OFFICIAL STATEMENT DATED JUNE 30, 2023

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

In the opinion of Bond Counsel, according to present State of Minnesota and federal laws, regulations and rulings, assuming compliance with certain covenants, the interest on the Bonds is not includable in gross income for federal income tax purposes or in taxable net income of individuals, estates and trusts for State of Minnesota income tax purposes, and is not an item of tax preference in determining federal alternative minimum tax applicable to individuals or Minnesota alternative minimum tax applicable to individuals, estates and trusts; however, interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code") for the purpose of computing federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Interest on the Bonds is subject to the State of Minnesota franchise tax applicable to corporations, including financial institutions. The Bonds will not be designated as "qualified tax-exempt obligations" within the meaning of the Code. (See "TAX CONSIDERATIONS.")

ST. CATHERINE UNIVERSITY

$21,235,000
Minnesota Higher Education Facilities Authority
Revenue Bonds, Series 2023
(St. Catherine University)

(DTC Book Entry Only)

Dated Date: Date of Delivery **Interest Due: April 1 and October 1, commencing October 1, 2023**

The Minnesota Higher Education Facilities Authority (the "Authority") Revenue Bonds, Series 2023 (St. Catherine University) (the "Bonds") will mature annually on October 1 as shown on the inside front cover of this Official Statement.

At the option of the Authority, at the direction of St. Catherine University (the "University"), a Minnesota nonprofit corporation, the Bonds are subject to redemption on October 1, 2033 or thereafter at par, in whole or in part prior to maturity, as described herein. The Bonds are subject to optional redemption in whole or in part in the event of a Determination of Taxability, as described herein. The Term Bonds are subject to mandatory redemption in installments as described herein. See "THE BONDS – Redemption" and "THE BONDS – Determination of Taxability."

Proceeds of the Bonds will be used to (i) acquire, design, demolish, construct, renovate, improve, furnish and equip various facilities on the University's Saint Paul campus, (ii) pay capitalized interest during a portion of the construction period, and (iii) pay certain issuance costs. See "USE OF PROCEEDS" herein.

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

The Bonds are special obligations of the Authority payable solely from Loan Repayments made by or on behalf of the University pursuant to a Loan Agreement (the "Loan Agreement") between the Authority and the University dated as of July 1, 2023, or out of other amounts pledged pursuant to the Indenture as described herein. The Loan Repayments will be an obligation of the University payable from the general funds or any other moneys legally available to the University. No priority interest in any University revenues is granted or pledged to payment of the Bonds.

THE BONDS SHALL NOT BE LEGAL OR MORAL OBLIGATIONS OF THE STATE OF MINNESOTA (the "STATE"), NOR SHALL THEY CONSTITUTE A DEBT FOR WHICH THE FAITH AND CREDIT OF THE AUTHORITY OR THE STATE, OR THE TAXING POWERS OF THE STATE, ARE PLEDGED. THE AUTHORITY HAS NO TAXING POWERS.

The Bonds are offered when, as and if issued by the Authority and accepted by the Underwriter named below subject to the opinion as to validity of the Bonds and tax exemption of the Bonds by Taft Stettinius & Hollister LLP, Minneapolis, Minnesota, Bond Counsel. Certain legal matters will be passed upon for the University by Kutak Rock LLP, Minneapolis, Minnesota, and for the Underwriter by Dorsey & Whitney LLP, Minneapolis, Minnesota. The Bonds are expected to be available for delivery to the Underwriter at DTC on or about July 18, 2023.

The Underwriter intends to engage in secondary market trading in the Bonds, subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Bonds at the request of any holder thereof. For information with respect to the Underwriter, see "UNDERWRITING" herein.

RBC Capital Markets

$21,235,000
Minnesota Higher Education Facilities Authority
Revenue Bonds, Series 2023
(St. Catherine University)

Bonds to mature on October 1 as follows:

Year	Amount	Interest Rate	Yield	Price	CUSIP 60416J:
2026	$205,000	5.000%	3.680%	103.948	GK 0
2027	$150,000	5.000%	3.610%	105.370	GL 8
2028	$230,000	5.000%	3.610%	106.534	GM 6
2033	$295,000	5.000%	3.910%	109.092	GS 3

$1,880,000 4.250% Term Bonds due October 1, 2038 Yield 4.490% Price 97.370 CUSIP 60416J GT 1
$2,365,000 5.000% Term Bonds due October 1, 2043 Yield 4.710% Price 102.320† CUSIP 60416J GU 8
$3,100,000 5.125% Term Bonds due October 1, 2048 Yield 4.880% Price 101.943† CUSIP 60416J GV 6
$13,010,000 5.000% Term Bonds due October 1, 2052 Yield 4.960% Price 100.309† CUSIP 60416J GW 4

† *Priced to the first optional call date of October 1, 2033*

CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. The CUSIP numbers provided in this Official Statement are included for convenience of the holders and potential holders of the Bonds. No assurance can be given that the CUSIP numbers for the Bonds will remain the same after the date of issuance and delivery of the Bonds. None of the Authority, the Underwriter, or the University takes any responsibility for the accuracy of such CUSIP numbers.

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

No dealer, broker, sales representative or other person has been authorized by the Authority, the University or the Underwriter to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority, the University or the Underwriter. The information contained herein, except as it relates to the Authority, DTC, and the Trustee, has been obtained from the University and is not guaranteed as to accuracy or completeness. Information relating to the Authority, DTC and the Trustee has been obtained from such persons and is not guaranteed as to accuracy or completeness. Information regarding the tax-exempt status of the Bonds has been provided by Bond Counsel. Except for information concerning the Authority, the information contained herein is not to be construed as a representation by the Authority. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL CREATE, UNDER ANY CIRCUMSTANCES, ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE AUTHORITY OR THE UNIVERSITY SINCE THE DATE HEREOF.

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

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

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

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

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

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

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

The Trustee has not participated in the preparation of this Official Statement or any other disclosure documents relating to the Bonds. Except for information under the heading "THE TRUSTEE," the Trustee has or assumes no responsibility as to the accuracy or completeness of any information contained in this Official Statement or any other such disclosure documents.

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

MEMBERS

Gary D. Benson, Chair	Director of Project Planning & Development, Kraus-Anderson Construction Company Resident of New Brighton, Minnesota
Bonnie M. Anderson Rons, Vice Chair	Retired Banker Resident of Rosemount, Minnesota
David D. Rowland, Secretary	Executive Vice President and Co-Chief Investment Officer, The Travelers Companies, Inc. Resident of Edina, Minnesota
Paul Cerkvenik (Ex Officio)	President, Minnesota Private College Council Saint Paul, Minnesota
Mikeya Griffin	Executive Director, Rondo Community Land Trust Resident of Saint Paul, Minnesota
Mary F. Ives	Real Estate Agent and Business Owner-Operator of Hospitality Properties Resident of Grand Rapids, Minnesota
Nancy Sampair	Retired Banker Resident of Saint Paul, Minnesota
Mary Thao	Vice President and Controller, St. Catherine University Resident of Circle Pines, Minnesota
Raymond VinZant, Jr.	Founder, Midway Vo-Tech, Saint Paul Resident of Wyoming, Minnesota
Poawit Yang (Ex Officio)	Chief Financial Officer, Minnesota Office of Higher Education Saint Paul, Minnesota

EXECUTIVE DIRECTOR

Barry W. Fick

Bond Counsel
Taft Stettinius & Hollister LLP

Municipal Advisor to the University
North Slope Capital Advisors

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OFFICIAL STATEMENT

$21,235,000
MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
REVENUE BONDS, SERIES 2023
(ST. CATHERINE UNIVERSITY)

(DTC Book Entry Only)

INTRODUCTORY STATEMENT

This Official Statement provides information concerning the Minnesota Higher Education Facilities Authority (the "Authority"), an agency of the State of Minnesota, and St. Catherine University, a Minnesota non-profit corporation and 501(c)(3) organization and the owner and operator of an institution of higher education with its campus located in Saint Paul, Minnesota (the "University"), in connection with the issuance of the Authority's $21,235,000 Revenue Bonds, Series 2023 (St. Catherine University) (the "Bonds").

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

The Bonds are also being issued pursuant to the Trust Indenture (the "Indenture") dated as of July 1, 2023 between the Authority and U.S. Bank Trust Company, National Association, Saint Paul, Minnesota, as trustee (the "Trustee"). The Trustee will also be the Registrar and Paying Agent for the Bonds.

Pursuant to a Loan Agreement (the "Loan Agreement") dated as of July 1, 2023 between the University and the Authority relating to the Bonds, the Authority is loaning the proceeds of the Bonds to the University, and the University will covenant to make Loan Repayments in amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due. The Loan Repayments will be an obligation of the University payable from the general funds or any other moneys legally available to the University.

Proceeds of the Bonds, along with other available University funds will be used for the following (the "Project"):

(1) acquire, design, demolish, construct, renovate, improve, furnish and equip various facilities on the University's Saint Paul campus,
(2) pay capitalized interest during a portion of the Project construction period, and
(3) pay certain issuance costs.

See "USE OF PROCEEDS" herein for more detail on the Project.

The Bonds are secured by a pledge of the Loan Repayments, the payment of which is a general, unsecured obligation of the University payable from the general funds or any other moneys legally available to the University. Under the Loan Agreement, the University will agree to provide the funds necessary to make timely payment of the Loan Repayments.

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

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

THE BONDS

General

The Bonds will be issued in book-entry form and will be dated as of their date of delivery (the "Issue Date"). The Bonds will mature annually each October 1, commencing October 1, 2026, as set forth on the inside cover page of this Official Statement. The Bonds are being issued in denominations of $5,000 and integral multiples thereof and shall be fully registered as to principal and interest. Interest on the Bonds will be payable on each April 1 and October 1, commencing October 1, 2023.

Book Entry Only System

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

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

Redemption

Mandatory Redemption

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

Term Bonds Due:

October 1, 2038		October 1, 2043	
Year	Amount	Year	Amount
2034	$345,000	2039	$430,000
2035	$360,000	2040	$445,000
2036	$375,000	2041	$475,000
2037	$390,000	2042	$495,000
2038†	$410,000	2043†	$520,000

October 1, 2048		October 1, 2052	
Year	Amount	Year	Amount
2044	$550,000	2049	$730,000
2045	$580,000	2050	$770,000
2046	$625,000	2051	$5,610,000
2047	$655,000	2052†	$5,900,000
2048†	$690,000		

† *Stated Maturity*

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

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

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

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

Optional Redemption

The Authority, at the University's written direction, may optionally redeem the Bonds maturing on or after October 1, 2034 in whole or in part, on October 1, 2033 and on any day thereafter at a price of par plus accrued interest.

Extraordinary Optional Redemption

The Bonds will be subject to optional redemption at par in integral multiples of $5,000, in whole or in part, plus accrued interest in certain cases of damage to or destruction or condemnation of the Project Facilities. In the event the Project Facilities are damaged such that the claim for loss exceeds $1,000,000, the University may elect to repair, rebuild or restore the Project Facilities or may elect, pursuant to the terms of the Loan Agreement, to redeem all or part of the outstanding Bonds.

The Bonds will also be subject to optional redemption at par and accrued interest upon a Determination of Taxability as provided in the Loan Agreement.

For additional information, see "THE BONDS – Determination of Taxability" and Appendix V, "SUMMARY OF DOCUMENTS – The Loan Agreement."

Partial Redemption

If fewer than all of the Bonds are called for redemption, the University may direct the order of maturity or order of sinking fund installments within a Term Bond, including the particular amounts within maturities or sinking fund installments to be prepaid.

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

The Bonds to be redeemed within any maturity shall be directed by the Trustee by lot or any other method.

Notice of Redemption

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

Conditional Redemption

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

Determination of Taxability

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

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

USE OF PROCEEDS

Bond proceeds will be loaned to the University pursuant to the Loan Agreement.

Bond proceeds, along with available University funds, will be used to:

(1) acquire, design, demolish, construct, renovate, improve, furnish and equip various facilities on the University's Saint Paul campus, including, but not necessarily limited to, the following (collectively, the "Project"):

  (a) create flexible and adaptable spaces, modernize science teaching spaces, upgrade accessibility, and upgrade infrastructure in Mendel Hall;
  (b) renew flooring, plumbing, fixtures, walkways, in Sister Alberta and Sister Georgia student apartment buildings and Caecilian and St. Mary residence halls;
  (c) repair the entrance to and renovate the HVAC system of the Butler Center;
  (d) repair the building entrance, upgrade masonry, and renovate simulation classroom lab spaces in Whitby Hall;
  (e) repair the building entrance, upgrade masonry, and renovate classroom space to support the University's Fashion Merchandizing program in Fontbonne Hall;
  (f) improve stormwater infrastructure and drainage to support tennis, track and softball programs;
  (g) replace the elevator in the Music Building;
  (h) make campus-wide facilities infrastructure improvements;

(2) pay capitalized interest during a portion of the Project construction period, and

(3) pay certain issuance costs.

On the Issue Date, a portion of the Bond proceeds will be deposited into the Construction Account established under the Indenture to be used, along with University funds, to fund the capital improvements encompassing the Project.

The renovations to Mendel Hall, described in (1)(a) above, are designed to better prepare STEM leaders. The estimated cost of this portion of the Project is $20.8 million, of which $10 million is to be funded from Bond proceeds.

Renovations to Sister Alberta and Sister Georgia student apartments and Caecilian and St. Mary residence halls described in (1)(b) above involve spaces covering approximately 64,700 square feet and are expected to be funded with approximately $6 million of Bond proceeds.

The balance of the Project items described in (1)(c) through (1)(h) above are expected to be funded by approximately $5 million of Bond proceeds.

The University has retained BWBR Architects, Inc., Saint Paul, Minnesota, as architects for the Project. The University entered into a construction contract for the renovations to Mendel Hall and other infrastructure improvements in December, 2022 with McGough Construction Co., LLC, Saint Paul, Minnesota.

Work on the Project commenced in June, 2022. The University anticipates that all parts of the Project will be completed by October 1, 2026.

