

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Costs of Issuance:	Costs of issuance of up to 2% of the par value of the 2023 Bonds may be funded with tax-exempt proceeds. Currently, actual costs of issuance are not expected to exceed 2% of the par amount of the 2023 Bonds.
Type of Sale and Purchaser:	The 2023 Bonds will be sold via a negotiated, public underwriting. The University has selected RBC Capital Markets as the sole managing underwriter. The 2023 Bonds will be issued as federal and State of Minnesota tax-exempt fixed rate bonds.
Expected Pricing Date:	June 27, 2023
Expected Closing Date:	July 18, 2023
TIC (True Interest Cost):	The University has opted for a fixed rate mode for the 2023 Bonds. The estimated all-in TIC, assuming rates and market conditions as of June 16, 2023, is 4.99%.
Bonds Denominations:	Denominations will be \$5,000 and integral multiples thereof.
Interest Payments:	Semi-annually, beginning October 1, 2023.
Principal Payments:	Annually beginning on October 1, 2024, with a final maturity of October 1, 2052.
Bonds Structure:	The 2023 Bonds will be structured with level, annual debt service payments.
Redemption:	<p><u>Optional:</u> The University will have the option to redeem the 2023 Bonds maturing on or after October 1, 2033 in whole or in part, at a price of par and without penalty beginning on or after October 1, 2032.</p> <p><u>Extraordinary Upon Determination of Taxability:</u> Optional redemption may occur upon a Determination of Taxability of the 2023 Bonds, in whole or in part, at a price of par plus accrued interest.</p> <p><u>Extraordinary Upon Damage, Destruction, or Condemnation:</u> Optional redemption may occur should the financed project facilities suffer damage, destruction, or condemnation, in whole or in part, at a price of par plus accrued interest.</p>
Rating:	The 2023 Bonds will be rated by Moody's Investors Service ("Moody's"). Moody's assigned a credit rating of Baa1 with a negative outlook to the University's outstanding debt and 2023 Bonds on June 8.
Bank Qualification:	The 2023 Bonds will not be designated as a "qualified tax-exempt obligation."
Security:	The 2023 Bonds will be issued by the Authority and secured by loan repayments made by the University pursuant to a <i>Loan Agreement</i> between the Authority and the University, or from other amounts pledged pursuant to a <i>Trust Indenture</i> . The 2023 Bonds will be payable solely as a general obligation of the University from the general funds and any other legally available moneys of the University. There will not be a mortgage lien nor security interest in any property of the University and there will be no 'negative pledge' on the University's real property, subject to permitted encumbrances.
Debt Service Reserve Account:	A debt service reserve fund will not be funded with proceeds from the 2023 Bonds.

\* Preliminary; subject to change.

**Minnesota Higher Education Facilities Authority**  
**Revenue Bonds, Series 2023 (St. Catherine University)**

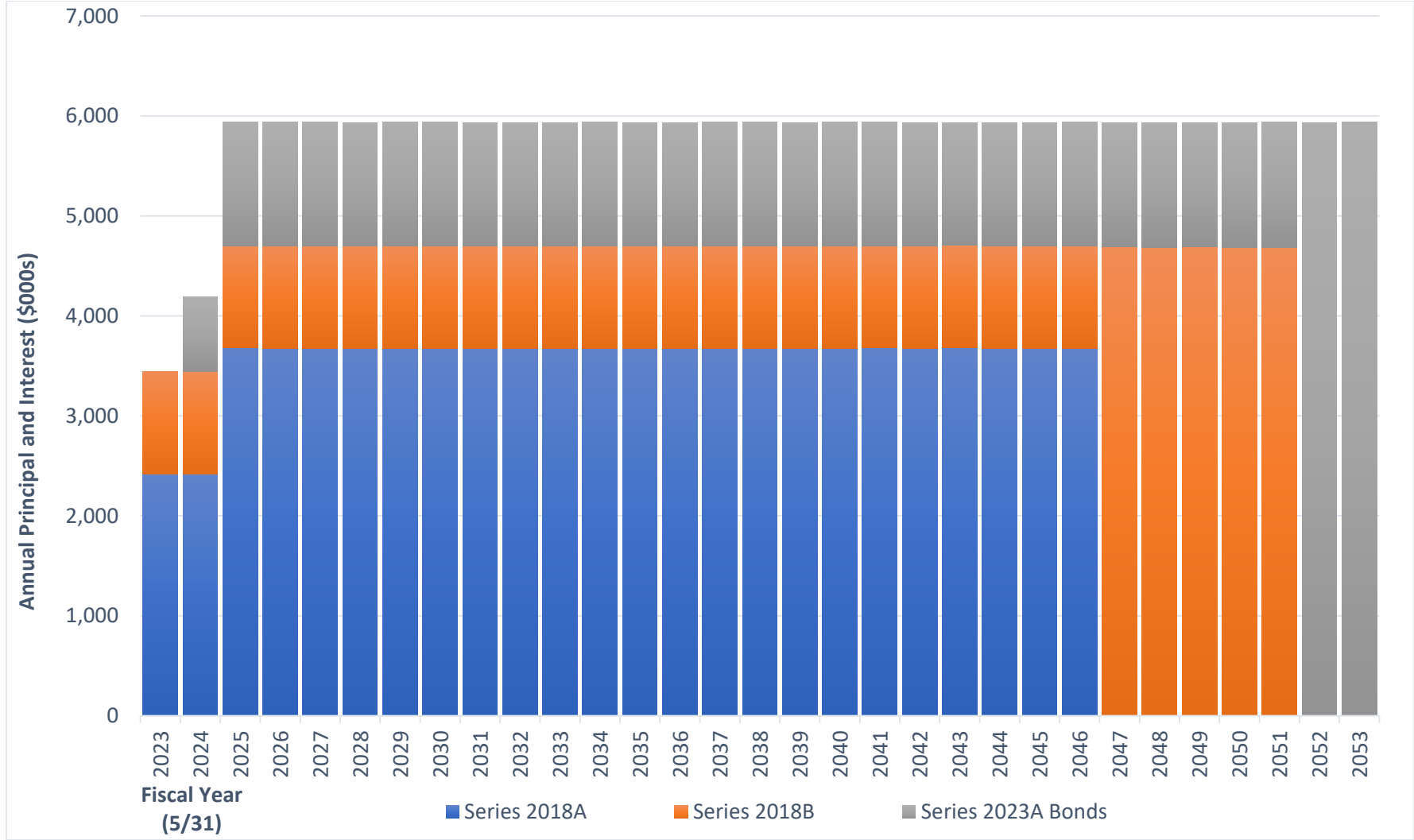
Preliminary Financing Plan Summary

Date: June 21, 2023

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Financial Covenants:	The University currently has a rates and charges covenant associated with its Series 2018 Bonds and has complied with this covenant since the issuance of the Series 2018 Bonds. The 2023 Bonds will also be subject to the rates and charges covenants; however, no additional financial or reporting covenants are expected to be applicable to the 2023 Bonds.
Continuing Disclosure:	The University will execute a "Continuing Disclosure Certificate" for the benefit beneficial owners of the 2023 Bonds and will continue to comply with its existing Continuing Disclosure undertakings regarding its other outstanding bonds.
Credit Enhancement:	None
Trustee/Registrar and Paying Agent:	U.S. Bank Trust Company, N.A., Minneapolis, Minnesota.
Permitted Investments:	Investments as permitted by Minnesota statutes.
Schedules:	Exhibit A: The University's existing debt service and debt service for the 2023 Bonds.

Minnesota Higher Education Facilities Authority  
Revenue Bonds, Series 2023 (St. Catherine University)  
Preliminary Financing Plan Summary  
Date: June 21, 2023  
Exhibit A



Source: North Slope Capital Advisors (June 16, 2023)

\* Preliminary; subject to change.

## CREDIT OPINION

9 June 2023



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### CLIENT SERVICES

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Asia Pacific 852-3551-3077

Japan 81-3-5408-4100

EMEA 44-20-7772-5454

## St. Catherine University, MN

Update following revision of outlook to negative

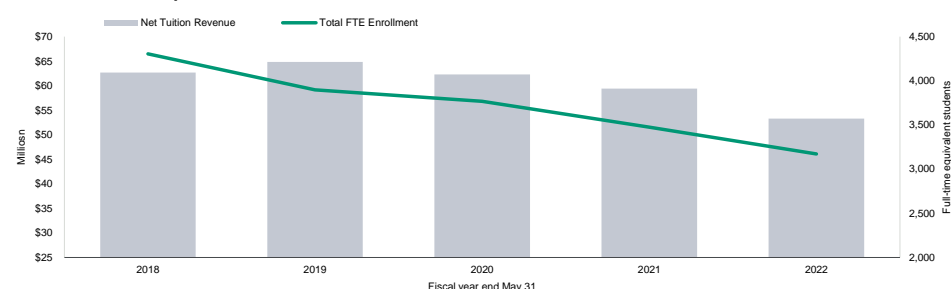
### Summary

[St. Catherine University's](#) (Baa1 negative, "St. Kate's") credit quality reflects its established brand as an undergraduate college for women with ongoing student market challenges and operational pressure. Enrollment at St. Kate's declined 26% since fall 2018, with a 9% drop between fall 2021 and 2022. Despite management's expectations of enrollment stabilization over the next few years, growth prospects remain limited and net tuition revenue will remain stagnant. The university is projecting budget deficits for fiscal years 2023 and 2024, driven by significant expense inflation and declines in operating revenue. In a typical year, tuition revenue comprises 75-80% of operating revenue, with enrollment declines adding operational pressure. Favorably, the university offers diverse educational opportunities, with graduate and non-traditional programmatic offerings for all adults in addition to the undergraduate college for women. St. Kate's favorable wealth profile and balance sheet strength are key credit strengths, with total cash and investments increasing 30% between fiscal 2018 and 2022. The rating reflects the university's increasing leverage profile. Favorably, the debt structure is conservative and reflects management's good financial strategy.