SOURCES AND USES OF FUNDS

Sources	
Par Amount of Bonds	$21,235,000.00
Net Original Offering Premium	163,855.90
Total Sources:	$21,398,855.90
Uses	
Deposit to Construction Account	$20,474,237.50
Deposit to Bond and Interest Sinking Fund Account including Capitalized Interest	528,045.69
Costs of Issuance including Underwriter Discount	396,572.71
Total Uses	$21,398,855.90

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FISCAL YEAR ANNUAL DEBT SERVICE

Following issuance of the Bonds, the University's long-term debt service is estimated to be as follows:

Fiscal Year Ended May 31	Series 2018A Debt Service	Series 2018B Debt Service	Series 2023 Debt Service	Aggregate Debt Service
2024	$ 2,415,250	$ 1,025,168	$ 213,226[(1)]	$ 3,653,644
2025	3,677,875	1,025,168	1,051,525	5,754,568
2026	3,676,500	1,025,168	1,051,525	5,753,193
2027	3,676,750	1,025,168	1,251,400	5,953,318
2028	3,673,500	1,025,168	1,187,525	5,886,193
2029	3,676,500	1,025,168	1,258,025	5,959,693
2030	3,675,500	1,025,168	1,022,275	5,722,943
2031	3,675,375	1,025,168	1,022,275	5,722,818
2032	3,675,875	1,025,168	1,022,275	5,723,318
2033	3,676,750	1,025,168	1,022,275	5,724,193
2034	3,672,875	1,025,168	1,309,900	6,007,943
2035	3,674,000	1,025,168	1,345,194	6,044,362
2036	3,674,750	1,025,168	1,345,213	6,045,131
2037	3,676,850	1,025,168	1,344,594	6,046,612
2038	3,676,150	1,025,168	1,343,338	6,044,656
2039	3,676,550	1,025,168	1,346,338	6,048,056
2040	3,674,375	1,025,168	1,346,875	6,046,418
2041	3,678,125	1,025,168	1,340,000	6,043,293
2042	3,674,875	1,025,168	1,347,000	6,047,043
2043	3,679,250	1,025,168	1,342,750	6,047,168
2044	3,675,875	1,025,168	1,342,375	6,043,418
2045	3,674,500	1,025,168	1,345,281	6,044,949
2046	3,674,625	1,025,168	1,346,325	6,046,118
2047		4,687,476	1,360,447	6,047,923
2048		4,687,401	1,357,647	6,045,048
2049		4,687,700	1,358,181	6,045,881
2050		4,683,001	1,362,250	6,045,251
2051		4,682,810	1,364,750	6,047,560
2052			6,045,250	6,045,250
2053			6,047,500	6,047,500
Total:	$83,282,675	$47,007,253	$46,443,532	$176,733,461

(1) Net of capitalized interest in the amount of $525,762.50

SOURCE OF PAYMENT FOR THE BONDS

General

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

The Bonds are secured by the Authority's pledge of the Loan Repayments, which are a general obligation of the University, and other funds, if any, the Trustee holds under the Indenture. The University will agree pursuant to the terms of the Loan Agreement to make payments directly to the Trustee in such amounts and at such times as to assure that the Trustee has sufficient funds with which to pay the principal of and interest on the Bonds. The University will therefore agree in the Loan Agreement to make such payments from the general funds or any other moneys legally available to the University. No priority interest in any University revenues is granted or pledged to payment of the Bonds.

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

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

ACCOUNTS

Summary

The Indenture will provide for the creation of certain trust accounts into which the proceeds of the sale of the Bonds and revenues received as Loan Repayments under the Loan Agreement are to be deposited. These accounts include a Bond and Interest Sinking Fund Account, a Construction Account, a Costs of Issuance Account, and a Redemption Account. The net proceeds of original issue and sale of the Bonds are to be deposited into the Construction Account, except that the amount of the costs of issuance of the Bonds will be deposited into the Costs of Issuance Account, and accrued interest, if any, and capitalized interest will be deposited in the Bond and Interest Sinking Fund Account. Following the Issue Date, amounts received by the Trustee from the University as Loan Repayments are to be deposited into the Bond and Interest Sinking Fund Account or the Redemption Account, as required by the Loan Agreement and used, to the extent needed, to redeem or pay the principal of, premium, if any, and interest on the Bonds when due.

Construction Account

There shall be deposited initially into the Construction Account certain proceeds of the Bonds, except as otherwise required to be deposited into the Bond and Interest Sinking Fund Account and the Costs of Issuance Account. The University will agree in the Loan Agreement to provide for payment of all costs of the Project in excess of the proceeds of the Bonds available therefor. Upon receipt of proper documentation, the Trustee will reimburse or pay for the account of the University costs incurred in connection with the Project. When work on the Project has been completed and the Project Equipment has been installed and a certificate to that effect has been furnished to the Trustee, any balance in the Construction Account shall be deposited into the Redemption Account or the Bond and Interest Sinking Fund Account under certain conditions.

Bond and Interest Sinking Fund Account

Initially there shall be deposited into the Bond and Interest Sinking Fund Account an amount of Bond proceeds representing accrued interest, if any, amounts designated as capitalized interest, and any rounding amount, which is to be used to pay interest on the Bonds. Deposits shall be made to the Bond and Interest Sinking Fund Account from transfers of amounts in other accounts, as permitted by the Indenture, and from Loan Repayments made by the University. Deposits into the Bond and Interest Sinking Fund Account shall be made at least two Business Days prior to each April 1 and October 1 in amounts equal to the interest and principal, if any, due on the following April 1 or October 1.

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

Costs of Issuance Account

There shall be deposited into the Costs of Issuance Account the amount specified in the Indenture to be applied to the costs, fees and expenses incurred in connection with the issuance of the Bonds. The Trustee shall disburse funds from this account upon presentation to the Trustee of an invoice approved by the Authorized Institution Representative or the Authorized Authority Representative. Any funds remaining in the Costs of Issuance Account after a period of six months shall be transferred to the Account specified in the Indenture.

Redemption Account

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

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

Authorized Investments

Moneys on deposit to the credit of the Construction Account, the Bond and Interest Sinking Fund Account, the Costs of Issuance Account, and the Redemption Account shall be invested by the Trustee only in investments as authorized by law from time to time. Section 5.05 of the Indenture sets forth the specific parameters to the type, credit quality, and maturity of investments. See Appendix V, "SUMMARY OF DOCUMENTS – The Indenture" herein.

INVESTMENT CONSIDERATIONS

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

Risk of Insufficient Collateral

The Bonds are an obligation of the University secured solely by (a) a pledge by the Authority to the Trustee of amounts payable by the University under the Loan Agreement, and (b) amounts in accounts and funds which will be held by the Trustee and applied to the payment of principal of, premium, if any, and interest on the Bonds. If an Event of Default occurs, there can be no assurance that pledged amounts will be sufficient to pay the principal of, premium, if any, or interest on the Bonds when due.

The Bonds are not insured by a bond insurance policy, letter of credit, or any other form of financial guarantee.

General Obligation of the University; No Mortgage or Lien Interests

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

The University has various other series of bonds and notes issued by the Authority on behalf of the University (the "Parity Obligations") which are outstanding under other indentures and loan agreements and funds held or pledged under those documents are not pledged to or available to pay the Bonds. The Parity Obligations are also general obligations of the University.

No Debt Service Reserve Fund

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

No Limitation on Indebtedness

The University may issue additional indebtedness following issuance of the Bonds. Neither the Loan Agreement nor any of the loan documents for the Parity Obligations or other University indebtedness described in Appendix I under the caption "Long-Term Debt of the University" contains any limitation on incurrence by the University of additional long-term or short-term indebtedness. Therefore, the University could incur additional indebtedness in the future, and the additional payments of principal and interest required for such indebtedness could limit the funds available to pay the Loan Repayments and the payments of principal and interest required for the University's existing indebtedness.

The Loan Agreement does not contain limitations on the University's ability to place liens on its property. Other than as prohibited by the University's policies or existing obligations, the University may grant a mortgage or security interest in any of its property to secure existing or future indebtedness and the holders of such secured indebtedness would have a claim on that property that is senior to the unsecured claim of the Bondholders.

Adequacy of Revenues

Payment of principal and interest on the Bonds is intended to be made from the University's Loan Repayments. The University's ability to make Loan Repayments will depend on its ability to receive sufficient unrestricted revenues in excess of expenditures, to invest and maintain sufficient monies in its investments, and to obtain sufficient investment earnings therefrom. Such revenues and expenditures are subject to many conditions and factors, some of which may be beyond the control of the University and may change in the future to an extent that cannot be presently determined.

Competition

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

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

The State of Minnesota has enacted legislation which provides for circumstances where individuals may attend a public college or university within the State of Minnesota at no tuition cost. Details of the program remain to be developed. The legislation could adversely affect enrollment at the University.

Reliance on Tuition and Fees

The adequacy of the University's revenues will be largely dependent on the amount of future tuition revenue the University receives. Such revenue in turn will depend primarily on the University's ability to charge sufficient rates for tuition and to maintain enrollment levels. Future enrollment levels will depend on the number of students applying to the University and accepting offers of admission. A number of factors, including, without limitation, levels of tuition rates and other fees, competition from other colleges and universities, a change in the number of college-age students and changing general economic conditions will influence the number of applicants to the University.

Cyber-Security

The University employs a full-time Senior Vice President and Chief Information Officer who oversees a comprehensive cyber-security program. This person is part of the University's Senior Leadership Team and regularly provides updates on the security program to senior leaders of the University and the Board of Directors, through its audit committee.

The security team includes an external highly qualified Chief Information Security Officer (CISO) and an internal Security Director who are responsible for carrying out the security duties that are part of the security program. The security program also includes regular external assessments including monthly vulnerability scans, quarterly security program reviews, annual penetration tests, annual security risk assessments, and packaged cybersecurity training programs and phishing exercises that help validate the effectiveness of the security program.

Computer networks and data transmission and collection are vital to the University's safe and efficient operations. Despite security measures, the University may be vulnerable to attacks by outside or internal hackers, or breached by employee error, negligence or malfeasance. Any such breach or attack could compromise systems and the information stored thereon. Any such disruption or other loss of information could result in a disruption in the efficiency of the operation of the University and the services provided at the University, thereby adversely affecting the ability of the University to generate revenue.

An extensive incident management process is in place should a breach or data loss occur. As part of this process, the University maintains network security and privacy insurance coverage for network interruption, regulatory action, event management, cyber extortion, reputation and media. The coverage also includes loss prevention services.

Secondary Market

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

Financial Aid

Approximately 85% of the University's eligible total student population currently receive some form of financial aid covering some portion of tuition and fees or living expenses. See Appendix I, "THE UNIVERSITY – Financial Aid" herein. No assurance can be given that federal and state financial aid and private third-party financing will continue to be funded at current levels or that the University will continue to fund student aid at current levels. Curtailment of such aid could cause a decline in enrollment, which could in turn have an adverse effect on the University's revenues. State financial shortfalls may result in reductions to state aid funding for colleges, including the University.

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

Damage, Destruction or other Liability

Although the University will be required to obtain certain insurance as set forth in the Loan Agreement, there can be no assurance that the University will not suffer losses for which insurance cannot be or has not been obtained or that the amount of any such loss will not exceed the coverage of such insurance policies. Under certain circumstances the Bonds may be subject to redemption at par upon damage to or destruction of all or a portion, of the Project Facilities. See "THE BONDS – Redemption – Extraordinary Optional Redemption" and Appendix V, "SUMMARY OF DOCUMENTS – The Loan Agreement – Damage or Destruction of Project Facilities" and "– Condemnation of Project Facilities."

Construction Risks

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

Bankruptcy

The ability of the Trustee to exercise rights under the Loan Agreement and the Indenture may be limited by bankruptcy, insolvency, reorganization or other similar laws or equitable principles related to or affecting the enforcement of creditors' rights.

Endowment Portfolio Risk

Market conditions that negatively affect the University's investments may adversely affect endowment spending and debt service coverage. The University's Board of Trustees has approved an investment policy which gives specific guidance about portfolio investments. The University's investment policy defines a diversified investment portfolio utilizing external money managers. The policy provides a maximum spending allocation of 5.5% of the endowment's prior 36-month moving average, and the effective payout was 5% for Fiscal Years ended 2022 and 2021. See Appendix I, "THE UNIVERSITY – Endowment Investment and Spending Policies."

Derivative Products

The University currently has no outstanding swaps or other derivative products, but it may enter into such arrangements in the future.

Variable Rate Demand Obligations

The Bonds are not Variable Rate Demand Obligations ("VRDOs"), and the University does not currently have any VRDO debt outstanding. See Appendix I, "THE UNIVERSITY – Long-Term Debt of the University" herein.

Maintenance of Rating

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

Impact of COVID-19

Responding to the Covid pandemic in March, 2020 and following the University's emergency response plan, President Roloff invoked the Incident Management Team to (i) maintain the health and safety of all members of the University community; (ii) ensure students were and are able to complete their academic work to the extent possible; and (iii) keep the University open and maintain the necessary operations to support students in completing their academic requirements. These steps were to ensure operational strength and flexibility for the future. Communications, case monitoring and resources remain available on the University's website at https://www.stkate.edu/coronavirus-info.

Aligning to state guidelines, the University maintained operations as an essential function. The University's work in support of its mission continued, albeit temporarily morphed into the online delivery of education and the services that support students. The University initiated health and safety measures (social distancing, personal protective equipment, building access, guests to campus, vaccination) to mitigate risk and continue operations. The University implemented a preparedness plan to protect the campus community with an adaptive approach to review regular and update based on current guidelines; see the University website at https://stkate.app.box.com/s/zqxnys0urnbvkm7id8bvttoepcml183u.

Return to campus activity was phased over the summer of 2020 with a return in fall 2020. Vaccinations remain required for all populations (students and employees), with approved exceptions. Human Resources monitors employees and Student Affairs works with students on their accommodation requests. The University vaccination rate is 97% for all populations; see https://www.stkate.edu/coronavirus-info/dashboard.

The University was awarded $15.6 million in Higher Education Emergency Relief Fund (HEERF) support. Student emergency grant funds and minority serving institution funds totaled $6.9 million and $60 thousand respectively. Institutional funds awarded totaled $8.6 million of which $7.3 million was primarily used to relieve lost revenue and COVID related expense. The University made prorated room and board refunds of $1.3 million to students related to early COVID shelter in place orders. The University assessed campus operations impacted by pandemic practices and procedures and furloughed 46 staff.

Environmental Matters

Colleges and universities are subject to a wide variety of federal, state and local environmental and occupational health and safety laws and regulations. These typically include: air and water quality control; waste management; hazardous materials and wastes; and other requirements. Typical operations include, to some extent and in various combinations, the handling, use, storage, transportation, disposal and discharge of infectious, toxic, flammable and other hazardous materials, wastes, pollutants or contaminants. Because of this, operations of the University are susceptible to financial and legal risks associated with compliance with applicable laws and regulations.

The University has covenanted in the Loan Agreement to comply with all applicable environmental laws. The University has performed, and, as part of the Project, expects to complete, certain environmental remediation in the residence halls, including the removal or other abatement of asbestos-containing materials.

Other than as described above, the University is not aware of any other recognized environmental condition at the Project Facilities or any of the University's other property that requires any present remedial action. The discovery of such a condition with respect to any of the other property of the University could adversely impact the University, resulting in damages to individuals, property, or the environment or may result in penalties or other government agency actions. There can be no assurance that the University will not encounter such risks and such risks may result in adverse material consequences to the operations or financial condition of the University.

Environmental and climate-related risks may result in indeterminate and unpredictable consequences for the University. Natural disasters such as tornados, windstorms, snow events and other naturally occurring phenomena cannot be predicted with certainty. There can be no assurance that the University will not encounter such risks in the future or that such risks will not have an adverse effect on the operations or financial condition of the University.

Other Possible Investment Considerations

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

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

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

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

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

See also "TAX CONSIDERATIONS" herein.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC"), pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"), the University will enter into a Continuing Disclosure Certificate (the "Certificate") for the benefit of beneficial owners of the Bonds to provide certain financial information and operating data relating to the University annually, and to provide notices of the occurrence of any of the events enumerated in the Rule to the Municipal Securities Rulemaking Board (the "MSRB"). The specific nature of the Certificate, as well as the information to be contained in the annual report or the notices of material events is set forth in the Certificate to be executed by the University at the time the Bonds are delivered, a copy of which is available from the University or the Trustee. Appendix III, "FORM OF CONTINUING DISCLOSURE CERTIFICATE," contains the financial information and operating data to be provided annually, as well as the list of material events to be disclosed.

The Certificate may be amended under certain circumstances as permitted by the Rule and the terms of the Certificate. Furthermore, the University has reserved its right to discontinue providing information required by the Certificate or the Rule if a final determination is made by a court of competent jurisdiction that the Rule is invalid or otherwise unlawful, and to modify the terms of the Certificate if a court of competent jurisdiction or the University determines that such modification is required or permitted by the Rule.

During the past five years, the University timely filed all annual reports and notices of material events required by its existing continuing disclosure obligations under the Rule. A failure by the University to comply with the Certificate will not constitute an event of default on the Bonds (although holders may have other remedies at law or in equity). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure, or the information supplied by the University pursuant to the Certificate, may adversely affect the Bonds' transferability, liquidity, and market price.

FUTURE FINANCING

The University regularly improves and expands its campus facilities. The University does not anticipate financing any such projects with debt within the next 12 months.

THE AUTHORITY

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

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

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

The Authority is authorized and empowered to issue revenue bonds whose aggregate outstanding principal amount at any time shall not exceed $1.3 billion. The Authority has issued bonds totaling over $3.31 billion, of which approximately $1.072 billion of Authority issued debt is outstanding as of June 1, 2023. Bonds issued by the Authority are payable only from the loan repayments, rentals, and other revenues and moneys pledged for their payment. The bonds of the Authority do not represent or constitute a debt or pledge of the faith or credit or moral obligation of the State.

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

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

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

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

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

The operations of the Authority are financed solely from fees paid by the participating institutions; it has no taxing power. The Authority does not receive any funds from the State of Minnesota.

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

MUNICIPAL ADVISOR TO THE UNIVERSITY

The University has retained North Slope Capital Advisors (“North Slope”), Denver, Colorado, as municipal advisor (“Municipal Advisor”) to the University with respect to the issuance of the Bonds. As the University’s Municipal Advisor, North Slope has assisted in the review of this Official Statement and in other matters relating to the planning, structure, rating and issuance of the Bonds. In connection with this Official Statement, the Municipal Advisor has relied upon University officials and other sources that have access to relevant data to provide accurate information for this Official Statement, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the University to compile, review, examine, or audit any information in this Official Statement in accordance with accounting standards.

UNDERWRITING

The Bonds are being purchased by RBC Capital Markets, LLC (the “Underwriter”). The Underwriter has agreed to purchase the Bonds at a purchase price of $21,297,838.50 (representing the aggregate principal amount of the Bonds less an underwriter’s discount of $101,017.40 plus net original issue premium of $163,855.90).

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

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

The Underwriter has provided the following information for inclusion in this Official Statement: The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Authority and/or the University. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Authority and/or the University. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future.

THE TRUSTEE

The Issuer has appointed U.S. Bank Trust Company, National Association, a national banking association organized under the laws of the United States of America, to serve as Trustee. The Trustee is a national banking association formed under the laws of the United States. The Trustee is only responsible to carry out those specific duties assigned to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy, fairness or completeness of the information set forth in this Official Statement or for the recitals contained in the Indenture, the Loan Agreement, or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the University of any of the Bonds authenticated or delivered pursuant to the Indenture. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

RATING

As noted on the cover page hereof, Moody’s Investors Service (“Moody’s”), 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York, has assigned a rating of Baa1 on the Bonds. The rating reflects only the view of such rating agency. Further information concerning the rating is available from Moody’s.

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

LITIGATION

The Authority and the University are unaware of any pending or threatened litigation which would affect the validity of the Bonds, the tax-exempt nature of the Bonds, the authority of either party to enter into the Bond-related documents or the ability of either to perform as described herein, or the ability of the University to pay the principal of, premium, if any, or interest on the Bonds as the same become due.

LEGALITY

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

Certain legal matters will be passed upon for the University by Kutak Rock LLP, Minneapolis, Minnesota, and for the Underwriter by Dorsey & Whitney LLP, Minneapolis, Minnesota.

TAX CONSIDERATIONS

Federal Tax-Exempt Interest

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excludable from gross income under Section 103 of the Code. These requirements include, but are not limited to, (1) provisions relating to the expenditure of Bond proceeds, (2) provisions which prescribe yield and other limits relative to the investment of the proceeds of the Bonds and other amounts, (3) provisions which require that certain investment earnings be rebated periodically to the Federal government and (4) provisions relating to the ownership and operation of the facilities financed by the Bonds. Noncompliance with such requirements may cause interest on the Bonds to become includable in gross income for purposes of Federal and State income taxation retroactive to their date of original issue, irrespective in some cases of the date on which such noncompliance is ascertained.

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

Assuming compliance with the Tax Covenants and on the basis of the certifications to be furnished at Bond Closing, in the opinion of Bond Counsel, under present laws and rulings, interest on the Bonds is excludable from gross income for federal income tax purposes. Interest on the Bonds is not treated as a preference item in determining federal alternative minimum taxable income of individuals; however, interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

Related Federal Tax Considerations

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

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

Minnesota Tax Considerations

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

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

Changes in Federal and State Tax Law

From time to time there are Presidential proposals, proposals from various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed.

It cannot be predicted, however, whether or in what form any other such proposal might be enacted or whether if enacted it would apply to the Bonds even if issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

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

Original Issue Premium

Serial Bonds maturing on October 1 in the years 2026-2028 and 2033 and Term Bonds maturing on October 1 in the years 2043, 2048 and 2052 were sold to the public at an amount in excess of their stated redemption price at maturity (the "Premium Bonds"). Such excess of the purchase price of a Bond over its stated redemption price at maturity constitutes premium on such Bond. A purchaser of a Premium Bond must amortize any premium over such Bond's term using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the purchaser's basis in such Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed. Purchasers of Premium Bonds, whether at the time of initial issuance or subsequent thereto, should consult with their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning such Premium Bonds.

Original Issue Discount

Term Bonds maturing on October 1, 2038 were sold to the public at an amount less than their stated redemption price at maturity (the "Discount Bonds"). The difference between the initial public offering price of each such Discount Bond (assuming a substantial amount of the Discount Bonds is sold at such price) and its principal amount represents original issue discount. Under existing laws, regulations, rulings and decisions, Bond Counsel is of the opinion with respect to the Discount Bonds that the amount of original issue discount constitutes tax-exempt interest to the extent that it is deemed to accrue to an owner for federal and State of Minnesota income tax purposes (other than Minnesota corporate franchise taxes measured by income). Original issue discount is deemed to accrue for such purposes on the basis of a constant yield to maturity taking into account semiannual compounding. The amount of original issue discount that accrues during any accrual period to a holder of a Discount Bond who acquires the Discount Bond in this offering generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes to the same extent as stated interest and will increase the holder's tax basis in such Discount Bond. Any gain realized by a holder from a sale, exchange, payment or redemption of a Discount Bond would be treated as gain from the sale or exchange of such Discount Bond.

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

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

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

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

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THE UNIVERSITY

St. Catherine University (the "University"), formerly the College of St. Catherine, was founded in Saint Paul, Minnesota, in 1905 by the Sisters of St. Joseph of Carondelet. Today the University is one of the largest Catholic universities primarily for women in the nation. In 1917, the University earned full accreditation by the North Central Association of Colleges and Schools, and by 1937 the University became the first Catholic college or university in the United States, and the third Minnesota institution, to be awarded a Phi Beta Kappa chapter. As the nation's oldest and most prestigious undergraduate honors organization, Phi Beta Kappa recognizes achievement in the liberal arts.

The Sisters of St. Joseph of Carondelet in 1887 founded St. Mary's School of Nursing, later named St. Mary's Junior College, in Minneapolis, Minnesota. In 1986, St. Mary's Junior College merged with the University (at that time the College of St. Catherine). In 2009 the College of St. Catherine changed its name to St. Catherine University. The University transferred operations of St. Mary's Junior College to its Saint Paul campus in Fiscal Year 2021. This connection to St. Mary's School of Nursing makes the University the oldest healthcare educator in Minnesota.

The change of the University's name in 2009 reflected the University's transformation into the comprehensive institution it is today – with four schools and three colleges – and vision to move from a regional presence to national and international pre-eminence.

The University offers traditional four-year liberal arts and professional programs as well as non-traditional evening, weekend and on-line opportunities to pursue baccalaureate, associate and master's degrees in the liberal arts, healthcare and other professional programs. The University had a total enrollment of 3,171 as of the 2022 fall term.

The University's mission is to educate women to lead and influence. The University educates at all degree levels through valuing and integrating the liberal arts and professional education within the Catholic intellectual tradition, emphasizing scholarly inquiry and social justice teaching as lived by the Sisters of St. Joseph of Carondelet. The University welcomes a rich diversity of students, with a baccalaureate college for women at the heart of the University and graduate and adult colleges for women and men. Committed to excellence and opportunity, the University develops leaders who act with integrity. The University's mission is based on three core principles: Catholic, women and the liberal arts.

The University is an independent non-profit 501(c)(3) corporation organized under the laws of the State of Minnesota. The University is sponsored by the Sisters of St. Joseph of Carondelet, also a non-profit 501(c)(3) corporation. The Sisters of St. Joseph of Carondelet is a pontifical religious institute with headquarters in Saint Louis, Missouri.

Governance

The University is governed by a Board of Trustees (the "Board"), currently composed of 25 elected members and two ex officio members. The maximum number of trustees, exclusive of ex officio trustees, is 30. At least one-fifth of the Board shall be vowed members of the Sisters of St. Joseph of Carondelet ("CSJ"). The President of the University and the Province Leadership Team liaison of CSJ are each an ex officio trustee. Except for ex officio trustees, all trustees serve four-year terms and are eligible for up to three consecutive terms.

Seven trustees comprise the Sponsorship Council. They include the Province Leadership Team liaison of CSJ, the President of the University, and the Chair of the Board. These three select four additional trustees to be the remaining Sponsorship Council trustees. Four of the seven Sponsorship Council trustees must be vowed members of CSJ. The Sponsorship Council trustees have additional rights and responsibilities regarding sponsorship and mission for the University. In addition to other rights granted to the Sponsorship Council in the University's Articles of Incorporation and bylaws, an affirmative vote of at least four of the Sponsorship Council trustees is required for the selection of trustees; for the Board to act on any matter that substantially affects or alters the University's mission or Catholic identity; and for other actions specified in the bylaws.

The Board designates four or more trustees, including the Chair and President, to constitute an Executive Committee. To the extent determined by the Board, the Executive Committee has the authority of the Board in the management of the business of the University. The Executive Committee shall act only in the interval between meetings of the Board, shall report to the Board formal actions it may take during any interval between meetings and, at all times, is subject to the control and direction of the Board. In addition to the Executive Committee, the Board shall have such other committees, either standing or special, as the Board, or the Board through its Chair, shall authorize. Currently, the standing committees of the Board are:

- Committee on Trusteeship and Governance
- Audit Committee
- Committee on Finance, Infrastructure, Resources and Investment
- Committee on the Educational Experience
- Committee on Strategic Planning and Priorities
- Committee on Institutional Advancement

Following is a list of the University Board members and their business or professional affiliation, as of June 2023:

Administration

The principal officers of the University are as follows:

President

Rebecca Koenig Roloff is the 11th President of the University. She is a 1976 graduate of the University, chaired the University’s board from 1991-1995, and has been an active alumna. She also holds an MBA with Distinction from Harvard Business School.

Ms. Roloff joined the University in 2016 from the YWCA of Minneapolis, where she served as President and Chief Executive Officer for 11 years and was responsible for leading the organization with a mission to eliminate racism and empower women and girls. Under her leadership, the YWCA Minneapolis successfully completed a capital campaign, grew its revenue substantially and significantly increased the diversity of its board of directors. Prior to her time at the YWCA she was a senior vice president and a member of the senior leadership team at American Express Financial Advisors (now Ameriprise), held various leadership positions at Pillsbury Company and was a grain merchant for Cargill in Texas. She has served on the boards of C.H. Robinson Worldwide, Inc., the Minneapolis Downtown Council Executive Committee and Allina Health.