On June 8th, Moody's revised St. Kate's outlook to negative and affirmed the Baa1 ratings.

Exhibit 1

### Student market pressures cause continued declines in net tuition revenue



Source: Moody's Investors Service

## Credit strengths

- » Solid wealth profile with growth in recent years, reaching \$246 million total cash and investments in fiscal 2022
- » Strong balance sheet, with total cash and investments covering expenses by 2.5x in fiscal 2022
- » Diverse programmatic offerings in both traditional undergraduate women's college and nontraditional adult and graduate program offerings

## Credit challenges

- » Enrollment pressures due to highly competitive Minnesota private university student market and weak regional demographics, leading to multi-year declines in total FTE enrollment
- » Thinning operations with EBIDA margins projected to decline due to projected deficit operations for fiscal 2023 & 2024
- » High reliance on student charges at around 75% of operating revenue

## Rating outlook

The negative outlook incorporates Moody's expectations of continued enrollment declines in fall 2023, as well as weakening of operating performance due to deficits in fiscal 2023 and 2024.

## Factors that could lead to an upgrade

- » Significant improvement in enrollment leading to rebound of net tuition revenue
- » Sustained strengthening of operating performance over multiple years
- » Significant growth in philanthropic support, leading to greater revenue diversity

## Factors that could lead to a downgrade

- » Sustained weakening of operating performance with EBIDA margins consistently below 10%
- » Enrollment declines beyond fall 2023 leading to further deterioration of net tuition revenue
- » Material increase in debt beyond current proposed issuance
- » Significant declines in monthly liquidity and total cash and investments

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

## Key indicators

Exhibit 2

### St. Catherine University, MN

	2018	2019	2020	2021	2022	2022 pro forma	Median: Baa Rated Private Universities
Total FTE Enrollment	4,305	3,897	3,768	3,476	3,172	3,172	2,868
Operating Revenue (\$000)	107,677	109,998	104,101	101,005	103,260	103,260	98,061
Annual Change in Operating Revenue (%)	5.4	2.2	-5.4	-3.0	2.2	2.2	-1.2
Total Cash & Investments (\$000)	191,585	193,658	204,975	263,283	246,315	246,315	213,996
Total Debt (\$000)	61,187	70,535	70,535	70,772	70,726	91,206	80,369
Total Cash & Investments to Total Adjusted Debt (x)	3.0	2.7	2.9	3.7	3.5	2.7	2.6
Total Cash & Investments to Operating Expenses (x)	1.8	1.9	2.0	2.7	2.5	2.5	2.0
Monthly Days Cash on Hand (x)	216	210	231	262	221	221	355
EBIDA Margin (%)	8.3	12.0	10.9	10.5	11.5	11.5	14.8
Total Debt to EBIDA (x)	6.8	5.3	6.2	6.7	6.0	7.7	5.4
Annual Debt Service Coverage (x)	2.9	3.8	3.5	3.3	3.7	3.7	2.5

2022 pro forma includes 2023 bond issuance

Source: Moody's Investors Service

## Profile

St. Catherine University ("St. Kate's") is a private, not-for-profit Catholic university for women located in Saint Paul, MN. The university offers a traditional undergraduate college for women, a graduate college, and a college for adults with non-traditional programs. As of fiscal 2022, St. Kate's generated \$103 million in operating revenue and as of fall 2022, enrolled 3,172 full-time equivalent students.

## Detailed credit considerations

### Market profile: established college for women facing continued student market pressure

St. Kate's will continue facing enrollment challenges in the near-term despite improved strategies and investment in the campus. The university offers a variety of programs in its traditional undergraduate college for women, as well as programs in the college for adults and graduate college, with extensive programmatic offerings in the health sciences, business, and education. St. Kate's serves a diverse population with a high proportion of Pell-eligible students and ranks high in social mobility with over 50% BIPOC in the college for women. Favorably, matriculation is above many peers at 24% and retention is above 80%.

Despite these factors, competition with other private institutions in the Saint Paul area has contributed to multiple years of enrollment declines at St. Kate's. In fall 2022, the university enrolled 3,172 full-time equivalent students, down nearly 9% over the last year and down 26% in five years. Enrollment declines are projected through fall 2023, but management expects enrollment to stabilize thereafter. To address some of the enrollment pressures, the university assessed underperforming programs in the graduate college, aligning offerings to be more competitive and meet student demand. Though some admission trends have become more favorable post-pandemic, uncertainty remains and growth prospects will remain limited.

The university is prioritizing strategic investments in the campus to improve the student experience including updating its science and technology equipment and renovating student apartments and residence halls. Management expects these critical improvements will aid enrollment prospects in future years.

### Operating performance: projected weakening of operations due to decline in net tuition revenue

Operating performance will remain pressured in the near-term as St. Kate's grapples with declining student charges. Projected deficits for fiscal years 2023 and 2024 will result in weaker performance with single digit EBIDA margins. While the university has a strong track record of aligning expenses with revenue, fiscal 2023 expenses are projected to increase substantially while enrollment declines depress net student charges and overall revenue. In a typical year, tuition and fees comprise around 75-80% of total operating revenue. With this high reliance on student charges, student demand remains critical to operational stability with enrollment volatility adding more uncertainty to future operating performance. To cover projected deficits, the university is considering using gifts and other reserves.



Favorably, a good financial strategy and seasoned management team partially mitigate operational risk. Management monitors the budget closely using conservative assumptions, including a contingency, and makes expense adjustments throughout the year. Fiscal prudence will aid St. Kate's in managing through a more pressured revenue environment coupled with expense inflation. Philanthropic support has improved and will continue serving as a key credit stabilizer amid operational pressure.

#### **Wealth and liquidity: strong wealth profile with recent growth**

St. Kate's strong wealth profile is a key credit stabilizer, but may deteriorate somewhat in the near term due to potential use of reserves to aid deficit operations. Growth in cash and investments of nearly 30% in five years, largely driven by investment returns, provides a solid runway to address operational pressures. In fiscal 2022, total cash and investments reached \$246 million. Balance sheet strength is reflected with total cash and investments covering operating expenses a strong 2.5x in fiscal 2022.

#### **Liquidity**

Despite solid growth in total cash and investments, liquidity has remained relatively stagnant over the last five years. In fiscal 2022, liquidity of \$57 million translated into 221 monthly days cash on hand, which is below peers. However, this will remain a stabilizing factor for the university as it manages through operational headwinds.

#### **Leverage: financial leverage will weaken with proposed issuance and expected deficits; balance sheet still provides solid cushion**

Financial leverage will be elevated for St. Kate's with the proposed Series 2023 issuance. Upcoming principal payments in fiscal 2025 will add strain to debt service coverage. As of fiscal 2022, annual debt service coverage was 3.7x but will weaken closer to 2x with expectations of margin erosion coinciding with upcoming principal payments. Total debt to EBIDA reached 7.8x in fiscal 2022, elevated compared to the 5.4x peer median, and stands to weaken further. Total cash and investments still provide solid coverage of total adjusted debt, at 2.7x in fiscal 2022. The proposed debt will aid the university in addressing an elevated age of plant and is part of the strategic plan to improve the student experience.

#### **Legal security**

All of St. Kate's bonds are non-secured general obligations of the university. The estimated pro forma maximum annual debt service coverage is 1.9x. Outstanding bonds do not have a debt service coverage covenant.

#### **Debt structure**

All pro forma debt is fixed rate with proposed regular amortization through maturity in 2053. Annual debt service on the Series 2023 bonds is about \$1.32 million. The Series 2018A bonds are amortizing starting in 2024. There is no debt service reserve fund.

#### **Debt-related derivatives**

None.

#### **Pensions and OPEB**

The university provides a defined contribution plan to eligible employees. The total expenses for the defined contribution plan in fiscal 2022 were \$685 thousand.

## ESG considerations

### St. Catherine University, MN's ESG Credit Impact Score is Highly Negative CIS-4

Exhibit 3

#### ESG Credit Impact Score

# CIS-4

## Highly Negative

For an issuer scored CIS-4 (Highly Negative), its ESG attributes are overall considered as having a discernible negative impact on the current rating. The negative influence of the overall ESG attributes on the rating is more pronounced compared to an issuer scored CIS-3.



Source: Moody's Investors Service

St. Catherine University's (St. Kate's) ESG Credit Impact Score (**CIS-4**) is driven by very high social risks from demographic and societal trends, as well as moderate credit risk from customer relations, offsetting minimal environmental and governance risks.

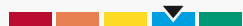
Exhibit 4

#### ESG Issuer Profile Scores

ENVIRONMENTAL

# E-2

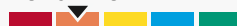
Neutral-to-Low



SOCIAL

# S-4

Highly Negative



GOVERNANCE

# G-2

Neutral-to-Low



Source: Moody's Investors Service

### Environmental

St. Kate's exposure to environmental risks (**E-2**) is minimal. The university's location in St. Paul, MN exposes it to potential water stress and rising temperatures risks, but both are currently manageable.

### Social

St. Kate's exposure to social risks (**S-4**) is driven largely by exposure to demographic and societal trends. The university faces significant enrollment pressures, particularly at its all-women's undergraduate college, which recruits heavily in the State of Minnesota, an area of low-population growth projections and very high student competition. Customer relations are a risk, despite relatively good matriculation because of continued enrollment losses, modest donor support, pressured student charges revenue, and a high reliance on those charges to support operations. The university's human capital risks are manageable and compare favorably to the majority of the sector because of a lower portion of instructional faculty being tenured, providing the university with operating flexibility.

### Governance

St. Kate's has manageable exposure to governance risks (**G-2**). Despite challenging enrollment trends and pressured revenue growth, strong financial management has kept operating performance historically in surplus, supporting management credibility and track record. Like a majority of the sector, the large composition of the board, including alumni and key donors, introduces moderately negative board structure risk.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

## Rating methodology and scorecard factors

The [Higher Education rating methodology](#) includes a scorecard that summarizes the factors that are generally most important to higher education credit profiles. Because the scorecard is a summary and may not include every consideration in the credit analysis for a specific issuer, a scorecard-indicated outcome may or may not match an assigned rating. We assess brand and strategic positioning, operating environment, and financial strategy on a qualitative basis, as described in the methodology.