Senior Vice President for Academic Operations and Student Success/Co-Provost

Denise Baird is the Senior Vice President for Academic Operations and Student Success and Co-Provost. Dr. Baird brings more than 20 years of experience in higher education both as a professor and an administrator. In her role at the University, Dr. Baird's work ensures that the university's continuous improvement efforts support academic and operational excellence with a focus on student learning and achievement. Under her leadership, the University launched its first federal TRIO program as well as a summer college transition experience for incoming first-time college students. Dr. Baird also steered the university's reaffirmation of accreditation with the Higher Learning Commission.

Dr. Baird earned her doctorate and master's degrees in sociology from Purdue University and her bachelor's degree in sociology from the University of Akron. Previously she was selected as the first Thoreau Teaching Fellow in the Sociology Department at the University of Maine.

Senior Vice President for Academic Programs and Faculty Affairs/Co-Provost

Dianne Oliver is the Senior Vice President for Academic Programs and Faculty Affairs and Co-Provost. Dr. Oliver brings to her role more than 25 years of experience in higher education, both as a professor and an administrator.

In her role at the University, Dr. Oliver ensures quality programs, promotes student and faculty research, and serves as the primary liaison in communicating and collaborating with administrators, faculty, students, and other constituents of the University on adult and graduate education and research.

Before joining the University, Dr. Oliver was Dean of the College of Arts and Sciences at Nazareth College in suburban Rochester, New York. There, she oversaw the largest division of the college, introduced new programming, and led numerous initiatives around interdisciplinary work, equity, and inclusion. Prior to that, Dr. Oliver was Associate Dean of the William L. Ridgway College of Arts and Sciences at the University of Evansville in Indiana.

Dr. Oliver earned both her master's degree and her doctorate in theology and ethics at Vanderbilt University. She also earned her Master of Divinity degree from Southern Seminary in Louisville, Kentucky. She is a member of the American Academy of Religion, the Association of American Colleges and Universities, the American Conference of Academic Deans, the Society for Christian Ethics, and the Phi Kappa Phi Honor Society.

Executive Vice President and Chief Advancement Officer

Elizabeth (Beth) Halloran, as Executive Vice President and Chief Advancement Officer, holds primary strategic and oversight responsibility for the University's development, alumni relations, and marketing and communications teams. She joined the University in 2017 from The Minneapolis Foundation, where she was senior vice president for advancement, leading the philanthropic services and external relations teams and shaping the foundations' fundraising strategy and donor services program. She previously served as vice president for development and alumni relations at Grinnell College and in senior positions at the University of Michigan and the Mayo Clinic.

Ms. Halloran holds a BS in social work from the College of St. Teresa, a master's degree in social welfare from the University of Wisconsin, and an MBA from the University of St. Thomas.

Senior Vice President, CFO, Treasurer, and Corporate Secretary

Tracey Gran is the University's senior vice president, chief financial officer, treasurer, and corporate secretary. In this role, Ms. Gran oversees the University's financial planning and analysis, investment portfolio, financial services relationships and transactions, and legal affairs, as well as overseeing multiple departments. Prior to her promotion to her current position, she served in the University's finance department for 16 years, including as vice president for finance and controller. Under her leadership, the University has made significant strategic investments that have led to a strong and sustainable foundation of financial stability for years to come.

Prior to joining the University, Ms. Gran gained over a decade of industry experience, including internal audit positions in public higher education with Minnesota State and Nash Finch Company, a publicly-traded Fortune 500 wholesale/retail organization. She has a bachelor's degree in accounting from Winona State University.

Senior Vice President for Strategy, Enrollment & Growth

John Pyle joined the University as the senior vice president for enrollment management and athletics in March, 2021 and has recently been named senior vice president for strategy, enrollment and growth. He oversees marketing, admission, financial aid, athletics, continuing education, and institutional research across the University's three colleges. He will lead ongoing planning activities across the University to achieve the objectives of the University's strategic plan - Setting Our Sails. Working with the President and the Senior Leadership Team, Dr. Pyle will implement approaches to new business incubation, strategy execution, and partnerships. Additionally, he is responsible for developing and implementing a strategic enrollment plan for the University, growing enrollment, strengthening retention, and increasing awareness of the University's program offerings.

Prior to joining the University, Dr. Pyle served as the chief innovation officer and vice president of enrollment at Webster University. He also served as the executive vice president at Saint Mary's University of Minnesota, where he led admission, athletics, financial aid, marketing, online delivery, and campus services. Dr. Pyle has held other leadership roles in higher education, including vice president for enrollment and marketing at Hamline University and senior vice president at Aurora University.

Dr. Pyle earned a bachelor's degree in political science at Kutztown University, a master's degree in education from Immaculata University, and his doctorate in leadership from Saint Mary's University. In addition, Dr. Pyle completed the Institute for Educational Management at the Harvard Institute for Higher Education.

Senior Vice President for Human Resources, Equity and Inclusion

Steven H. Kenney, Jr., joined St. Catherine University in March 2023 as senior vice president for human resources, equity and inclusion. In this role, Dr. Kenney leads efforts to develop and sustain an organizational culture of belonging and inclusive excellence through employee development, performance management, organizational communications, and employee relations.

Prior to joining the University, Dr. Kenney served as the Area Vice President for Human Resources and Chief Diversity, Equity and Inclusion Officer and Title IX Coordinator in Louisiana, where he had been since 2017. In prior roles, Kenney served as Assistant Director for Human Resources at Framingham State University in Massachusetts, and Senior Human Resources Business Partner for Lowe's Companies, Inc.

Dr. Kenney received a bachelor of science degree in human resources management from Auburn University Montgomery in Alabama, a Master of Business Administration degree in Management from University of Alabama Huntsville and a Doctor of Education degree in Educational Leadership from University of Louisiana at Lafayette. He also received certifications as a Senior Professional in Human Resources and Society for Human Resource Management - Senior Certified Professional.

Senior Vice President and Chief Information Officer

Jean Guezmir is the senior vice president and chief information officer (CIO) at the University. In this role, she leads technology strategy and oversight, bringing a modernized approach to drive technology advancement to all areas of the University.

Before joining the University in July, 2017, Ms. Guezmir was a senior executive at Abbott Laboratories, where she led the technology teams on migrating IT infrastructure and teams from a federated to a centralized service model. Ms. Guezmir also spent 16 years at Target Corporation, leading large teams on major innovations, including business intelligence, operations management, supply chain, and import operations. Prior to Target, she was a CPA at Ernst and Young, where she was recognized for establishing the first intelligent modeling system for retail inventory valuation.

Ms. Guezmir received her undergraduate degree in mathematics, economics, and accounting from St. Olaf College and her MBA focusing on operations and strategy from the University of Minnesota. She is a licensed CPA and certified Information Security Auditor.

The University's Strategic Plan – "Setting our Sails 2028"

The University conceived and initiated its ten-year Strategic Plan (the "Plan"), captioned "Setting our Sails 2028," in 2018. The Plan was developed through extensive collaboration by faculty, staff, students, alumni, the CSJs, external stakeholders and the University's Board. Supported by a refreshed articulation of the University's Vision, Mission and Values, the University's Strategic Priorities, Objectives, Initiatives and 2018-2019 Implementation Goals positioned the University for ongoing success.

The Strategic Priorities enumerated in the Plan that guide the University's evolution are:

(i) **Strengthen Academic Excellence** with a drive to cultivate a dynamic environment that fosters discovery, inquiry and application of knowledge for a complex world while recruiting, retaining and supporting outstanding and diverse faculty and staff to graduate successful students while maintaining affordability,

(ii) **Stake our Claim** to attract and retain students as we tell our story and keep the CSJ's legacy alive,

(iii) **Forge Partnerships** to expand the University's academic reach and increase corporate, foundation, and governmental support,

(iv) **Foster Forever St. Catherine** to keep all University students and alumni engaged with the University beyond graduation and establish opportunities to give back to the University forever,

(v) **Drive a Culture of Inclusive Excellence** through cultivating and maintaining a healthy campus climate and by developing systemic infrastructure to ensure inclusive excellence is into all operations, and

(vi) **Build a Strong and Sustainable Foundation** that will continue to stabilize and strengthen the University's financial position and create a master campus plan that will support the University's academic vision and student experience.

The Plan's initiatives are led by a standing committee of the Board and supported by the President's Cabinet and dedicated staff resources. The Plan includes specific strategic initiatives that support the University's Strategic Priorities and Objectives. The Plan is measured against a myriad of benchmarking data and will be driven by key performance metrics and supported by a robust system platform that will track progress and assess outcomes of the Plan.

As the University creates its master campus and related enrollment plans that sustain the College for Women while growing both co-ed adult and graduate programs, the University will leverage its resources in support of its robust and diverse instructional program delivery models including campus based, on-line and hybrid options.

Key initiatives of the plan include:

- Increasing brand and market visibility
- Implementing an enhanced program review processes to better align resources with student demand
- Expanding fundraising through enhanced donor engagement activities and a Comprehensive Campaign, *LEAD AND INFLUENCE: The Campaign for the Next Level of Excellence*
- Strengthening financial position through strong operational control and management
- Optimizing enrollment by developing and implementing a strategic enrollment plan that:
  - Leverages exceptional programs and the University's position of strength as a women's focused university;
  - Is data driven with respect to market demand;
  - Encompasses traditional, hybrid and online program delivery;
  - Distinguishes and capitalizes on the College for Women, College for Adults and Graduate College; and
  - Balances pricing and affordability which is mindful of our diverse student population

A key component of the Plan is to leverage its resources to enhance the University's financial position. To this end, the University reduced its physical footprint to include only its primary campus in Saint Paul by consolidating its operations in Minneapolis, moving them to Saint Paul, and selling the Minneapolis campus in June, 2019. Further, the University has implemented a revised cost to educate model and three year forecasting model.

A new multi-phased strategic enrollment plan was launched in fall 2021. Objectives of the plan include i) enrollment growth by expanding capacity, adjusting program design, and marketing approaches with select, existing offerings to serve current demand; ii) pivot existing offerings and delivery models, and launch new ones to meet changing needs in the areas of degree completion, alternative credentials, skill-building and professional development; iii) strengthen current student pipelines, develop additional ones to increase the opportunities to grow student interest in St. Catherine University; and iv) advance best practice, user-centered approaches to evaluate, adjust and strengthen services for students in the College for Women, College for Adults and the Graduate College.

Academic Information

The University provides diverse course offerings in more than 100 fields of study – many available in both traditional and weekend/evening formats. In addition to traditional on-campus programs and academic study, the University offers curriculum through online and hybrid on-campus/online settings, as the University targets non-traditional and adult learners. The University offers 83 programs in an on-campus setting, 12 programs in an online format, and 19 programs in a hybrid format.

At the University, students enroll in one of three colleges: the College for Women, the College for Adults, or the Graduate College.

The College for Women welcomes women directly out of high school or transferring from other regionally accredited two- and four-year institutions. There are over 60 major fields of study available to baccalaureate students in the College for Women in a variety of disciplines within the arts, business, health sciences, humanities, nursing and social and physical sciences. The College for Women offers robust co-curricular opportunities including 11 Division III athletic programs.

The College for Adults offers associate degrees in the fields of occupational therapy, physical therapist assistant and radiography and bachelor degrees in accounting, business management, early childhood education, healthcare management, marketing, nursing, psychology, public health, radiation therapy, and social work. Programs are delivered in flexible online and hybrid formats.
The Graduate College provides graduate degree and certificate programs offered on our campus and online. There are 3 doctoral programs, 18 master's and 10 certificates in the schools of Business; Health Sciences; Humanities, Arts and Sciences; and Nursing.

Students then pursue their majors or programs of study through four disciplined-based schools:

- Henrietta Schmoll School of Health Sciences
- School of Humanities, Arts and Sciences
- School of Nursing
- School of Business

The schools, collectively, are home to more than 100 fields of study - many available in traditional, online and weekend/evening formats.

Henrietta Schmoll School of Health Sciences

The Henrietta Schmoll School of Health Sciences is a recognized leader in preparing competent, compassionate, and principled healthcare and human services professionals. It also engages clinical and community partners to influence health, health systems and health policy.

Highlighting interprofessional healthcare education in classroom, laboratory, and clinical settings, students work across traditional program boundaries to prepare for real-world work scenarios.

The School of Health offers programs at the associate, baccalaureate, and doctoral levels across a wide range of disciplines. These disciplines include dietetics, exercise science, health informatics, holistic health, nutrition science, occupational therapy, physical therapy, physician assistant, public health, radiation therapy, radiography, respiratory care, social work, and sonography.

School of Humanities, Arts and Sciences (SHAS)

The University's School of Humanities, Arts, and Sciences offers a comprehensive approach to the liberal arts, providing an extensive range of interdisciplinary degrees rooted in creative thinking and amplified through global understanding. The University welcomes all students who seek to become career-ready professionals and leaders with a breadth of and depth of study built on a foundation of social justice. The model of learning is inspired by a legacy of women leaders — preparing each student to innovate and impact lives and careers.

The University honors a legacy shaped by the Sisters of St. Joseph, welcoming all students to a learning community of strong, future-focused women who embody a spirit of inclusion and impact the world around them. As critical thinkers and ethical decision-makers, our students champion what's good and just. Our distinct formula of learning deepens engagement with the greater community — both in work and in life. The University designs learning experiences that prepare students for meaningful lives and successful careers. By offering wide-ranging courses of study, well-rounded students are made ready for promising careers in a variety of fields. Liberal arts are foundational to education and essential to career pursuits. By combining these principles with specialized applied learning, students receive life-enhancing experiences and prepare them for professional opportunities.

School of Nursing

The University's School of Nursing educates students in baccalaureate and graduate programs to be leaders. The School of Nursing fosters learning through caring relationships and interdisciplinary collaboration, is committed to the centrality of the liberal arts, and celebrates and reflects the diversity of our society.