Exhibit 5

### St. Catherine University

Scorecard Factors and Sub-factors	Value	Score
<b>Factor 1: Scale (15%)</b>		
Adjusted Operating Revenue (USD Million)	103	A
<b>Factor 2: Market Profile (20%)</b>		
Brand and Strategic Positioning	Ba	Ba
Operating Environment	A	A
<b>Factor 3: Operating Performance (10%)</b>		
EBIDA Margin	11%	A
<b>Factor 4: Financial Resources and Liquidity (25%)</b>		
Total Cash and Investments (USD Million)	246	A
Total Cash and Investments to Operating Expenses	2.5	A
<b>Factor 5: Leverage and coverage (20%)</b>		
Total Cash and Investments to Total Adjusted Debt	2.7	A
Annual Debt Service Coverage	3.7	A
<b>Factor 6: Financial Policy and Strategy (10%)</b>		
Financial Policy and Strategy	Baa	Baa
Scorecard-Indicated Outcome		A3
Assigned Rating		Baa1

Data is based on most recent fiscal year available. Debt may include pro forma data for new debt issued or proposed to be issued after the close of the fiscal year.

For non-US issuers, nominal figures are in US dollars consistent with the Higher Education Methodology.

Scorecard incorporates Series 2023 bond issuance.

Source: Moody's Investors Service

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Japan	81-3-5408-4100
EMEA	44-20-7772-5454

## RESOLUTION RELATING TO FINANCING TERMS FOR ST. CATHERINE UNIVERSITY

Be It Resolved by the Minnesota Higher Education Facilities Authority as follows:

1. This Authority has received and held a public hearing with respect to, and adopted a Resolution Relating to Application for St. Catherine University, a Minnesota nonprofit corporation, formerly known as The College of St. Catherine (the “University”), as owner and operator of St. Catherine University (the “Institution”), to finance costs of a project (the “Project”) consisting of the acquisition, design, demolition, construction, renovation, improvement, furnishing and equipping of various facilities, including (i) Mendel Hall (approximately 36,000 square feet of classroom, labs, office, and common space) on the Institution’s St. Paul campus, including creating flexible and adaptable spaces, modernizing science teaching spaces, upgrading accessibility, and upgrading infrastructure; (ii) Sister Alberta and Sister Georgia student apartment buildings and Caecilian and St. Mary residence halls, including renewing flooring, plumbing, fixtures, walkways, and community learning spaces; (iii) the Butler Center, including repairs to entrance and renovation of HVAC system; (iv) Whitby Hall, including repairs to building entrance, masonry upgrades, and renovation of simulation classroom lab spaces to accommodate a shared services model of teaching; (v) Fontbonne Hall, including repairs to building entrance, masonry upgrades and renovation of classroom space to support the Institution’s Fashion Merchandizing program; (vi) certain stormwater infrastructure and drainage improvements (including installation of a drainage pond and new grading) to support the Institution’s tennis, track and softball programs; (vii) elevator replacement in the Music Building, and (viii) campus wide facilities infrastructure improvements.

The facilities and improvements to be financed by the Project are hereinafter referred to as the “Project Facilities.” The Project Facilities are or will be owned and operated by the University and located on the Institution’s St. Paul campus, the principal street address of which is 2004 Randolph Avenue, St. Paul, Minnesota.

2. The Authority has received assurances that all conditions to be met by the University as provided in the Resolution referenced above (the “Resolution”) have been, or will be timely, met and complied with.

3. There has not been disclosed to the Authority any material adverse change in the financial condition, operations or status of the University or the Institution or in the Project or the Project Facilities or otherwise relating to the said Application that would affect the Resolution or the financing of the Project as proposed.

4. The Authority hereby ratifies and confirms all action heretofore taken with respect to the Application of the University.

5. As provided by the Resolution, North Slope Capital Advisors, LLC, as municipal advisor to the University has reviewed the terms set forth in the Preliminary Financing Plan Summary, dated June 21, 2023 (the “Financing Plan”), recommending the issuance of Revenue

Bonds, Series 2023 (St. Catherine University) (the “Bonds”) in the maximum aggregate principal amount of \$22,500,000 to provide financing for the Project, which terms are hereby approved.

6. At the request and with the consent of the University, and with the advice of the University’s municipal advisor, the Executive Director of the Authority has recommended the selection of RBC Capital Markets, LLC as underwriter of the Bonds (the “Underwriter”).

7. Upon the recommendation of the University’s municipal advisor and bond counsel and the approval of the University, the Executive Director may execute and deliver on behalf of the Authority a Bond Purchase Agreement whereby the Authority agrees to sell and the Underwriter agrees to purchase the Bonds in the maximum aggregate principal amount of \$22,500,000, to be issued in one or more series of tax-exempt bonds bearing a fixed rate or rates of interest at a true interest cost not to exceed 6.0%, and a price of not less than 98% of the principal amount of the Bonds plus accrued interest (or in the alternative, providing for underwriting compensation of not more than 2% of the principal amount of the Bonds plus accrued interest) subject to the terms and conditions set forth herein and in the Bond Purchase Agreement.

8. The Executive Director shall direct bond counsel to the Authority or other legal counsel to prepare for review by the Executive Director, the University and the Underwriter all necessary bond documents, including a Loan Agreement, a Trust Indenture, a Bond Purchase Agreement, a Mortgage (if necessary), a Continuing Disclosure Certificate, and all other documents deemed necessary or desirable consistent with the provisions of the Financing Plan and substantially similar to the bond documents for revenue bonds most recently issued and sold by the Authority, but with appropriate changes.

9. The Executive Director shall cause to be prepared an Official Statement and any Preliminary Official Statement in consultation with the Underwriter, the University, and bond counsel setting forth all material facts with respect to the Bonds, the Project, the Project Facilities, the Authority, the University and the Institution. Upon recommendation of the municipal advisor and the bond counsel, such Official Statement or any Preliminary Official Statement shall be deemed by the Executive Director (or with his approval, the University) to be the final official statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The Authority hereby consents to the preparation of the Official Statement in such deemed final form and the distribution by the Underwriter in offering the Bonds for sale to the public and to any changes to the Official Statement to reflect the final terms of the Bonds and the related bond documents. Notwithstanding such consent, the Authority takes no responsibility for, and makes no representations or warranties as to, the accuracy, sufficiency or completeness of the Official Statement (other than information relating to the Authority).

10. The Underwriter is authorized to distribute the Official Statement and any Preliminary Official Statement for pricing purposes, provided that prior to the distribution, if recommended by bond counsel, an application for registration of the Bonds shall be filed under the Minnesota Securities Act, Chapter 80A, Minnesota Statutes. Prior to the execution of the Bond Purchase Agreement, bond counsel shall advise the Executive Director that such registration shall have been made effective by the Minnesota Department of Commerce or that registration is not required for offer and sale of the Bonds in Minnesota.

11. Notwithstanding the foregoing provisions, the Bonds shall not be issued and delivered and the bond documents (other than the Bond Purchase Agreement) shall not be executed and delivered without the further action and approval and adoption of a Series Resolution with respect to the Bonds by the Authority.

12. Upon the recommendation of the University and the University's municipal advisor, the Executive Director is authorized to select a Trustee for the Bonds, which shall also act as paying agent and registrar.

13. The Authority and the University each respectively reserves its right to terminate the Project and the financing thereof under the Act as provided in the Indemnity Agreement.

Adopted: June 21, 2023.

MINNESOTA HIGHER EDUCATION  
FACILITIES AUTHORITY

By: \_\_\_\_\_  
Gary D. Benson, Chair

By: \_\_\_\_\_  
David D. Rowland, Secretary



## SERIES RESOLUTION

### MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

#### REVENUE BONDS, SERIES 2023 (ST. CATHERINE UNIVERSITY)

BE IT RESOLVED by Minnesota Higher Education Facilities Authority, as follows:

1. Pursuant to resolutions adopted on April 26 and June 21, 2023 (the “Prior Resolutions”), the Authority has (i) approved the Application of St. Catherine University, a Minnesota nonprofit corporation, formerly known as The College of Saint Catherine (the “University”), as owner and operator of St. Catherine University (the “Institution”), to finance costs of project facilities more fully described therein, and conducted a public hearing in connection therewith as required by law, (ii) authorized the issuance and sale of the Authority’s Revenue Bonds, Series 2023 (St. Catherine University) (the “Bonds”) and (iii) directed the preparation of documents, including an Official Statement. All provisions and findings of the Prior Resolutions are hereby ratified and confirmed except to the extent amended hereby and incorporated herein.

2. The Prior Resolutions authorized Bonds to be issued in the maximum aggregate principal amount of \$22,500,000. The University has requested that the Bonds be issued as one or more series of tax-exempt bonds in an aggregate principal amount not to exceed \$22,500,000, the interest on which will be excluded from gross income of the bondholders pursuant to the Internal Revenue Code of 1986, as amended (the “Code”).

3. The Executive Director, on behalf of the Authority, is authorized and directed to take all action necessary or desirable to negotiate the sale of the Bonds, provided that the Bonds shall mature not later than October 1, 2053, the principal amount of the Bonds shall not exceed \$22,500,000, the true interest cost shall not exceed 6.0% per annum with respect to the Bonds, and the purchase price shall be not less than 98% of the principal amount of the Bonds plus accrued interest, if any (or in the alternative providing for underwriting compensation of not more than 2% of the principal amount of the Bonds plus accrued interest). Upon the recommendation of the University’s municipal advisor and bond counsel and with the approval of the University, the Executive Director shall execute and deliver, on behalf of the Authority, a Bond Purchase Agreement. A schedule summarizing the maturities, interest rates, yields or issue prices and other terms and provisions of the Bonds, and the purchase price and other particulars relating to the sale of the Bonds, shall be made available to the Authority at the next regularly scheduled meeting of the Authority following the execution of the Bond Purchase Agreement. This Authority hereby authorizes the issuance and delivery of the Bonds and no further approval by this Authority is required.