The University offers three undergraduate BSN programs (College for Women, College for Adults, and the RN-BSN program), three master's programs (Nursing Education, Nursing Informatics, and the MSN - Entry Level), and three doctorate programs (Pediatric Nurse Practitioner - Primary Care, Adult-Gerontology Primary Care Nurse Practitioner, and DNP - Post-Master's), as well as a Psychiatric Mental Health Nurse Practitioner second-certificate program.

Nursing needs leaders who engage with intention, act with justice, and serve with compassion. The School of Nursing at educates students who are prepared to lead together in nursing, health care, and society now and into the future.

School of Business

The School of Business embodies the University's mission to prepare women to lead and influence. Students receive the knowledge, skills, and experiences to achieve highly successful business careers and meaningful lives as leaders who can change the world. Our women centered education combines practice-based career readiness, social responsibility, academic excellence, and a supportive and inclusive community of students and faculty. That strong industry experienced faculty is devoted to student advancement and sees student success as the school's success.

Baccalaureate majors offered in the School of Business include accounting, professional sales (healthcare and business to business), business administration, marketing, business management, fashion design, and merchandising. Graduate programs include a fully online MBA and a fully online Master of Arts in Organizational Leadership.

Sustainability

The University values social justice reflected in an environment of equity, fairness and respect and we work for systemic change so earth and all people thrive. The work engages our community in positive relationships and work. The University offers a Sustainability Studies minor and courses, plans activities centered on student engagement in sustainability, and supports students on environmental initiatives. The University has made green purchasing decisions that reduce expenses (LED lighting, paper, building automation controls), More University information is available at https://www.stkate.edu/sustainability.

Facilities

The University's campus is located in Saint Paul and consists of 18 buildings located on 110 acres. The campus has classrooms, office facilities, student residence halls and apartments, the O'Shaughnessy Auditorium, Our Lady of Victory Chapel, the Butler Sports and Fitness Center, and Coeur de Catherine, a student center that houses dining, library, bookstore, coffee shop, post office, and other facilities. The five residence halls and two apartment buildings on the Saint Paul campus have a total capacity of approximately 900 students.

The University reduced its physical footprint to include only its primary campus in Saint Paul by consolidating its operations in Minneapolis, moving them to Saint Paul, and selling the Minneapolis campus in June, 2019. In addition to renovations related to integrating campus, a comprehensive security system was installed on the Saint Paul campus. The new money Project financed with Bond proceeds involves the renovation and restoration of certain infrastructure and systems across the University's campus.

The following table lists the University property, plant and equipment amounts for the five most recent fiscal years.

Fiscal Year Ending	2018	2019	2020	2021	2022
Land	$ 3,797,417	$ 3,797,417	$ 2,297,417	$ 2,438,354	$ 2,438,354
Building and Improvements	117,148,009	122,249,093	123,142,583	132,898,617	133,935,375
Furniture and Equipment	27,914,601	29,431,176	28,698,617	29,123,278	29,830,494
Construction in Progress	918,836	3,108,891	6,979,529	-	290,874
Total	149,778,863	158,586,577	161,118,146	164,460,249	166,495,097
Accumulated Depreciation	(75,637,928)	(80,037,904)	(77,431,438)	(82,051,714)	(86,873,587)
Total Property, Plant and Equipment	$ 74,140,935	$ 78,548,673	$ 83,686,708	$ 82,408,535	$ 79,621,510

Faculty and Staff

The University's current faculty-student ratio in the baccalaureate programs is approximately 1 to 9 with an average day class size of 16. There is no religious or denominational prerequisite or any participatory religious requirement for faculty or staff membership. The University subscribes to the 1940 Statement of Principles on Academic Freedom of the American Association of University Professors and the Association of American Colleges.

The following table lists the faculty and staff of the University as of the fall term of the five most recent academic years.

	2018/19	2019/20	2020/21	2021/22	2022/23
Full Time Faculty	259	249	250	252	229
Part Time Faculty	58	63	43	45	43
Full Time Staff	389	394	392	377	359
Part Time Staff	163	158	85	86	95
	869	864	770	760	726

As of fall 2022, the University also employed 171 adjunct faculty to support teaching and learning.

For the fall term 2023, the University expects to employ 263 faculty and approximately 760 total employees. University protocol evaluates critical positions for reorganization, automation or rehire with a focus on delivering quality student experiences, compliance and revenue generation. This protocol and program evaluation has resulted in incremental reductions in faculty and staff positions.

The University has positive working relationships with two unions and three bargaining units, International Union of Operating Engineers – Local 70 and International Alliance of Theatrical Stage Employees – Local 13. In 2017, adjunct faculty submitted a request to the National Labor Relations Board to unionize. The vote did not pass and adjunct faculty remain non-unionized.

Student Body

There is no religious or denominational prerequisite or any participating religious requirement for students of the University. Approximately 83% of the 2022/23 undergraduate freshman class was from the State of Minnesota. The remaining students were from 17 states. Women comprise 94% of the total undergraduate student body and 90% of the graduate student body. Associate, certificate and graduate programs are coeducational. Students at the undergraduate program levels are diverse and talented, with 46% being black, indigenous, and people of color (BIPOC) and 33% being first in their family to attend college.

Enrollments

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

	2018/19	2019/20	2020/21	2021/22	2022/23
Headcount (University)					
Undergraduate	3,283	3,153	2,983	2,593	2,416
Graduate and Professional	1,576	1,248	1,294	1,322	1,173
Total Headcount	4,859	4,401	4,277	3,915	3,589
Headcount (Program)					
College for Women	1,839	1,732	1,658	1,538	1,479
College for Adults					
Adult Baccalaureate	607	618	621	562	519
Associate	837	803	704	493	418
Total College for Adults	1,444	1,421	1,325	1,055	937
Graduate	1,576	1,248	1,294	1,322	1,173
Total Headcount	4,859	4,401	4,277	3,915	3,589
FTEs (University)					
Undergraduate	2,862	2,759	2,588	2,208	2,113
Graduate and Professional	1,442	1,138	1,180	1,285	1,058
Total FTE	4,304	3,897	3,768	3,493	3,171

The University remains guided by the Plan as it continues to manage enrollment and a sound operating budget. Market research continues to inform program decisions, as well as marketing, branding efforts, and to provide important information to guide enrollment management and admission activities. The Plan also calls for investments and changes to realign academic and student structures and related costs to support students' retention and outcomes, ensuring the student body remains competitive in the marketplace. The University managed enrollment during the pandemic with enhanced efforts on communication from faculty and staff. The University continued offering some traditional, hybrid, and more online programs to meet student demand for key programs and flexibility for degree completion.

The University has working relationships with a number of community colleges that facilitate tuition affordability and further promote diversity of student enrollment. The University's relationships with Minneapolis College, Inver Hills Community College, Saint Paul College, Normandale Community College, North Hennepin Community College, Anoka-Ramsey Community College and Century College, through *St. Kate's Complete*, streamline student access to a university educational experience.

Freshman Applications, Acceptances and Enrollments

The following table sets forth freshman applications, acceptances and enrollments at the University as of the fall term for the five most recent academic years. The University continues to focus its recruitment efforts in support of student success and retention.

	2018/19	2019/20	2020/21	2021/22	2022/23
Applications	2,495	2,377	2,056	1,914	2,066
Acceptances	1,860	1,615	1,525	1,373	1,541
Percent Accepted	75%	68%	74%	72%	75%
Fall Enrolled	396	326	312	298	326
Percent Enrolled to Accepted	21%	20%	20%	22%	21%
Mean ACT Scores	22	23	22	23	22

As of May 30, 2023, for the 2023/24 academic year, the University has received 2,490 applications and has made 1,680 acceptances. The University's 2024 Operating Fund budget is based on a freshmen class of 320 students for the fall term 2023. The University continues to see sustained, new student enrollment growth for the College of Women. From the 2021 to 2022 recruitment cycle, the University experienced a 5% increase in first year deposits. During the same period for the 2022 to 2023 recruitment cycle, the University shows a 13% increase in first year deposits.

New Transfer Student Enrollment – Fall Semester – Undergraduate Program

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

2018/19	2019/20	2020/21	2021/22	2022/23
420	367	344	262	206

Student Retention

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

Fall 2017 to Fall 2018:	78.30%
Fall 2018 to Fall 2019:	80.40%
Fall 2019 to Fall 2020:	81.80%
Fall 2020 to Fall 2021:	76.40%
Fall 2021 to Fall 2022:	83.20%

The University has made a deliberate effort to support the enrollment of "at-risk" students (for example, first generation college students and students with English as a second language). While the University intentionally reduced the number of at-risk students accepted for Fall 2019 it has implemented additional measures to better support their success. Additionally, dedicated staff identify students, or take student referrals, to support specific needs affecting academic success, including Multicultural and International Programs and Services (MIPS), and Early Alert Services Team (EAST) supported by the Behavioral Intervention Team (BIT), and the Access and Success program supporting students with children. Seminars and two specific courses are utilized to engage with students on academic success. The commitment remains part of the University's strategic plan for strengthening key academic and student affairs programs.

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Tuition

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

	2019/20	2020/21	2021/22	2022/23	2023/24
Day Program (full-time) per academic year	$43,670	$44,480	$45,600	$46,976	$48,864
College for Adults Bachelor's (full-time) per academic year	$11,170	$11,640	$12,240	$12,000	$12,000
College for Adults Associate (various) per credit	$712	$735	$750	$750	$750
Graduate Programs (various) per credit	$1,074	$1,099	$1,125	$1,150	$1,179

Student Experience

The University's five residence halls and two apartment buildings on the Saint Paul campus have a total capacity of approximately 900 students. In Fall 2022, approximately 37% of the College for Women population lived on campus. Three living learning communities are available to connect students. The University does not have a residency requirement. Total occupancy for the past five fiscal years are as follows:

	Occupancy Rate (% of total capacity)
FY19	76%
FY20	77%
FY21*	78%
FY22*	75%
FY23	77%

*Bed space capacity reduced for COVID as advised by the Minnesota Department of Health

The University is home to the Wildcats, National Collegiate Athletic Association (NCAA) Division III athletics. A member of the Minnesota Intercollegiate Athletic Conference (MIAC) since 1983, women's teams include basketball, cross country, dance, golf, hockey, soccer, softball, swimming and diving, tennis, track and field and volleyball.

The University is committed to helping students find academic and personal success through a wide variety of programs, services and activities, see https://www.stkate.edu/life.

Annualized student charges over a five-year period are as follows,

Academic Year	Tuition	Required Fees	Room & Board	Total
2019-2020	43,670	694	4,650	48,320
2020-2021	44,480	894	4,550	49,924
2021-2022	45,600	894	4,800	51,294
2022-2023	46,976	894	4,950	52,820
2023-2024	48,864	894	5,100	54,858

2023/2024 Undergraduate Rate Comparison of Minnesota Private Colleges
(Ranked by Comprehensive Fees)

College/University	Tuition and Required Fees	Housing and Food*	Comprehensive Charges**
Carleton College	$65,457	$16,710	$82,167
Macalester College	$64,908	$14,982	$79,890
St. Olaf College	$56,970	$13,000	$69,970
Saint John's University	$53,942	$12,130	$66,072
University of St. Thomas	$52,284	$13,764	$66,048
College of Saint Benedict	$53,884	$12,160	$66,044
Gustavus Adolphus College	$54,310	$11,200	$65,510
St. Catherine University*	**$49,758**	**$11,636**	**$61,394**
Hamline University*** i	$49,268	$12,030	$61,298
Augsburg University***	$43,942	$16,418	$60,360
Bethel University*** ii	$42,930	$12,090	$55,020
Minneapolis College of Art and Design	$43,824	$10,910	$54,734
Saint Mary's University of Minnesota*** iii	$43,080	$10,800	$53,880
The College of St. Scholastica***	$40,454	$11,380	$51,834
University of Northwestern - St. Paul***	$36,830	$11,148	$47,978
Concordia College	$30,020	$11,880	$41,900
Bethany Lutheran College	$30,010	$8,270	$38,280
Concordia University, St. Paul***	$25,000	$10,800	$35,800
Average	**$46,493**	**$12,295**	**$58,788**

Source: Survey data provided by Minnesota Private Colleges

** Per new federal regulations resulting from the FAFSA Simplification Act, "room and board" has been reclassified as "housing and food." The new regulations also changed the required calculation of housing expenses to be either the average or median of on-campus residents, whichever is higher. Food expenses now must provide the cost of a three meal per day meal plan. These federal changes resulted in larger than typical percentage increases in housing and food expenses as displayed in this report (e.g., Augsburg University, Concordia College, Minneapolis College of Art and Design, and St. Catherine University).*

*** These are standard charges for first-time, full time, full-year undergraduate students, including fees assessed on all undergraduates. While the above figures represent an average by college, some charges may vary depending on housing, food and program choices that students make.*

**** Eight colleges have non-traditional or degree completion programs for which a separate tuition policy applies.*

i Hamline University tuition and fees include a $720 book rental fee, which covers book expenses for the year (students may opt out). Student activity fee is estimated.

ii The housing rate for new students will not increase during student's four years at Bethel, provided they live in campus housing every semester.

iii Tuition differs for Saint Mary's physician assistant (PA) program

NOTE: Comprehensive charges are reduced for many students through financial assistance. Ninety-five percent of our first-time, full-time students receive financial assistance with the amounts and types of aid determined by family resources, calculated need, government formulas, financial aid funding and other factors. Typical assistance provided to students includes federal and state grants (if applicant qualifies), institutional grants, loans and work-study determined by students' needs and other factors.

Financial Aid

Approximately 85% of the total student body received some form of financial aid in the 2022 award year. The following table is a five-year summary of financial aid received from University and non-University sources by Fiscal Year.