4. The forms of the following documents relating to the Bonds have been made available to the Authority:

- a. Loan Agreement (“Loan Agreement”) between the Authority and the University, expected to be dated as of July 1, 2023.
- b. Trust Indenture (“Indenture”) between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), expected to be dated as of July 1, 2023.
- c. Continuing Disclosure Certificate made by the University, expected to be dated as of July 1, 2023.

The Chair, the Secretary and any officer authorized to act on behalf of the Chair or the Secretary are each, acting individually, authorized to execute, seal and deliver counterparts of the Loan Agreement and the Indenture, duly completed, for and in the name of the Authority, with all such changes and insertions therein as the officer executing the same shall approve, such approval to be evidenced conclusively by such officer’s signature. In addition, the Executive Director of the Authority is hereby authorized to furnish to the original purchaser of the Bonds a reasonable number of copies of the final Official Statement for purposes of such purchaser’s obligation to provide copies of the final Official Statement to customers and potential customers pursuant to MSRB Rule G-32 and Securities and Exchange Commission Rule 15c2-12, respectively.

5. The Bonds shall be in substantially the form set forth in the Indenture, and when printed in typeset or typewritten form shall be executed, sealed and delivered by the manual or facsimile signatures of the Chair or the Vice Chair and the Secretary or the Assistant Secretary of the Authority and submitted to the Trustee for authentication, all as more fully provided in the Indenture.

6. The appointment of U.S. Bank Trust Company, National Association, as Trustee under the Indenture is hereby approved, ratified and confirmed.

7. Other than proceeds that will be used to pay a portion of the cost issuance (including the underwriting discount), the proceeds of the Bonds shall be deposited as follows (capitalized terms have the meanings given in the Indenture):

- a. The accrued interest on the Bonds, if any, shall be deposited to the Series 2023 Bond and Interest Sinking Fund Account, to be kept and maintained by the Trustee under the Indenture.
- b. All other proceeds of the Bonds shall be deposited to the Series 2023 Construction Account with the Trustee under the Indenture (except that an amount representing capitalized construction period interest, if any, may be deposited to the Series 2023 Bond and Interest Sinking Fund Account if so provided by the Indenture) to be used and paid out by the Trustee for payment of the Project Costs, in accordance with the Indenture and the Loan Agreement.

8. As required by Sections 136A.25 to 136A.42, Minnesota Statutes, as amended (the “Act”), the officers of the Authority authorized to sign checks or otherwise handle funds of the Authority shall furnish a surety bond, executed by a surety company authorized to transact business

in the State of Minnesota as surety and file the same in the office of the Secretary of State of Minnesota, subject to approval of the Attorney General, prior to delivery of the Bonds.

9. Pursuant to the recommendation of bond counsel, the Authority hereby finds and determines that a combination of mortgagee's form or owner's form of title insurance policy, or title insurance commitment, or owner and encumbrances reports, or title opinions, may be furnished by the University as evidence of title to the Project Site (as defined in the Loan Agreement) and priority of liens.

10. The terms and provisions of the Bond Purchase Agreement and the documents listed in paragraph 4 of this Resolution as to which the Authority is a party and the Prior Resolutions are all approved, ratified and confirmed, except to the extent amended hereby. The officers of the Authority, the municipal advisor to the University and bond counsel are hereby authorized and directed to execute and deliver all closing documents and do every other thing necessary or convenient to carry out the terms and provisions of each such bond document to the end that the Bonds shall be delivered, secured and serviced and to carry out the purposes and provisions of the Act with respect thereto without further resolution or other action by this Authority.

Adopted: June 21, 2023.

MINNESOTA HIGHER EDUCATION  
FACILITIES AUTHORITY

By: \_\_\_\_\_  
Gary D. Benson, Chair

By: \_\_\_\_\_  
David D. Rowland, Secretary

Minnesota Higher Education Facilities Authority  
FY2024 Proposed Budget  
July 2023 - June 2024



	FY23 Adjusted Budget	FY23 New Expected	FY24 Proposed Budget	Difference
<b>Income</b>				
4010 Annual Fee Income	483,744.22	473,307.00	494,087.95	20,780.95
4020 Application Fee Income	2,000.00	2,000.00	1,000.00	(1,000.00)
4000 Interest Income	18,000.00	27,500.00	35,000.00	7,500.00
<b>Total Income</b>	<b>503,744.22</b>	<b>502,807.00</b>	<b>530,087.95</b>	<b>27,280.95</b>
<b>Asset Acquisitions (over \$2k threshold)</b>				
Office Furniture/Equipment (Capitalized)	13,635.47	13,635.47	6,000.00	(7,635.47)
				-
				-
<b>Expenses</b>				
6000 Stipends	2,000.00	2,000.00	2,640.00	640.00
6001 Board Travel	2,800.00	2,800.00	4,000.00	1,200.00
6002 Communications				
6002.01 Communications - Phones	3,900.00	3,900.00	4,750.00	850.00
6002.02 Communications - Internet	2,000.00	2,000.00	2,000.00	-
6002.03 Communications - Software	850.00	850.00	1,000.00	150.00
6002.04 Communications - Website	3,800.00	3,800.00	10,000.00	6,200.00
6002.05 Communications - Misc	575.00	575.00	750.00	175.00
<b>Total 6002 Communications</b>	<b>11,125.00</b>	<b>11,125.00</b>	<b>18,500.00</b>	<b>7,375.00</b>
6003 Staff Travel	17,000.00	17,000.00	20,000.00	3,000.00
6004 Office Rent	44,500.00	44,500.00	46,000.00	1,500.00
6005 Office Supplies	500.00	500.00	1,000.00	500.00
6005.01 COVID-19 Related Expenses	-	-	-	-
6006 Repairs	750.00	750.00	1,500.00	750.00
6007 Printing Expense	750.00	750.00	1,500.00	750.00
6008 Periodicals/Memberships	9,000.00	9,000.00	9,000.00	-
6009 Fiscal Consultant Fees	-	-	5,000.00	5,000.00
6010 Audit Fees	19,950.00	19,950.00	20,550.00	600.00
6012 Legal Fees	25,500.00	25,500.00	52,000.00	26,500.00
6013 Insurance Expense	1,849.00	1,849.00	2,000.00	151.00
6015 Miscellaneous Expense	2,800.00	2,800.00	5,000.00	2,200.00
6016 Bank Service Charges	2,350.00	2,350.00	2,750.00	400.00
6017 Conference Expenses	29,000.00	29,000.00	16,000.00	(13,000.00)
6018 Professional Development-Board	-	-	3,000.00	3,000.00
6020 Professional Development-STAFF	3,000.00	3,000.00	5,000.00	2,000.00
6021 IT				
6021.01 IT - Managed IT Services	8,000.00	8,000.00	9,000.00	1,000.00
6021.02 IT - Software	2,000.00	2,000.00	2,300.00	300.00
6021.03 IT - Consulting and Training	-	-	5,000.00	5,000.00
6021.04 IT - Misc	5,750.00	5,750.00	750.00	(5,000.00)
<b>Total 6021 IT</b>	<b>15,750.00</b>	<b>15,750.00</b>	<b>17,050.00</b>	<b>1,300.00</b>
6023 Postage/Delivery Expense	250.00	250.00	400.00	150.00
6100 Salaries	228,500.00	228,500.00	278,000.00	49,500.00
6101 Fringe Benefits	81,500.00	81,500.00	86,000.00	4,500.00
6104 Worker's Compensation	170.00	170.00	170.00	-
6107 Office Contract Work	250.00	250.00	1,000.00	750.00
6200 Equipment Leases				
6200.01 Equipment Lease - Copier	3,550.00	3,550.00	3,250.00	(300.00)
6200.02 Equipment Lease - Postage Machine	730.28	730.28	250.00	(480.28)
6200.03 Equipment Lease - Aquos Board	2,800.00	2,800.00	2,800.00	-
<b>Total 6200 Equipment Leases</b>	<b>7,080.28</b>	<b>7,080.28</b>	<b>6,300.00</b>	<b>(780.28)</b>
<b>Total Expenses</b>	<b>520,009.75</b>	<b>520,009.75</b>	<b>610,360.00</b>	<b>90,350.25</b>
<b>Net Operating Income</b>	<b>(16,265.53)</b>	<b>(17,202.75)</b>	<b>(80,272.05)</b>	<b>(64,006.52)</b>
<b>Total Expenses Without Capitalized Items</b>	<b>506,374.28</b>	<b>506,374.28</b>	<b>604,360.00</b>	<b>97,985.72</b>
<b>Net Operating Income Without Capitalized Items</b>	<b>(2,630.06)</b>	<b>(3,567.28)</b>	<b>(74,272.05)</b>	<b>(71,641.99)</b>



**To:** Authority Board Members

**From:** Barry W. Fick, Executive Director  
Amanda Lee, Operations Manager  
MN Higher Education Facilities Authority

**Date:** June 16, 2023

**Subject:** Annual Review of Authority Fees

#### Calculation of Discount

Using the procedure outlined in the June 1996 Authority Resolution, the following calculation was made to determine the fee discount for the upcoming fiscal year 2024.

<i>Estimated Net Position as of 6/30/2023:</i>	\$2,103,261
Plus: Projected Fee Revenue for FY 2024	1,414,537
Plus: Projected investment income for FY 2024 <i>(Includes unrealized gain/loss)</i>	<u>36,000</u>
	\$3,553,798
 Less: Projected annual operating expense for FY 2024	612,860
Less: Target Net Position (current)	<u>2,103,261</u>
 Total	837,677
 Divided by: Fee Revenue	<u>\$1,414,537</u>
 Calculated fee adjustment for fiscal year 2024	59.22%

### **Background Information**

Prior to 1996, the Authority charged the full administrative fee allowed under federal tax rules as its primary source of revenue. Due to net revenues from those fees after expenses, an operating reserve was created, and the interest earned on that reserve has been used as an additional revenue source. In 1996, the Authority implemented a policy to annually review projected revenues and expenses to determine the fee income necessary to meet expenses while holding the operating reserve or, as referred to in this analysis, the Net Position, steady, neither increasing or decreasing materially.

Based on the annual review of fee income and expenses, the Authority adjusts the fiscal year adjustment to the legally allowed administrative fee to generate sufficient income to fund cash expenses and remain approximately budget neutral for each fiscal year. The following chart shows the Authority fee adjustment for each fiscal year since 1997:

<u>Fiscal Year(s)</u>	<u>Discount</u>	<u>Years</u>
1997	30%	1
1998	40%	1
1999 - 2002	50%	4
2003 - 2004	60%	2
2005	70%	1
2006	80%	1
2007 - 2008	75%	2
2009	70%	1
2010 - 2012	75%	3
2013 - 2016	70%	4
2017 - 2023	65%	7

Based on a Board review of Net Position, the fiscal year fee was set to maintain the Net Position at approximately its current level. Beginning in fiscal year 2007, the discount was set so that projected income equaled estimated expenses, resulting in the Net Position remaining stable from year to year.

### **Projection Model**

Exhibit 1 is a model showing revenue and expenses for the past 3 years and revenue and expenses for fiscal years 2023 (estimated) and 2024 (projected). There are several alternative discount amounts presented for fiscal year 2024 to show the effect on Net Position.

### **Assumptions for Projections**

1. Fiscal year 2024 total revenues are based on the assumption that the Authority will issue the following bonds and notes in FY2024:

- i. School 1: \$20,650,000
- ii. School 2: \$70,000,000

2. The investment earnings estimate is based on income from securities held. Under the Authority's Investment Policy all investments are laddered in Government Securities, Government-agency securities or FDIC insured Certificate of Deposits. There are currently 12 securities in the portfolio ranging in par value from \$100,000 to \$200,000, having maturities ranging from July 2023 to November 2024 with an average interest rate of 2.79% percent.

As long as rates continue to be strong, as they are now, the Authority will be able to replace all of its CD's earning under 1% by the end of January 2024. (All held to maturity.) Unless rates drop substantially during the fiscal year, we expect the unrealized gain/loss to return to a much more stable level.

3. The Authority adopted the requirements of Statement 31 of the Governmental Accounting Standards Board (GASB) beginning with the fiscal year 1998 financial statements. Under this Statement, the change in market value of an investment is reflected as an unrealized gain or loss in revenue and ultimately an increase or decrease in the Net Position. The Authority's investment policy encourages the holding of securities to maturity, at which time the security matures at its par value and the unrealized gain or loss that affected the financial statements relating to this security must be removed from the current income statement. The unrealized gain/loss calculation in Exhibit 1 for fiscal years 2023 and 2024 is an estimate of the difference between the market value at the end of one fiscal year and the market value at the end of the next fiscal year.

4. The projected expenses are based on known expenses for equipment leases, office space lease, other contractual obligations, and anticipated increases from the expenses for the previous year. Fiscal year 2024 expenses include an April 2025 conference, ADA accessibility website modifications, assistance with creation of a database as a step in succession planning, as well as estimates for typical annual expenses.

Salaries and benefits are unknown until the legislature approves a new Managerial Plan, which will not take place until May or June 2024.

Due to lease accounting rule changes in FY2023, depreciation is now factored into the estimate as of FY2024, which includes rent and an estimate of depreciated assets. The Authority purchased new office furniture and capitalized assets in FY2024 and the depreciation of those assets will be realized as an expense over several years. The Authority will use straight-line depreciation of office improvements for seven years (the term of the current lease), and straight-line depreciation of office furniture for ten years. Other noncash, year-end adjustments, such as the increase or decrease in earned vacation and severance liability, and pension liability are included in the Net Position for prior years (2018-2022) but are not estimated in the 2023 estimate or 2024 prediction due to volatility. The largest non-cash expense besides depreciation is usually pension liability, which is calculated at the state from data two years in the past.

### Conclusion

The calculation demonstrates that a fee discount of approximately **60 percent** would allow the Authority to keep the Net Position near its current level. Based on the Fee Analysis, staff recommend the discount be set at **65 percent** for fiscal year 2024.

While Exhibit 1 shows a discount rate of 65 percent for fiscal year 2024 will result in a deficit, the budget includes several unknown items that have an equal likelihood of being as high as budgeted or significantly lower than budgeted. Authority staff recommend maintaining the **65 percent** discount rate for FY2024 and re-evaluating whether the discount rate should be adjusted in FY2025.

If the staff recommendation is adopted by the Board, this will represent the eighth consecutive year the Authority will be able to maintain the same discount level, providing consistency and budgeting predictability for the colleges and universities the Authority serves.

Since the expense and income estimates and projections are made based on history and conversations with colleges and universities about their intent to issue bonds in the future, there is no certainty that the expenses and fee income or the interest income will be as stated. We recognize that fiscal year 2024 expenses are higher than previous years with several unknown factors. We pledge to continue to operate in an efficient manner to keep operating expenses as low as possible.



## MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY



ANNUAL PERCENTAGE REDUCTION ON ALL FEES TO ACHIEVE TARGET TOTAL ASSET BALANCE

ACCRUAL BASIS

					FY 2024 ALTERNATIVES				
REVENUES	2020	2021	2022	2023	2024	2024	2024	2024	2024
Annual Admin Fees @ 0.125% (Existing Issues)	1,190,905	1,264,629	1,383,610	1,382,126	1,301,225	1,301,225	1,301,225	1,301,225	1,301,225
Annual Fees @ 0.125% (Future Issues - 1st year)					113,313	113,313	113,313	113,313	113,313
Fee Credits	(774,088)	(822,009)	(899,347)	(898,382)	(777,995)	(848,722)	(919,449)	(990,176)	(837,675)
Investment Earnings	47,905	29,285	17,053	27,500	35,000	35,000	35,000	35,000	35,000
Unrealized Gain/(Loss)	40,198	(27,000)	(38,016)	(5,000)	1,000	1,000	1,000	1,000	1,000
Total Revenues	504,920	444,905	463,301	506,244	672,542	601,815	531,088	460,361	612,862
EXPENSES									
Payroll, taxes & benefits	273,028	276,347	238,589	310,420	365,170	365,170	365,170	365,170	365,170
Rent, Depreciation and Interest Expense*	47,957	48,481	50,237	52,070	54,500	54,500	54,500	54,500	54,500
Legal, audit & fiscal consulting	69,756	81,385	70,264	45,450	77,550	77,550	77,550	77,550	77,550
Other	102,340	61,269	63,133	106,004	115,640	115,640	115,640	115,640	115,640
Total Expenses	493,081	467,482	422,223	513,944	612,860	612,860	612,860	612,860	612,860
Increase/(Decrease) in Total Assets:	11,839	(22,577)	41,078	(7,700)	59,682	(11,045)	(81,772)	(152,499)	2
Beginning Total Asset Balance:	2,080,622	2,092,460	2,069,883	2,110,961	2,103,261	2,103,261	2,103,261	2,103,261	2,103,261
Ending Total Asset Balance:	2,092,460	2,069,883	2,110,961	2,103,261	2,162,943	2,092,216	2,021,489	1,950,762	2,103,263
% Fee Reduction:	65%	65%	65%	65%	55%	60%	65%	70%	59.22%
% Fee Assessment - Actual '20 - '22; Est '23; Proj '24	0.0438%	0.0438%	0.0438%	0.0438%	0.0563%	0.0500%	0.0438%	0.0375%	0.0510%

\*Change in accounting principal in FY2022

Color Code:	Actual
	Estimated
	Projected
	Recommended
	Target if zero increase

[About](#)

# Creative Planning Acquires BerganKDV

June 05, 2023

*The Professional Services Firm, with roughly \$2.495 Billion in AUM, Delivers Comprehensive Business Solutions Across the Nation*

**OVERLAND PARK, KS, June 5, 2023 /PRNewswire/** — BerganKDV, led by CEO Dave Hinnenkamp, has joined forces with Creative Planning LLC, one of the largest Registered Investment Advisors (“RIA”) in the country to become Creative Planning for Business. BerganKDV brings 600 new employees into the Creative Planning fold.

BerganKDV has remained rooted in exceptional client service and innovative offerings since 1945. They have grown to offer a wide array of comprehensive business, financial and technology solutions including: tax and audit, accounting services, business advisory, wealth management, and more.

“Creative Planning is thrilled to bring on the BerganKDV team to give us an even stronger presence in the Midwest,” said Peter Mallouk, CEO of Creative Planning. “Dave and his team have always had their sights set on going beyond traditional financial, tech, and business solutions to do more for their clients, communities and team members. Their client-centric approach is the perfect cultural fit for our ever-growing Creative Planning family.”

“We are thrilled to be partnering with Creative Planning,” said Dave Hinnenkamp, CPA, CEO of BerganKDV. “As our firm has evolved, we’ve always strived to fulfill our mission — to be capable of caring for our clients through their entire business, organizational and personal life cycles. Joining Peter and his Creative Planning team greatly accelerates us along our path to deliver on this mission. I am excited for our clients, and I am excited for our teammates as we redefine how professional services are delivered to our clients.”

“I am excited to see what Creative Planning and BerganKDV can accomplish together,” said John Langston, Founder, Managing Partner of Republic Capital Group, which acted as the exclusive investment banking advisor on the transaction. “Dave and his team have built a great firm, serving clients extraordinarily well. It’s exciting to be part of the coming together of these two fantastic organizations.”

Creative Planning has over \$210B combined assets under management and advisement across all 50 states and 65 countries as of 12/31/22, with continued plans for growth throughout 2023.

## About Creative Planning

Creative Planning, LLC is an independent wealth management firm that provides a financial planning led investment management approach, retirement planning, estate planning, trust services, tax planning and family office services for individuals as well as 401(k) and institutional clients. Creative Planning has over \$210B combined assets under management and advisement across all 50 states and 65 countries as of 12/31/22.