Fiscal Year Ending	2018	2019	2020	2021	2022
Federal					
Grants	$ 6,101,825	$ 6,656,128	$ 6,759,385	$ 7,582,135	$ 9,807,630
Loans	43,029,671	44,039,558	40,940,935	36,400,214	36,009,517
Work-Study	375,394	519,217	487,728	500,000	126,787
Federal Subtotal	49,506,890	51,214,903	48,188,048	44,482,349	45,943,934
Minnesota					
Grants	4,901,799	5,363,934	5,156,575	4,784,404	4,697,596
Loans	790,953	819,600	673,500	529,506	430,264
Work-Study	244,133	280,361	296,363	176,922	250,000
Minnesota Subtotal	5,936,885	6,463,895	6,126,438	5,490,832	5,377,860
University Grants	35,264,516	35,981,187	37,815,370	38,285,385	39,270,893
Other	5,511,430	6,931,106	6,621,578	4,599,822	4,148,032
Total Financial Aid	$96,219,721	$100,591,090	$98,751,434	$92,858,388	$94,740,719

Presentation of Financial Statements

Appendix VII sets forth the audited Financial Statements of the University with Independent Auditors' Report for the Fiscal Years ended May 31, 2022 and 2021. The Financial Statements were prepared in accordance with generally accepted accounting principles (GAAP) and were audited by CliftonLarsonAllen LLP, independent auditors, as indicated in their report which also appears in Appendix VII.

See Appendix VIII, "FISCAL YEAR 2023 OPERATING FUND BUDGET TO ACTUAL – UNAUDITED INFORMATION" for information regarding the University's finances for Fiscal Year 2023. The unaudited budget to actual presentation is not necessarily indicative of what the University's final Fiscal Year 2023 audited financial statements will show.

Management Discussion and Analysis

President Rebecca Roloff joined the University in 2016 as its 11th President. Her demonstrated extraordinary leadership, commitment to inclusion and equity and a proven ability to achieve financial stability through fundraising and operational excellence have laid a foundation for the University's next decade of growth and success. Since her arrival, she has attracted a team of senior professional administrators that work with the President's Cabinet and faculty to deploy the University's Strategic Plan. The President's team of new direct reports bring expertise to the University in the areas of academic affairs, enrollment management, fundraising, human resource management, technology, finance and risk management.

Responding to the Covid pandemic in March, 2020 and following the University's emergency response plan, President Roloff invoked the Incident Management Team to (i) maintain the health and safety of all members of the University community; (ii) ensure students were and are able to complete their academic work to the extent possible; and (iii) keep the University open and maintain the necessary operations to support students in completing their academic requirements. These steps were to ensure operational strength and flexibility for the future. The Incident Management Team transitioned to the Safely Returning Campus committee, then to the Safely Remaining on Campus committee as needs changed through the pandemic. The committee role moved to *ad hoc* in alignment with the May, 2023 end of the national emergency status.

The University utilized $8.6 million in awarded Higher Education Relief Funds for operations between fiscal years 2020, 2021 and 2022. The financial pandemic impact to the University occurred most significantly in fiscal years 2021 and 2022, primarily affecting enrollment and auxiliary support services. While students who had no alternative living arrangements could remain in campus housing, there was low room and board participation. Other areas closed, or with a slow return to operations as restrictions eased, included student global studies programs, auditorium events and other public events.

Also, in March, 2020 the University launched a new comprehensive campaign, LEAD and INFLUENCE: The Campaign for the Next Level of Excellence. Key campaign priorities include student resources, faculty support, increase and sustain annual giving goals, and renovations to certain campus facilities. The campaign closes in November, 2023. See "Gifts and Grants" herein for additional details.

The University administration anticipates operating results for Fiscal Year 2023 to reflect an operating loss prior to taking into account funding for depreciation and investment losses. As compared to Fiscal Year 2022, Fiscal Year 2023 net tuition revenue is projected to decrease by approximately $3.5 million (unaudited) as a result of both volume decreases in all colleges. Led by stronger expense controls, the University's forecasted operating fund results are expected to be slightly unfavorable to budget for Fiscal Year 2023 (0.64%), with an unaudited decrease in net position of approximately $0.6 million, versus a balanced budget (see Appendix VIII, "FISCAL YEAR 2023 OPERATING FUND BUDGET TO ACTUAL – UNAUDITED INFORMATION").

In response to the challenging landscape of higher education and the desire to maintain affordability to the University's diverse portfolio of students, the President and her team in collaboration with faculty leadership have undertaken a comprehensive University wide evaluation of programs and operations. As a result of this evaluation, the University incrementally eliminated approximately 68 faculty and staff positions (full time equivalent positions) and implemented a structural realignment that better supports the University's students and programs. These reductions, effective beginning in Fiscal Year 2023, have positioned the University to align resources to demand, while maintaining a high level of institutional financial and academic support for its diverse student population.

Statement of Financial Activity for Fiscal Years 2018 through 2022

The following table summarizes the University's statements of activities without donor restrictions for the Fiscal Years ended May 31, 2018 through 2022. For more complete information of the University for the Fiscal Year ended May 31, 2022, see Appendix VII of this Official Statement.

For additional information on the University's finances as of the May 31, 2023 Fiscal Year End, see Appendix VIII, "FISCAL YEAR 2023 OPERATING FUND BUDGET TO ACTUAL – UNAUDITED INFORMATION." The unaudited budget to actual presentation is not necessarily indicative of what the University's final Fiscal Year 2023 audited financial statements will show.

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ST. CATHERINE UNIVERSITY
STATEMENT OF ACTIVITIES WITHOUT DONOR RESTRICTIONS
YEARS ENDED MAY 31,

	2018	2019	2020	2021	2022
OPERATING REVENUE					
Tuition and Fees, Net	$ 73,602,643	$ 76,850,867	$ 74,224,670	$ 71,788,664	$ 67,787,907
Grants	706,102	310,250	1,085,314	539,236	243,619
Contributions	3,633,731	2,425,641	1,952,931	2,598,505	2,215,839
Auxiliary Services	10,146,850	10,036,304	7,925,279	4,470,528	6,266,161
Investment Income, Net	829,930	1,234,104	1,026,946	525,805	627,099
Net Gain (Loss) on Investments	1,719,898	50,483	908,252	12,875,026	(5,703,917)
Interest on Student Loans	96,850	91,686	75,480	55,291	74,998
Other	1,900,780	2,322,211	1,986,322	1,283,018	1,110,716
Net Assets Released from Restrictions	12,624,186	12,808,293	11,531,932	14,087,945	18,397,138
Total Revenue	105,260,970	106,129,839	100,717,126	108,224,018	91,019,560
OPERATING EXPENDITURES					
Instruction and Other Services					
Instructional	48,518,537	47,556,107	44,142,861	42,379,425	40,699,610
Library	3,655,542	3,905,900	3,603,406	3,488,328	3,552,954
Academic Support	4,419,722	4,254,106	3,970,178	4,623,297	4,550,478
Student Services	14,205,958	13,865,763	13,850,136	12,758,927	13,981,424
Auxiliary Enterprises	11,985,972	11,848,116	11,367,636	10,418,407	10,340,782
Sponsored Research	5,900,182	6,990,602	5,228,058	6,370,587	6,873,658
Total Instruction and Other Services	88,685,913	88,420,594	82,162,275	80,038,971	79,998,906
Management and General					
Institutional Support	13,781,395	12,999,082	14,993,793	15,499,973	16,559,520
Development	2,413,804	2,686,156	2,895,395	2,461,066	2,695,393
Total Management and General	16,195,199	15,685,238	17,889,188	17,961,039	19,254,913
Total Expenses	104,881,112	104,105,832	100,051,463	98,000,010	99,253,819
CHANGE IN OPERATING NET ASSETS	379,858	2,024,007	665,663	10,224,008	(8,234,259)
Net Assets - Beginning of Year	88,933,565	89,313,423	91,337,430	92,003,093	102,227,101
NET ASSETS - END OF YEAR	$ 89,313,423	$ 91,337,430	$ 92,003,093	$ 102,227,101	$ 93,992,842

Source: Audited financial statements of the University

Gifts and Grants

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

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

Gifts and grants received by net asset classification for the past five Fiscal Years are as follows:

Fiscal Year Ending	2018	2019	2020	2021	2022
Unrestricted	$ 4,339,833	$ 2,735,891	$ 3,038,245	$ 3,137,741	$ 2,459,458
Temporarily Restricted	7,259,651	8,887,900	10,641,821	14,059,777	17,063,075
Permanently Restricted	1,738,387	1,913,899	2,984,595	2,990,446	5,118,437
Total Gifts and Grants	$13,337,871	$13,537,690	$16,664,661	$20,187,964	$24,640,970

In support of the Plan, the President and the University leadership team have developed integrated plans that are the foundation for growth and sustainability. In support of this work, the University formally launched the Lead and Influence Campaign, a $130 million comprehensive campaign in March, 2020. As of spring 2023, the campaign had raised approximately $125 million. As of June, 2023, there is an additional $24.9 million expected contributions still in process, defined as more than 50% estimation that the gift will close.

Over 108,000 gifts have been received for the campaign from over 13,000 donors. More than 60% of Campaign donors are alumni, and they have provided almost half of the total giving during the Campaign. Foundations and corporations represent 4% of donors and 35% of campaign giving and religious and other organizations represent 1% of donors and 9% of campaign giving.

The average total of alumni outright gifts and pledge payments received by fiscal year has increased during the Campaign from $1,030 to $1,980, an increase of 92%. The average Katie Fund (Annual Fund) giving per donor per fiscal year has increased during the life of the Campaign from $438 to $609, an overall increase of 39%.

Campaign proceeds will assist in funding a reimagined Mendel Hall science building providing an accessible, welcoming, and exciting place for all students, where interdisciplinary teaching, research, and collaboration are celebrated, and future scientists are nurtured and supported. Donor support will help create modern and well-equipped science and technology spaces for the Future of STEM. Scholarship, student programs, the chapel renovation and faculty support are additional impact areas for the campaign.

In addition to the Lead and Influence campaign, grant writing efforts have resulted in a number of awards to the University. Federal appropriations of $800 thousand were awarded to the University in 2022 for improvement of postsecondary education.

Endowment Investment and Spending Policies

Endowment funds are managed primarily by outside fund managers selected by the University. The University retains an investment consultant who works with the University on selecting outside fund managers. The University currently utilizes five fund types in diversifying its endowment portfolio. The University uses an asset allocation model, with target allocations approximating 60% of the endowment to equity investments and 40% of the endowment to fixed rate income investments. Income earned and appreciation, both realized and unrealized, are measured to calculate a total return. The investment subcommittee of the Board's Finance Committee is charged with reviewing the allocation of endowment funds between equity investments and fixed rate income investments.

Because of the risk associated with its stated investment objectives, the University's Board of Trustees has adopted a set of investment and spending policies to which the investment subcommittee must adhere in order to minimize the investment risks. To this end, the investment policies mandate a diversified investment portfolio, and the investment subcommittee reviews and evaluates the investment objectives and performance periodically at scheduled meetings.

The University uses the total return concept to manage its perpetually restricted endowment investments and certain other investments designated by the University as endowment. Under this concept, a spending rate is established which is considered to be prudent and is drawn from both yield (dividend and interest) and realized and unrealized gains. The University's policies allow for a maximum spending rate of up to 5.5% of the 36-month moving average fair value of certain cash and investments as of the mark date (November 30) for the next Fiscal Year. For Fiscal Years ended May 31, 2022 and 2021, the maximum spending rate was 5.5%, the effective payout percentage was 5% and the book entry appropriating endowment net assets for expenditure was $5,009,646 and $4,815,505, respectively. Accordingly, over the long term, the University expects the current spending policy to allow its endowment to grow and maintain the purchasing power of the endowment assets held in perpetuity as well as provide real growth through new gifts and investment return. The investment and spending policies are periodically reviewed and revised by the Board of Trustees.

The following table sets forth a five-year history of the University's Endowment Investments at fair value and the asset allocation of endowment investments. The asset allocation for Fiscal Year 2023 does not materially differ from allocations shown below for Fiscal Year 2022.

	2018	2019	2020	2021	2022
Endowment Assets	$ 93,559,626	$ 93,358,622	$97,100,006	$143,896,086	$133,127,196
Asset Allocation					
Publicly Traded Equities					
Domestic	42.7%	41.2%	43.3%	42.4%	40.7%
International	17.0%	17.3%	16.7%	18.0%	18.9%
Total Publicly Traded Equities	59.7%	58.5%	60.0%	60.4%	59.6%
Traditional Fixed Income	35.2%	36.4%	35.1%	34.7%	30.2%
Cash	5.1%	5.1%	4.9%	4.9%	10.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Summary of Net Assets and Investments

The following two tables display a five-year history of the University's Net Assets, Cash, and Investments, itemized as Without Donor Restriction and With Donor Restriction:

NET ASSETS

Fiscal Year Ended May 31	Without Donor Restriction	With Donor Restriction	Total
2018	$ 89,313,423	$108,804,153	$198,117,576
2019	91,337,430	109,156,027	200,493,457
2020	92,003,093	116,841,532	208,844,625
2021	102,227,101	165,650,375	267,877,476
2022	93,992,842	159,745,842	253,738,684

CASH & INVESTMENTS

Fiscal Year Ended May 31	Cash	Without Donor Restrictions	With Donor Restrictions	Total
2018	$ 7,189,080	$84,510,672	$104,734,964	$196,434,716
2019	7,995,746	81,049,304	109,021,386	198,066,436
2020	12,603,004	80,877,126	115,915,048	209,395,178
2021	9,680,152	95,312,268	163,183,969	268,176,389
2022	9,242,144	89,592,732	152,181,837	251,016,713

As of May 31, 2023 (unaudited), the University had cash and investments of $240 million.

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Long-Term Debt of the University

The University's long-term debt outstanding as of June 1, 2023 is as follows:

1. $49,770,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series 2018A (St. Catherine University), dated September 13, 2018 (the "Series 2018A Bonds"). The Series 2018A Bonds are secured by a general obligation of the University. The Series 2018A Bonds pay principal annually on October 1 beginning 2024 and interest semiannually on April 1 and October 1 with a final maturity of October 1, 2045. The interest rates on the remaining maturities of the Series 2018A Bonds are 4.00% and 5.00%. The outstanding principal balance is $49,770,000.