# A look at trends in college consolidation since 2016

*We're tracking major closings, mergers, acquisitions and other consolidation among public and private nonprofit institutions from 2016 to the present.*

Updated June 13, 2023 • By Higher Ed Dive Team

The last few years have been tumultuous for many U.S. colleges. Pressure to lower tuition, stagnating state funding and a shrinking pool of high school graduates has strained many institutions' bottom lines and questioned their long-term viability. Those pressures have caused some to close.

For many still in operation, the coronavirus pandemic and its economic impact is adding a host of uncertainties to already tight operations.

We've been tracking consolidation across higher education since the fall of 2018, looking back as far as 2016. Our goal was not to create a death watch but rather to give our readers a tool to show the scope of that activity and any patterns within it. To make those trends easier to detect, we updated our tracker with a map showing closings and

In doing that, we also revised our list to omit certain consolidation activity among public institutions in which their footprints remained largely the same. Prior to this update, we removed for-profit colleges from our list; this was due to their differences in scale from private nonprofit and public institutions as well as the sometimes-fragmented nature of their closings.

We hope you find this tool useful in understanding consolidation across higher ed. If you see something we missed, [let us know by using this form](#).

## College closings and mergers by state

Each state is colored by how many of its public and private nonprofit colleges have closed or merged, or have announced plans to, since 2016.

### Alabama (3)

- Concordia College Alabama (2018)
- Southeastern Bible College (2017)
- Judson College (2021) →

## **California (8)**

- Holy Names University (2023 - Planned)\_→
- Presidio Graduate School (2023 - Planned)\_→
- Marymount California University (2022)\_→
- San Francisco Art Institute (2022)\_→
- Mills College (2022)\_→
- Claremont School of Theology (Ongoing)\_→
- Coleman University (2018)
- Shepherd University (2017)

## **Colorado (1)**

- Colorado Heights University (2017)

## **Connecticut (2)**

- St. Vincent's College (2018)
- Bridgeport Hospital School of Nursing (2017)

## **Delaware (1)**

- Wesley College (2021)\_→

## **Florida (1)**

- Jones College (2017)

## **Iowa (1)**

- Iowa Wesleyan University (2023 - Planned)\_→

## **Illinois (7)**

- St. Augustine College (2023 - Planned)\_→
- Lincoln College (2022)\_→
- MacMurray College (2020)\_→
- Robert Morris University (2020)\_→
- Morthland College (2018)
- Chicago ORT Technical Institute (2017)
- Shimer College (2017)

## **Indiana (5)**

- Indiana University-Purdue University Indianapolis (2024 - Planned)\_→
- Ancilla College (2021)\_→
- Valparaiso University Law School (2020)
- Indiana Tech Law School (2017)
- Saint Joseph's College (2017)

## **Kansas (1)**

- Wright Career College (2016)

## **Kentucky (1)**

- St. Catharine College (2016)

## **Massachusetts (9)**

- Pine Manor College (2022 - Expected)\_→
- Becker College (2021)\_→
- Newbury College (2019)
- Atlantic Union College (2018)
- Mount Ida College (2018)
- Wheelock College (2018)
- Episcopal Divinity School (2017)
- School of the Museum of Fine Arts (2016)
- The Boston Conservatory (2016)

## **Maine (1)**

- Salt Institute for Documentary Studies (2016)

## **Michigan (3)**

- Finlandia University (2023 - Planned)\_→
- Marygrove College (2019)
- Miller College (2016)

## **Minnesota (1)**

- Crossroads College (2016)

## **Missouri (2)**

- St. Louis Christian College (2022)\_→
- Wentworth Military Academy and College (2017)

## **North Carolina (1)**

- John Wesley University (2018)

## **Nebraska (2)**

- Nebraska Christian College (2020)\_→
- Grace University (2018)

## **New Hampshire (1)**

- New Hampshire Institute of Art (2019)

## **New Jersey (1)**

- Bloomfield College (2023 - Planned)\_→

## **Nevada (1)**

- Sierra Nevada University (Ongoing)\_→

## **New York (8)**

- Medaille University (2023 - Planned)\_→
- Cazenovia College (2023 - Planned)\_→
- St. John's University Staten Island campus (2024 - Planned)\_→
- Concordia College New York (2021)\_→
- College of New Rochelle (2019)
- Bramson ORT College (2017)
- Dowling College (2016)
- Union Graduate College (2016)

## **Ohio (4)**

- Chatfield College (2023 - Planned)\_→
- Urbana University (2020)\_→
- Cincinnati Christian University (2019)
- Trinity Lutheran Seminary (2018)

### **Oklahoma (1)**

- St. Gregory's University (2017)

### **Oregon (4)**

- Pacific Northwest College of Art (2021)\_→
- Concordia University - Portland (2020)\_→
- Oregon College of Art and Craft (2019)
- Marylhurst University (2018)

### **Pennsylvania (5)**

- Salus University (2024 - Planned)
- Pennsylvania College of Health Sciences (2024 - Planned)\_→
- University of the Sciences (2022)\_→
- Abington Memorial Hospital Dixon School of Nursing (2017)
- Philadelphia University (2017)

### **South Dakota (2)**

- Presentation College (2023 - Planned)\_→
- Kilian Community College (2016)

### **Tennessee (5)**

- Martin Methodist College (2021)\_→
- Memphis College of Art (2020)
- Watkins College of Art (2020)\_→
- Hiwassee College (2019)
- O'More College of Design (2018)

### **Texas (1)**

- B. H. Carroll Theological Institute (2025 - Planned)\_→

### **Virginia (1)**

- Wave Leadership College (2022)\_→

### **Vermont (5)**

- Marlboro College (2020)\_→
- College of St. Joseph (2019)
- Green Mountain College (2019)
- Southern Vermont College (2019)
- Burlington College (2016)

### **Washington (1)**

- Trinity Lutheran College (2016)

### **Wisconsin (2)**

- Cardinal Stritch University (2023 - Planned)\_→
- Holy Family College (2020)\_→

### **West Virginia (1)**

- Ohio Valley University (2022)\_→

Below, we spotlight significant recent closures and consolidations. Sections are updated as new information is available. The timeline date reflects roughly when the initial news was announced.

- **Salus University**

**STATE:** Pennsylvania

**CLOSING DATE:** Summer 2024

Salus and Drexel universities, which are both located in Pennsylvania, announced in mid-June that they had formalized an agreement for the institutions to combine. The news came two months after Salus, a roughly 1,100-student graduate health science institution, said it was looking to merge with Drexel, a top research institution.

Drexel will absorb Salus' graduate degree programs, including those in audiology, optometry and occupational therapy, according to the announcement.

- **Medaille University**

**STATE:** New York



**CLOSING DATE:** August 2023

Medaille University, a small institution in upstate New York, decided to shutter just days after its plans to be acquired by nearby Trocaire College fell through. Medaille's interim president, Lori Quigley, attributed the closure to growing financial difficulties, including declining enrollment, and outstanding liabilities. [Read more →](#)

- **St. Augustine College**

**STATE:** Illinois

**CLOSING DATE:** End Of 2023

Lewis University, a Catholic institution, will take over St. Augustine College, reportedly the first bilingual institution in the Midwest. Neither institution cited a financial reason for the merger, but St. Augustine's enrollment has continually dropped over the last decade. [Read more →](#)

- **Cardinal Stritch University**

**STATE:** Wisconsin

**CLOSING DATE:** May 2023

Cardinal Stritch University said it will close in May after its enrollment fell precipitously and it failed to bounce back financially amid the pandemic, according to its president. The Roman Catholic institution is in the process of establishing transfer programs with local colleges. [Read more →](#)

- **Iowa Wesleyan University**

**STATE:** Iowa

**CLOSING DATE:** May 2023

Iowa Wesleyan University, which has for several years teetered on the edge of financial ruin, announced it would close after its academic year wraps up in May 2023. The private liberal arts institution attributed the decision to inflation, shifting enrollment trends, a significant decline in donations, and the state's Republican governor refusing to use a share of federal coronavirus aid money to sustain it. [Read more →](#)

- **Finlandia University**

**STATE:** Michigan

**CLOSING DATE:** Summer 2023

Finlandia University, located on the Upper Peninsula of Michigan, said it will not enroll any students in the 2023-24 academic year after struggling with a decline in the number of high school graduates, falling interest in attending college and an “unbearable debt load.”

“The leadership team, the Board of Trustees and myself have left no stone unturned in an attempt to avoid this day,” President Timothy Pinnow wrote in a letter to students and employees. He added that the 126-year-old Finnish-Lutheran institution should end operations with “grace and dignity.”

Academic operations were scheduled to wind down after spring and summer sessions. Some administrative and maintenance operations were set to continue afterwards as needed.

Finlandia had teach-out agreements in place with four institutions and was working on an arrangement with a fifth. Federal data shows that in 2021, the institution enrolled just 424 students, all undergraduates.

- **B. H. Carroll Theological Institute**

**STATE:** Texas

**CLOSING DATE:** January 2025

B. H. Carroll Theological Institute, located outside of Dallas, announced plans to become part of East Texas Baptist University, which is located some 170 miles to the east in Marshall. The theological school said it would immediately drop the term “institute” from its name. Once the merger is complete, it’s set to be known as B. H. Carroll Theological Seminary at East Texas Baptist University.

The integration would make East Texas Baptist University a doctoral degree-granting institution. The Southern Association of Colleges and Schools Commission on Colleges and the Association of Theological Schools still needed to review the agreement. East Texas Baptist University plans to retain B.H. Carroll’s full-time faculty.

B.H. Carroll was founded in 2004 and does not participate in federal financial aid programs. East Texas Baptist University was founded in 1912 as the College of Marshall.

- **Pennsylvania College of Health Sciences**

**STATE:** Pennsylvania

**CLOSING DATE:** January 2024

Pennsylvania College of Health Sciences, in Lancaster, is set to be acquired by Saint Joseph's University, in Philadelphia, in a deal set to close in 2024. It would be the second acquisition in as many years for Saint Joseph's, a Jesuit institution that acquired University of the Sciences in 2022. [Read more →](#)

- **Presentation College**

**STATE:** South Dakota

**CLOSING DATE:** August 2023

Presentation College leaders examined their options and decided that closing and teaching out students is "the most responsible way to steward students' pathways to completing their degrees," Sister Mary Thomas, president of the Catholic institution's sponsoring order, said in a statement. Presentation faced falling enrollment in recent years and headwinds including a rural location that was hard for out-of-state students to reach. An online Bachelor of Science in nursing program that Presentation operated will continue at St. Ambrose University, in Iowa. [Read more →](#)

- **Holy Names University**

**STATE:** California

**CLOSING DATE:** May 2023

Holy Names University, a Catholic institution in Oakland, announced it would close after a year of searching failed to land it a merger partner. The university was trying to build a stable future under a five-year plan that called for new investments and rising enrollment, but its student body cratered under pressures from the pandemic and economic challenges. Fall 2022 enrollment totaled 943, less than two-thirds as many students as called for by the strategic plan. [Read more →](#)

- **Cazenovia College**

**STATE:** New York

**CLOSING DATE:** Spring 2023

Cazenovia College, a private nonprofit institution outside of Syracuse, cited business issues made worse by the COVID-19 pandemic and high inflation as reasons to close after the spring 2023 semester. The pandemic hurt recruitment and fundraising while also requiring investments in technology and safety, it said. Enrollment fell by about 40% since peaking at almost 1,000 students in 2014. And a tumultuous bond market made it hard to refinance \$25 million in debt, which the college defaulted on in September. [Read more →](#)

- **Presidio Graduate School**

**STATE:** California

**CLOSING DATE:** June 2023

University of Redlands, a nonprofit based in Southern California, announced plans to acquire Presidio Graduate School, a nonprofit that operates hybrid programs in the San Francisco area. The move comes after Presidio determined “the alternative to the partnership is the full closure of the school.” Presidio will move to a Marin County campus northwest of San Francisco that University of Redlands acquired in 2019 along with San Francisco Theological Seminary. [Read more →](#)

- **Bloomfield College**

**STATE:** New Jersey

**CLOSING DATE:** June 30, 2023

Montclair State University is set to acquire Bloomfield College by the end of June 2023 after the two institutions discussed a merger for months. Montclair State, a public institution about 6 miles away from the nonprofit Bloomfield’s campus, stepped in after Bloomfield issued a public plea for help.

Bloomfield counts itself as New Jersey’s only four-year college recognized simultaneously as a predominantly Black institution, Hispanic-serving institution, and minority-serving institution. But enrollment of the students it serves was hit hard by the pandemic, exacerbating already existing downward enrollment trends, its leaders said.

Plans call for it to become known as Bloomfield College of Montclair State University.

[Read more →](#)

- **Chatfield College**

**STATE:** Ohio

**CLOSING DATE:** January 1, 2023

Chatfield College leaders announced plans to cease operations as a two-year Catholic institution and convert to a nonprofit organization focused on boosting degree attainment.

The college operated campuses in Cincinnati and to the city's east. It faced dwindling enrollment and little hope of reversing trends because of challenging projections for the number of future high school graduates.

Making the change at the end of 2022 offered the best chance to save resources in order to support students in new ways, according to President Robert Elmore. [Read more →](#)

- **St. John's University Staten Island campus**

**STATE:** New York

**CLOSING DATE:** Spring 2024

St. John's University said it could not stem declining enrollment at its Staten Island campus, which plummeted from more than 2,300 undergraduate and graduate students in fall 2020 to fewer than 900 in fall 2021. Enrollment challenges were exacerbated by the coronavirus pandemic, officials said. Students were given the option to finish their degrees at the Catholic institution's primary campus in Queens. [Read more →](#)

- **Indiana University-Purdue University Indianapolis**

**STATE:** Indiana

**CLOSING DATE:** July 1, 2024

Indiana University and Purdue University announced plans to split up Indiana University-Purdue University Indianapolis in order to better meet a demand for educated workers and research in the state's capital city. The bulk of operations and programs will go to Indiana University, which already owns and operates the IUPUI campus. Purdue plans to increase its presence in the economically important area. University leaders cast the change as an expansion of their academics and research in central Indiana, but it means the end of IUPUI, which was founded as a joint venture in 1969. [Read more →](#)

- **San Francisco Art Institute**

**STATE:** California

**CLOSING DATE:** July 15, 2022

The University of San Francisco initially signed a letter of intent in January 2022 with the San Francisco Art Institute that called for the Jesuit university to acquire the fine arts school's assets and integrate its undergraduate and graduate programs.

However, the U of San Francisco said in July 2022 that issues arose in cementing the deal, including the institute's poor enrollment and financial projections, as well as concerns about its compliance with the Americans with Disabilities Act and delays in property maintenance.

The institute said it would continue on as a nonprofit foundation to preserve its history and archives, which contain information about American arts education and culture from the 19th through the 21st centuries.

[Read more →](#)

- **Wave Leadership College**

**STATE:** Virginia

**CLOSING DATE:** June 29, 2022

Falling enrollment and pressure from the coronavirus pandemic prompted Wave Leadership College of Virginia Beach to close immediately at the end of June 2022, the chair of its board of directors said in statements posted on its website. The small two-year Christian college, which enrolled several dozen people, encouraged students to transfer to nearby Regent University. [Read more →](#)

- **Marymount California University**

**STATE:** California

**CLOSING DATE:** August 31, 2022

Marymount California University reached an agreement to merge into Saint Leo University, another Catholic institution located in Florida, only to have that deal fall apart shortly after Saint Leo's accreditor declined to approve it in December 2021 over concerns about finances. After the merger's scuttling was announced, Marymount California President Brian Marcotte initially expressed hope for the institution's future. But the university said days later it would close due to

declining enrollment, rising operating costs and stresses stemming from the coronavirus pandemic. [Read more →](#)

- **Lincoln College**

**STATE:** Illinois

**CLOSING DATE:** May 13, 2022

The 157-year-old Lincoln College, a private nonprofit predominantly Black institution, announced plans in March 2022 to shut down less than two months later. The coronavirus pandemic squeezed the college between high technology costs and students opting out of attending, then a December 2021 cyberattack took key systems offline. When the college was able to run enrollment projections in March 2022, they showed it couldn't continue past spring without a partner or major donation. [Read more →](#)

- **Ohio Valley University**

**STATE:** West Virginia

**CLOSING DATE:** December 15, 2021

The president of Ohio Valley University, a small Christian college, alerted the West Virginia Higher Education Policy Commission in December 2021 that the institution would be closing and would not offer classes in the spring term. The decision affected roughly 200 students.

President Michael Ross cited an “extremely difficult financial situation” in his letter. Ohio Valley had faced years of mounting budgetary and enrollment issues that had landed it on probation with its accreditor, the Higher Learning Commission, in 2020. An HLC spokesperson said the agency was working with the state's higher education commission and the U.S. Department of Education to help students affected by the closure.

- **Mills College**

**STATE:** California

**CLOSING DATE:** July 1, 2022

The governing board of Mills College approved an agreement in September for the 169-year-old liberal arts school to be acquired by Boston-based Northeastern University. The deal means Mills will cease operating as a women's institution,

whose numbers have shrunk in the U.S. over time.

That operating model and the school's finances are no longer viable, Mills President Elizabeth Hillman said in a September interview.

Mills students who complete their degrees before the end of June 2022 will receive a diploma from the college. Those who complete their studies after that date will earn a degree from "Mills College at Northeastern University."

- **St. Louis Christian College**

**STATE:** Missouri

**CLOSING DATE:** May 31, 2022

St. Louis Christian College, a very small institution that had experienced enrollment challenges in recent years, merged into Central Christian College of the Bible, a similar institution in Missouri, under a deal that received initial approval in October 2021 — about a month after they started discussing the deal publicly. St. Louis Christian left its St. Louis-area campus and ended its last academic year in May 2022, although the transaction was still moving through necessary legal steps after that. Central Christian College of the Bible took on many of the shuttered institution's students and employees. [Read more →](#)

- **Sierra Nevada University**

**STATE:** Nevada

**CLOSING DATE:** Ongoing

The Nevada System of Higher Education's governing board approved a memorandum of agreement in late July that would merge Sierra Nevada University, a private institution, into the public University of Nevada, Reno. The private university's board announced earlier that month that it had approved the agreement.

The colleges emphasized in a joint announcement that they will carry out a "thoughtful integration."

Sierra Nevada's students will continue to study on the private university's campus during the upcoming academic year. The university's programs and operations will be gradually merged into the University of Nevada, Reno.



- **University of the Sciences**

**STATE:** Pennsylvania

**CLOSING DATE:** June 1, 2022

University of the Sciences in June 2021 announced an agreement to merge into Saint Joseph's University in a deal keeping both institutions' Philadelphia campuses operating under Saint Joseph's name. University of the Sciences had been seeking a partner in the face of demographic challenges and high fixed costs, said its president at the time, Paul Katz.

In March 2022, the accreditor for the two private nonprofit institutions approved the acquisition. It became official June 1 of the same year. [Read more →](#)

- **Judson College**

**STATE:** Alabama

**CLOSING DATE:** July 31, 2021

Judson College closed at the end of the summer 2021 term. Officials at the 183-year-old women's college cited dwindling enrollment and the inability to raise significant new funds as part of the reason for the closure. Pandemic-related recruitment challenges and a creditor asking for repayment on a loan added further stress, the college said in a statement.

- **Becker College**

**STATE:** Massachusetts

**CLOSING DATE:** 31, 2021

Becker College closed at the end of the 2020-21 academic year. Officials at the private nonprofit college said in a statement that they had been trying to stabilize the colleges' finances for more than two years. Its website includes information about academic "pathways" with area institutions based on students' degree programs.