2. $20,765,000 Minnesota Higher Education Facilities Authority Revenue Bonds, Series 2018B (St. Catherine University), dated September 13, 2018 (the "Series 2018B Bonds"). The Series 2018B Bonds are secured by a general obligation of the University. The Series 2018B Bonds pay principal annually on October 1 beginning 2046 and interest semiannually on April 1 and October 1 with a final maturity of October 1, 2050. The interest rate on the Series 2018B Bonds is 4.9370%. The outstanding principal balance is $20,765,000.

The University's total outstanding long-term debt as of June 1, 2023 was $70,535,000, and will be increased by the amount of the Bonds when issued.

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PROPOSED FORM OF LEGAL OPINION

Taft/

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Affirmative Action, Equal Opportunity Employer

______________, 2023

$21,235,000
Minnesota Higher Education Facilities Authority
Revenue Bonds, Series 2023
(St. Catherine University)

We have acted as bond counsel to the Minnesota Higher Education Facilities Authority (the "Authority") in connection with the issuance by the Authority of its fully registered Revenue Bonds, Series 2023 (St. Catherine University), in the aggregate principal amount of $21,235,000 (the "Bonds") dated as of their date of delivery, more fully described in and issued pursuant to the Indenture (defined below).

The Bonds are issued for the purpose of funding a loan from the Authority to St. Catherine University, formerly known as The College of Saint Catherine, a Minnesota nonprofit corporation and institution of higher education (the "University"), in order to finance educational facilities owned or to be owned and operated by the University and located on its campus in the city of St. Paul, Minnesota. We have examined executed counterparts of the Loan Agreement (the "Loan Agreement") between the Authority and the University, and the Trust Indenture (the "Indenture") between the Authority and U.S. Bank Trust Company, National Association, in St. Paul, Minnesota, as Trustee (the "Trustee"), each dated as of July 1, 2023; one or more opinions of Kutak Rock LLP, as counsel to the University; the form of the Bonds prepared for execution; and such other documents as we deemed necessary for the purpose of the following opinion.

As to questions of fact material to our opinion, we have relied upon certified proceedings, documents and certifications furnished to us by public officials and officials of the University without undertaking to verify such facts by independent investigation. We have also relied upon the opinion of Kutak Rock LLP, as to the Loan Agreement having been duly authorized and executed and being binding upon the University and as to the corporate organization, tax-exempt status and unrelated trade or business activities, good standing, and powers of the University. As to title to the Project Site (as defined in the Loan Agreement and Indenture), we have relied on information contained in owner and encumbrances reports, title insurance policies or commitments, or title opinions, provided to us by the University or by counsel engaged by it, and have not undertaken any examination of the records of the University or original title records or abstracts of title.

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

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

1. The Authority is an agency of the State of Minnesota duly organized and existing under the laws of the State of Minnesota with authority under Sections 136A.25 to 136A.42, Minnesota Statutes, to issue the Bonds, to loan the proceeds thereof to the University and to execute and deliver the Loan Agreement and the Indenture to secure the Bonds.

2. The Loan Agreement and the Indenture are valid and binding instruments of the parties thereto, enforceable in accordance with their terms.

3. The Bonds are valid and binding limited obligations of the Authority payable from the loan repayments payable by the University under the Loan Agreement which have been assigned to the Trustee, scheduled to be made in amounts and at times sufficient (if timely paid in full) to pay the principal of and interest on the Bonds when due, and are further secured by the pledge of the funds and investments held by the Trustee under the Indenture and by the pledge of funds and rights to payments held by the Trustee, as assignee, under the Loan Agreement. The Bonds are not a general obligation or indebtedness of the Authority within the meaning of any constitutional or statutory limitation, and do not constitute or give rise to a pecuniary liability of the Authority or charge against its general credit, but are payable solely from amounts pledged thereto in accordance with the provisions of the Indenture.

4. Assuming compliance with the covenants in the Loan Agreement and Indenture, the interest on the Bonds is excludable from gross income for purposes of federal income taxation and is excludable, to the same extent, from net taxable income of individuals, estates and trusts for purposes of Minnesota income taxation under present laws and rulings. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax under Section 55 of the Internal Revenue Code of 1986, as amended (the "Code"), or Minnesota alternative minimum tax applicable to individuals, estates or trusts. We observe, however, that such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Interest on the Bonds is subject to the Minnesota franchise tax imposed upon corporations, including financial institutions, measured by taxable income and the alternative minimum tax base. The Bonds are not arbitrage bonds within the meaning of Section 148 of the Code. The Bonds are "private activity bonds" within the meaning of Section 141(a) and "qualified 501(c)(3) bonds" within the meaning of Section 145 of the Code. Ownership of the Bonds will result in disallowance of a deduction for a portion of the interest expense of a "financial institution" under Section 265(b) of the Code. The Authority has not designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265 of the Code. The opinion set forth in this paragraph is subject to the conditions that the Authority, the Trustee and the University comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be included in federal gross income or Minnesota taxable net income retroactive to the date of issuance of the Bonds. The Authority, the Trustee and the University have covenanted to comply with such requirements.

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

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

Very Truly Yours,

Taft Stettinius & Hollister LLP

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$21,235,000
MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
REVENUE BONDS, SERIES 2023
(ST. CATHERINE UNIVERSITY)

CONTINUING DISCLOSURE CERTIFICATE

JULY 1, 2023

This Continuing Disclosure Certificate (the "Certificate") is executed and delivered by St. Catherine University, a Minnesota nonprofit corporation (the "Corporation"), in connection with the issuance by the Minnesota Higher Education Facilities Authority, an agency of the State of Minnesota (the "Issuer"), of its of $21,235,000 Revenue Bonds, Series 2023 (St. Catherine University) (the "Obligations"). The Obligations are being issued pursuant to a Trust Indenture (the "Indenture") dated as of July 1, 2023, between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). Proceeds of the Obligations are being loaned by the Issuer to the Corporation pursuant to a Loan Agreement, dated as of July 1, 2023 (the "Loan Agreement"), between the Issuer and the Corporation.

The Corporation covenants and agrees as follows:

SECTION 1. (a) Purpose. This Certificate is being executed and delivered by the Corporation, the only obligated person with respect to the Obligations within the meaning of the Rule (defined below), for the benefit of the holders and beneficial owners of the Obligations and in order to assist the Participating Underwriter in complying with the Rule. References in this Certificate to holders of the Obligations shall include the beneficial owners of the Obligations. This Certificate constitutes the written undertaking of the Corporation under the Rule.

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

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

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

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

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

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

"Dissemination Agent" means such person from time to time appointed or engaged in writing by the Reporting Party and that has filed with the Reporting Party a written acceptance of such designation and the duties of the Dissemination Agent hereunder.

"Final Official Statement" means the Official Statement dated as of June 30, 2023, delivered in connection with the original issuance and sale of the Obligations, together with any preliminary official statement, amendments thereto or supplements thereof.

"Financial Obligation" means, for purposes of the events identified in Section 4(a)(xv) and (xvi): (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

"Listed Events" means any of the events listed in Section 4(a) of this Certificate.

"MSRB" means the Municipal Securities Rulemaking Board, whose current address is 1300 I Street NW, Suite 1000 Washington, DC 20005.

"Participating Underwriter" means RBC Capital Markets, LLC.

"Reporting Party" means, subject to release as provided in Section 5 hereof, the Corporation; together with any successors or assigns as provided in Section 5 hereof.

"Rule" means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as in effect on the date hereof.

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

SECTION 3. Provision of Annual Report.

(a) On or before the Annual Report Date, the Reporting Party shall, or shall cause the Dissemination Agent to, provide an Annual Report to the MSRB in accordance with Section 1(b) of this Certificate. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package or by specific reference to documents previously provided to the MSRB or filed with the SEC; provided, however, that if any document so referenced is a final official statement within the meaning of the Rule, such final official statement must be available from the MSRB.

(b) If the Reporting Party is unable or fails to provide an Annual Report by the Annual Report Date as required in Section 3(a), the Reporting Party shall send in a timely manner a notice of such fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Certificate.

(c) If the Reporting Party has appointed a Dissemination Agent, the Reporting Party shall provide the Annual Report to the Dissemination Agent not later than 15 days prior to the Annual Report Date and the Dissemination Agent shall provide the Annual Report to the MSRB by the Annual Report Date as required in Section 3(a). If the Dissemination Agent has not received the Annual Report by such date, the Dissemination Agent shall promptly request the Annual Report from the Reporting Party. If the Dissemination Agent does not receive and provide the Annual Report to the MSRB by the Annual Report Date and is unable to verify that the Reporting Party provided the Annual Report by the Annual Report Date, the Dissemination Agent, at the expense of the Reporting Party, shall promptly notify the MSRB of the failure of the Reporting Party to provide the Annual Report (consistent with the notice requirement in

Section 3(b)). The Reporting Party or the Dissemination Agent shall, as soon as the Annual Report is available after such reporting failure, deliver the Annual Report to the MSRB as required in Section 3(a).

(d) Concurrent with the filing of the Annual Report with the MSRB, the Reporting Party or the Dissemination Agent shall deliver a copy of the Annual Report to the Issuer.

SECTION 4. Reporting of Listed Events.

(a) The Dissemination Agent, if any, shall promptly notify the Reporting Party of any of the Listed Events, of which it has actual knowledge; and no later than three business days after receiving actual notice of the occurrence of a Listed Event, the Reporting Party shall notify the Dissemination Agent, if any, in writing of the Listed Event. The following are Listed Events:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax exempt status of the security;

(vii) modifications to rights of the security holders, if material;

(viii) bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution or sale of property securing repayment of the securities, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the Corporation (as such event is described in the Rule);

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

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

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

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

(b) Promptly, but no later than ten business days after the occurrence of a Listed Event, the Reporting Party shall give, or cause the Dissemination Agent, if any, to give, notice to the MSRB of the occurrence of the Listed Event.

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be executed as of the date first above written.

ST. CATHERINE UNIVERSITY

By:____
Chief Financial Officer

By:____
Its:______________________

EXHIBIT A

ANNUAL REPORT INFORMATION

The Annual Report Date will be the date that is 270 days after the fiscal year-end, commencing with the fiscal year ended May 31, 2023.

(a) Audited Financial Statements for the most recent complete fiscal year and if audited financial statements are not available by the Annual Report Date then the Annual Report shall contain unaudited financial statements prepared by the Corporation in accordance with generally accepted accounting principles, as in effect from time to time, and the Audited Financial Statements of the Corporation shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not included in the Audited Financial Statements for the most recently complete fiscal year, updates to the financial and operating data contained in the tables presented under each of the following headings in Appendix I to the Final Official Statement:

(i) Faculty and Staff

(ii) Student Body

(iii) Enrollments

(iv) Freshman Applications, Acceptances, and Enrollments

(v) New Transfer Student Enrollment - Fall Semester - Undergraduate Program

(vi) Student Retention

(vii) Tuition

(viii) Financial Aid

(ix) Gifts and Grants

DEFINITIONS OF CERTAIN TERMS

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

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

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

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

Authority: The Minnesota Higher Education Facilities Authority, an agency of the State of Minnesota, in Eagan, Minnesota.

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

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

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

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

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

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

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

Bond Purchase Agreement: The Bond Purchase Agreement dated June 28, 2023, among the Authority, the Underwriter and the Corporation, relating to the Bonds.

Bond Resolution: The Series Resolution of the Authority adopted on June 21, 2023, authorizing the Bonds, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

Bond Year: With respect to the Bonds, (a) the period from the Issue Date to the close of business on October 1, 2023, and (b) each succeeding 12-month period ending at the close of business on October 1 of each year in which the outstanding Bonds, if paid at their stated maturity dates, will be outstanding.

Bonds: The Series 2023 Bonds.

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

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

Certificate: A certification in writing required or permitted by the provisions of the Loan Agreement or the Indenture to be signed and delivered to the Trustee or other proper person or persons. If and to the extent required by the provisions of the Indenture or the Loan Agreement, each Certificate will include the statements provided for in the Indenture or the Loan Agreement.

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

Continuing Disclosure Certificate: The Continuing Disclosure Certificate delivered by the Corporation, dated as of July 1, 2023, relating to the Bonds.

Corporation or *University:* St. Catherine University, a Minnesota nonprofit corporation, formerly known as The College of Saint Catherine, its successors and assigns, as owner and operator of the Institution.

Date of Taxability: The date as of which the interest on the Series 2023 Bonds shall be so determined to be includable in the gross income of the Owners thereof; provided, that no Series 2023 Bond shall bear additional interest for any period for which the statute of limitations shall be a bar to the assertion or collection of a deficiency of federal income taxes from the Owner of such Series 2023 Bond.

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

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

Determination of Taxability: A Notice of Deficiency issued by the Internal Revenue Service or a final decision of a court of competent jurisdiction to the effect that the interest on the Series 2023 Bonds is includable in gross income of the recipient under Section 103 of the Internal Revenue Code, related sections and regulations thereunder, as in effect on the date of issuance of the Series 2023 Bonds, as more fully provided in the Loan Agreement. A determination that interest on the Series 2023 Bonds is includable in the computation of any alternative minimum tax is not a Determination of Taxability.

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

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

Event of Default: An Event of Default described in the Loan Agreement or Indenture and summarized in this Official Statement in the sections entitled "SUMMARY OF DOCUMENTS – THE INDENTURE –

Events of Default" and "SUMMARY OF DOCUMENTS – THE LOAN AGREEMENT – Events of Default."

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

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

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

Indenture: The Trust Indenture between the Authority and U.S. Bank Trust Company, National Association, as Trustee, dated as of July 1, 2023, under which the Bonds are authorized to be issued, and including any indenture supplemental thereto.

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

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

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

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

Interest Payment Date: April 1 and October 1 of each year, commencing October 1, 2023, and any other date on which the principal of or interest on the Bonds will be due and payable.

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

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

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

Loan Agreement: The Loan Agreement between the Authority and the Corporation, dated as of July 1, 2023, as from time to time amended or supplemented.

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

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

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

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

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

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

Project: The Project consists 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.

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

Project Costs: The costs of acquisition, design, demolition, construction, renovation, improvement, furnishing and equipping of the Project.