- **Concordia College New York**

**STATE:** New York

**CLOSING DATE:** 31, 2021

Concordia College New York stopped offering classes after August 2021, months after officials announced shutdown plans in late January. Neighboring Iona College will purchase Concordia's campus and teach out its students. Concordia officials said in a statement that the pandemic "accelerated" the school's financial difficulties.

- **Pacific Northwest College of Art**

**STATE:** Oregon

**CLOSING DATE:** July 1, 2021

The Pacific Northwest College of Art, in Portland, Oregon, finalized its merger into Willamette University, located about an hour's drive south. The art school is now an independent college within Willamette, keeping its name, faculty and campus.

The merger follows several years of discussion between the two institutions, The Oregonian reported. The publication noted that, according to Willamette's president, "no money will change hands." Pacific Northwest College of Art has struggled financially, particularly in recent months. It previously tried to merge with the Oregon College of Art and Craft.

- **Martin Methodist College**

**STATE:** Tennessee

**CLOSING DATE:** July 1, 2021

The University of Tennessee System's governing board voted in June 2021 to acquire the assets of Martin Methodist College, which has been renamed the University of Tennessee Southern.

The 151-year-old private university is the first addition to the UT System in 50 years. The board voted to appoint Martin Methodist's president as the chancellor of the new institution.

- **Ancilla College**

**STATE:** Indiana

**CLOSING DATE:** July 1, 2021

Marian University, a private Catholic institution in Indiana, completed its acquisition of Ancilla College, a private nonprofit two-year school, in July 2021. Marian officials saw the move as a way to expand its footprint into a more rural region of the state, the [Indianapolis Business Journal](#) reported.

- **Marlboro College**

**STATE:** Vermont

**CLOSING DATE:** Fall 2020

Emerson College, a private institution in Boston, acquired the academic programs, endowment and non-real estate assets of Marlboro College, a liberal arts school in Southern Vermont. Emerson also got \$20.3 million, [according to local media reports](#). The agreement created the Marlboro Institute for Liberal Arts and Interdisciplinary Studies at Emerson College.

Marlboro's 400-acre campus was sold to a national charter school network, Democracy Builders, which will create a hybrid college program, [according to Marlboro officials](#). The sale [caught some flak over allegations](#) the new buyer used racist practices. [Read more →](#)

- **Wesley College**

**STATE:** Delaware

**CLOSING DATE:** July 1, 2021

Delaware State University, a historically Black college, in July 2021 [completed its acquisition](#) of Wesley College, a private liberal arts school in Delaware.

The university [received \\$1 million](#) from a foundation in late 2020 to help fund the acquisition. Delaware State took on the college's liabilities instead of paying a purchase price, [Inside Higher Ed](#) reported.

- **Pine Manor College**

**STATE:** Massachusetts

**CLOSING DATE:** 2022 (Expected)

Boston College is expected to take over nearby Pine Manor College in a two-year handoff that will let current and incoming students finish their studies on the original campus. The pair [signed a memorandum of understanding](#) outlining the plans in 2020.

- **Holy Family College**

**STATE:** Wisconsin

**CLOSING DATE:** Summer 2020

Holy Family College, a Catholic institution in Wisconsin, ceased operations at the end of the summer 2020 term. Officials cited financial pressures made more challenging by the coronavirus pandemic.

- **Urbana University**

**STATE:** Ohio

**CLOSING DATE:** Spring 2020

Urbana University, a private liberal arts college near Cincinnati, closed at the end of the spring 2020 term. It is a branch of Franklin University, which took over its academics. Urbana officials said the coronavirus pandemic “added a level of stress and uncertainty” to the already-struggling institution’s future.

- **Nebraska Christian College**

**STATE:** Nebraska

**CLOSING DATE:** Spring 2020

Nebraska Christian College closed at the end of the spring semester. It merged with Hope International University in 2016.

- **MacMurray College**

**STATE:** Illinois

**CLOSING DATE:** Spring 2020

MacMurray College closed at the end of the spring 2020 semester. In a statement, college officials said the coronavirus pandemic and economic disruption were factors that “complicated” the school’s financial position but “are not the principal reasons” for closure.

- **Robert Morris University**

**STATE:** Illinois

**CLOSING DATE: Spring 2020**

The Higher Learning Commission approved a joint application to make Robert Morris University Illinois a part of Roosevelt University. Robert Morris's programs become the Robert Morris Experimental College at Roosevelt.

- **Concordia University - Portland**

**STATE:** Oregon

**CLOSING DATE:** Spring 2020

Concordia University - Portland closed at the end of the spring 2020 semester. School officials were criticized for how they informed donors and students of its financial position and its relationship with an online education provider.

- **Watkins College of Art**

**STATE:** Tennessee

**CLOSING DATE:** Fall 2020

Watkins College of Art merged with Belmont University in the fall of 2020. Two students and a faculty member tried to stop the merger but a judge said they didn't have standing to do so.

- **Claremont School of Theology**

**STATE:** California

**CLOSING DATE:** Ongoing

The Claremont School of Theology, in California, is merging with Willamette University, in Oregon. In May 2019, both institutions' boards approved the affiliation agreement. Claremont programs will gradually be moved to Oregon, according to school officials. The merger process is ongoing.

# MN Higher Education Facilities Authority

## Budget vs. Actuals: FY2023 Adjusted Budget - FY23 P&L

July 2022 - June 2023

	TOTAL					
	ACTUAL	BUDGET	OVER BUDGET	REMAINING	% OF BUDGET	% REMAINING
Income						
4010 Annual Fee Income	1,298,463	1,382,126	-83,663	83,663	94.00 %	6.00 %
4020 Application Fee Income	2,000	2,000	0	0	100.00 %	0.00 %
Discounts given	-839,426	-898,382	58,956	-58,956	93.00 %	7.00 %
<b>Total Income</b>	<b>\$461,037</b>	<b>\$485,744</b>	<b>\$ -24,707</b>	<b>\$24,707</b>	<b>95.00 %</b>	<b>5.00 %</b>
<b>GROSS PROFIT</b>	<b>\$461,037</b>	<b>\$485,744</b>	<b>\$ -24,707</b>	<b>\$24,707</b>	<b>95.00 %</b>	<b>5.00 %</b>
Expenses						
6000 Stipends	1,050	2,000	-950	950	52.00 %	48.00 %
6001 Board Travel	1,564	2,800	-1,236	1,236	56.00 %	44.00 %
6002 Communications	10,069	11,125	-1,056	1,056	91.00 %	9.00 %
6003 Staff Travel	14,121	17,000	-2,879	2,879	83.00 %	17.00 %
6004 Office Rent	40,108	44,500	-4,392	4,392	90.00 %	10.00 %
6005 Office Supplies	345	500	-155	155	69.00 %	31.00 %
6006 Repairs	743	750	-7	7	99.00 %	1.00 %
6007 Printing Expense	745	750	-5	5	99.00 %	1.00 %
6008 Periodicals/Memberships	8,875	9,000	-125	125	99.00 %	1.00 %
6009 Fiscal Consultant Fees		0	0	0		
6010 Audit Fees	19,950	19,950	0	0	100.00 %	0.00 %
6012 Legal Fees	12,544	25,500	-12,956	12,956	49.00 %	51.00 %
6013 Insurance Expense		1,849	-1,849	1,849		100.00 %
6015 Miscellaneous Expense	2,745	2,800	-55	55	98.00 %	2.00 %
6016 Bank Service Charges	1,944	2,350	-406	406	83.00 %	17.00 %
6017 Conference Expenses	29,005	29,000	5	-5	100.00 %	-0.00 %
6018 Professional Development-Board		0	0	0		
6020 Professional Development-STAFF	2,785	3,000	-215	215	93.00 %	7.00 %
6021 IT	14,359	15,750	-1,391	1,391	91.00 %	9.00 %
6023 Postage/Delivery Expense	89	250	-161	161	36.00 %	64.00 %
6100 Salaries	193,466	228,500	-35,034	35,034	85.00 %	15.00 %
6101 Fringe Benefits	69,776	81,500	-11,724	11,724	86.00 %	14.00 %
6104 Worker's Compensation	170	170	0	0	100.00 %	0.00 %
6107 Office Contract Work	90	250	-160	160	36.00 %	64.00 %
6200 Equipment Leases	6,543	7,080	-538	538	92.00 %	8.00 %
<b>Total Expenses</b>	<b>\$431,086</b>	<b>\$506,374</b>	<b>\$ -75,289</b>	<b>\$75,289</b>	<b>85.00 %</b>	<b>15.00 %</b>
<b>NET OPERATING INCOME</b>	<b>\$29,951</b>	<b>\$ -20,630</b>	<b>\$50,582</b>	<b>\$ -50,582</b>	<b>-145.00 %</b>	<b>245.00 %</b>
Other Income						
4000 Interest Income	27,000	18,000	9,000	-9,000	150.00 %	-50.00 %
4050 Unrealized Gain/Loss Adjustment on Sale	1,586		1,586	-1,586		
<b>Total Other Income</b>	<b>\$28,586</b>	<b>\$18,000</b>	<b>\$10,586</b>	<b>\$ -10,586</b>	<b>159.00 %</b>	<b>-59.00 %</b>
Other Expenses						
Other Miscellaneous Expense	51,059	59,000	-59,000	59,000		100.00 %
<b>Total Other Expenses</b>	<b>51,059</b>	<b>\$0</b>	<b>\$ -59,000</b>	<b>\$59,000</b>	<b>0%</b>	<b>100.00 %</b>
<b>NET OTHER INCOME</b>	<b>(22,473)</b>	<b>\$28,586</b>	<b>\$ -41,000</b>	<b>\$ -69,586</b>	<b>-70.00 %</b>	<b>170.00 %</b>
<b>NET INCOME</b>	<b>7,478</b>	<b>\$58,537</b>	<b>\$ -61,630</b>	<b>\$ -120,167</b>	<b>-95.00 %</b>	<b>195.00 %</b>