Project Equipment: All fixtures, equipment, and other personal property of a capital nature acquired with proceeds of the Bonds, including investment earnings, and, with respect to such personal property acquired with proceeds of the Bonds, generally described in the Loan Agreement.

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

Reference Rate: The interest rate per annum announced from time to time by U.S. Bank National Association as its prime or reference rate, regardless of whether that interest rate is actually charged to any customer of said bank.

Series 2023 Bond and Interest Sinking Fund Account: The Series 2023 Bond and Interest Sinking Fund Account established under the Indenture; sometimes referred to as the "Bond and Interest Sinking Fund Account" elsewhere in this Official Statement.

Series 2023 Bonds: The Minnesota Higher Education Facilities Authority Revenue Bonds, Series 2023 (St. Catherine University), as described in the Indenture.

Series 2023 Construction Account: The Series 2023 Construction Account established under the Indenture; sometimes referred to as the "Construction Account" elsewhere in this Official Statement.

Series 2023 Costs of Issuance Account: The Series 2023 Costs of Issuance Account established under the Indenture; sometimes referred to as the "Costs of Issuance Account" elsewhere in this Official Statement.

Series 2023 Redemption Account: The Series 2023 Redemption Account established under the Indenture; sometimes referred to as the "Refunding Account" elsewhere in this Official Statement.

State: The State of Minnesota.

Term Bonds: The Series 2023 Term Bonds as defined in the Indenture.

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

Trustee: The trustee at the time serving as such under the Indenture, and initially the Trustee will be U.S. Bank Trust Company, National Association.

Underwriter: RBC Capital Markets, LLC, as original purchaser of the Bonds.

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SUMMARY OF DOCUMENTS

THE LOAN AGREEMENT

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

Construction of Project

The Corporation represents that construction, acquisition and installation of the Project will be substantially completed by no later than October 1, 2026, and all amounts in the Series 2023 Construction Account will be expended in any event not later than 36 months after the Issue Date, subject only to "force majeure," as provided in the Loan Agreement. The Corporation may apply to the Authority at any time to delete from the Project any building, system or equipment proposed to be renovated, acquired, constructed or improved as part of the Project, or to add any building, system or equipment to the Project, or both, and upon approval of the Authority, the description of the Project will accordingly be amended by a supplement to the Loan Agreement executed by the Authority and the Corporation, a copy of which will be furnished to the Trustee, provided that no such amendment of the description of the Project will be approved if the Project, as so amended, will not constitute an authorized "project" under the Act or will adversely affect the tax-exempt status of interest on the Series 2023 Bonds and an Opinion of Counsel who is Bond Counsel to the Authority to such effect is furnished to the Corporation, the Authority and the Trustee. The Corporation has agreed that it has previously paid or will itself pay all costs relating to the acquisition, construction, furnishing and equipping of the Project, including costs of issuance of the Bonds, to the extent such payments and costs exceed the proceeds of the Bonds, including investment earnings in the Series 2023 Construction Account.

The Loan

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

Loan Repayments

Under the Loan Agreement, the Corporation agrees to make Loan Repayments in amounts and at times sufficient to provide for payment in full of all principal of and interest and premium, if any, on the Bonds when due. To provide for such payments the Corporation covenants to pay for the account of the Authority the following amounts:

(a) At least two (2) Business Days prior to each April 1 and October 1, commencing October 1, 2023, the Corporation will deposit into the Series 2023 Bond and Interest Sinking Fund Account, a sum which will be equal to the amount payable as interest on the Bonds on such Interest Payment Date, and, at least two (2) Business Days prior to each October 1, commencing on October 1, 202_, a sum equal to the amount payable as principal (whether at maturity or mandatory sinking fund redemption) of the Bonds on such principal payment date; provided however, that there will be credited against such obligations (1) the net amount of funds and investments then on deposit to the credit of the Series 2023 Bond and Interest Sinking Fund Account, and (2) any credits permitted by the Indenture; and

(b) On or prior to a date established for the optional redemption or mandatory redemption and prepayment of any Bonds pursuant to the terms set forth in the Loan Agreement, the Corporation will deposit into the Series 2023 Redemption Account such amount, if any, as will be necessary and sufficient to provide for the redemption of any Bonds called for redemption from such Redemption Account; and

(c) The Corporation will deposit forthwith into the Series 2023 Bond and Interest Sinking Fund Account or the Series 2023 Redemption Account, as appropriate, the amount of any deficiency in the event the funds on deposit in the Series 2023 Bond and Interest Sinking Fund Account or the Series 2023 Redemption Account on any Bond principal or interest payment date are for any reason insufficient to pay principal of, premium, if any and interest on the Bonds then due or then to become due (whether at maturity, or by call for redemption, or by acceleration of maturity); and

(d) The Corporation will deposit into any fund or account designated by the Trustee such amount as may be determined by the Trustee to be necessary to comply with the provisions of the Indenture.

Each payment under this "Loan Repayments" section will be made directly to the Trustee at its Principal Trust Office for the account of the Authority for deposit as provided in the Indenture. The Corporation will furnish to the Authority, if the Authority so requests, advice of the transmittal of such payments at the time of transmittal of payment.

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

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

Use of Project Facilities

The Corporation will own, use and operate the Project Facilities at all times as educational facilities, in compliance with law and ordinance requirements, and not as facilities for sectarian instruction or religious worship, nor primarily in connection with any part of a program of a school or department of divinity for any religious denomination. The Corporation agrees not to use or permit use of the Project Facilities in such manner or to such an extent as would result in loss of the tax-exemption of interest on the Series 2023 Bonds under the Internal Revenue Code or loss of its status as an exempt organization under Section 501(c)(3) of the Code.

Maintenance and Possession of Project Facilities by Corporation

The Corporation agrees that so long as there are Bonds outstanding, and subject to certain exceptions, the Corporation will keep the Project Facilities in good repair and good operating condition at its own cost. The Corporation will make such repairs, modifications and replacements as are necessary so that the Project Facilities will remain a "project" under the Act and interest on the Series 2023 Bonds will be exempt from federal income taxation, and may make such repairs, modifications and replacements as in the Corporation's judgment are desirable, subject to the same conditions. The Corporation may sell, transfer, convey, lease or sublease or enter into agreements in the ordinary course of business for the use of the Project Facilities so long as (i) the tax-exempt status of the Series 2023 Bonds will not be affected thereby, and an opinion of Bond Counsel to such effect is provided to the Trustee (ii) no such transaction or agreement will be inconsistent with the Loan Agreement, the Indenture, or the Act, and (iii) the Corporation will remain fully obligated under the Loan Agreement as if such transaction or agreement had not been made. The Corporation may demolish any of the Project Facilities which in the Corporation's judgment are worn out, obsolete or require replacement, are no longer used, or the Corporation, by resolution of the Board of Trustees, has determined in its judgment are no longer useful.

Operating Expenses and Liens

The Corporation will pay all utility charges and other charges arising from the operations of the Project Facilities which, if unpaid, would become a lien on the Project Facilities, and will not permit to be established or to remain unsatisfied any mechanics' lien for labor or materials furnished in connection with the acquisition and construction of the Project or with any remodeling, additions, modifications, improvements, repairs, renewals or replacements of the Project Facilities; provided, that the Corporation may in good faith contest such utility and other charges and any mechanics' or other liens filed or established against the Project Facilities, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Authority or Trustee notify the Corporation that, in the opinion of Independent Counsel, by nonpayment of any such items the Project Facilities or any part thereof will be subject to loss or forfeiture, in which event the Corporation will promptly pay and cause to be satisfied and discharged all such unpaid items.

Taxes and Other Governmental Charges

The Corporation will pay, as the same respectively become due, any taxes, special assessments, license fees and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the operations of the Corporation, or the Project Facilities, or any improvements, equipment or related property installed or brought by the Corporation therein or thereon, or the Bonds, the Loan Agreement, the Indenture, or the interest of the Authority, the Trustee, or the Bondholders therein. The Corporation may, at its expense, in good faith contest any such taxes, assessments, license fees and other governmental charges and, in the event of any such contest, may permit the taxes, assessments, license fees or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority or the Trustee notify the Corporation that, in the Opinion of Independent Counsel, by nonpayment of any such items the Project Facilities or any part thereof, or the revenue therefrom will be subject to loss or forfeiture, in which event such taxes, assessments, license fees or charges will be paid promptly.

Insurance

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

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

(b) Comprehensive general public liability insurance, including blanket contractual liability and personal injury liability and automobile insurance, including owned, non-owned and hired automobiles, against liability for injuries to persons in the minimum amount for each occurrence of $5,000,000 and aggregate for each year of $5,000,000, with a deductible amount of not more than $500,000 per occurrence, and against liability for injury to property in the minimum amount for each occurrence of $500,000.

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

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

Upon the written request of the Corporation, the Trustee will permit modifications to the insurance requirements and deductible amounts, including permission for the Corporation to be self-insured in whole or in part for any comprehensive general public liability, if consistent with recommendations of an Independent insurance consultant or the Corporation's insurance broker.

Damage or Destruction of Project Facilities

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

The Bonds may be redeemed in whole if all or substantially all of the Project Facilities are damaged or destroyed to such extent that (i) they cannot be reasonably restored within six months or (ii) normal use and operation of the Project Facilities are interrupted for a six-month period or (iii) the cost of restoration exceeds the available Net Proceeds by an amount described in the Loan Agreement.

The Bonds may be redeemed in part if (i) all or a portion of the Project Facilities have been damaged or destroyed, (ii) the Corporation determines that the Project Facilities so damaged or destroyed are not needed in its operations, (iii) the Corporation has elected not to repair, rebuild, restore or replace such Project Facilities, and (iv) the Corporation elects that available Net Proceeds will be deposited in the Series 2023 Redemption Account and used for the redemption or purchase of outstanding Bonds on the next date for which due notice of redemption can be given (*See also* "THE BONDS – Redemption – Extraordinary Optional Redemption" in the body of this Official Statement).

Condemnation of Project Facilities

If at any time before the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the Indenture), title to any part of the Project Facilities shall be taken in any proceeding involving the exercise of the right of eminent domain, there will be no abatement or reduction in the Loan Repayments payable by the Corporation under the Loan Agreement. All Net Proceeds of awards not in excess of $1,000,000 will be paid to the Corporation. All Net Proceeds of awards over $1,000,000 will be paid and held by the Trustee and the Corporation will either redeem and prepay the Bonds in whole or in part or rebuild or restore such facilities, as more fully provided in the Loan Agreement.

If the Bonds are to be redeemed in whole or in part, such redemption will be as described in the second and third paragraphs under the "Damage or Destruction of Project Facilities" section above.

Removal of Project Equipment and Building Equipment

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

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

(b) the Corporation may release any equipment from the definition of Project Equipment (with or without the physical removal thereof) without substitution therefor, provided that the Corporation pays a sum equal to the then value of such Project Equipment as determined by an Independent engineer selected by the Corporation, to the Trustee for deposit in the Series 2023 Redemption Account for the redemption and prepayment of the Bonds; provided that if the depreciated book value of the equipment so released was less than $250,000, such release and such deposit to the Series 2023 Redemption Account may be effected without such determination of value and Certificate by an Independent engineer; and

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

In connection with (a) and (b) above, if the depreciated book value of the Project Equipment or in connection with (c) above, the depreciated value of Building Equipment to be substituted, released or removed equals or exceeds $250,000 the Corporation will deliver to the Trustee a certificate signed by the Authorized Institution Representative stating that the substitution, release or removal of such equipment will not materially impair the character or revenue producing significance or value of the Project Facilities.

Indemnification

The Corporation agrees to hold the Authority and the Trustee, their respective members, directors, officers and employees, harmless against, any claim, cause of action, suit or liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project Facilities and the use thereof, including that caused by any negligence of the Authority (but not of the Trustee) or anyone acting on its behalf, provided that the indemnity will be effective only to the extent of any loss that may be sustained by the Authority or the Trustee in excess of the Net Proceeds received by the Authority or the Trustee from any insurance carried with respect to the loss sustained.

The Corporation agrees to indemnify and hold harmless the Authority against any and all losses, claims, damages or liability to which the Authority may become subject under law, and to reimburse the Authority for any out-of-pocket legal and other expenses (including reasonable counsel fees) incurred by the Authority in connection with investigating any such losses, claims, damages, or liabilities or in connection with defending any actions, insofar as the same relate to information furnished to the Authority by the Corporation in connection with the sale of the Bonds.

Corporation to Maintain its Existence and Accreditation

The Corporation agrees that, so long as the Bonds are outstanding, it will maintain its existence as a nonprofit corporation and maintain the Institution's existence as a nonprofit institution of higher education under the laws of Minnesota, accredited as such by recognized accrediting agencies and that it will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation, or permit one or more other corporations to consolidate with or merge into it, except upon the conditions provided in the Loan Agreement. The conditions are the following: (a) if the surviving, resulting or transferee corporation or institution, as the case may be, is other than the Corporation, such surviving, resulting or transferee corporation will assume in writing all of the obligations of the Corporation in the Loan Agreement, and be either a state university or college or a nonprofit corporation operating or authorized to operate an institution of higher education under the laws of Minnesota, eligible to be a participating nonprofit institution under the Act, and complies and will comply with the provisions of the Loan Agreement against unlawful discrimination and requiring that the institution be nonsectarian; and (b) the Corporation will furnish to the Trustee an opinion of bond counsel that such consolidation, merger or transfer will have no effect upon the tax-exempt nature of the interest on the Series 2023 Bonds under the Internal Revenue Code and regulations thereunder.

Federal Income Tax Status

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

Institution to be Nonsectarian

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

Determination of Taxability

In the event a Determination of Taxability is made at any time that interest on the Series 2023 Bonds is includable in gross income of the recipient for purposes of federal income taxation under the provisions of the Internal Revenue Code and regulations thereunder as in effect at the date of issuance of the Series 2023 Bonds, the Series 2023 Bonds will bear additional interest at the rate of two percent per annum from the Date of Taxability until the respective dates on which the principal of the Series 2023 Bonds is paid. In addition, in the event of such Determination of Taxability, the Series 2023 Bonds will be subject to optional redemption, as a whole or in part on the next date for which due notice can be given and any date thereafter at a redemption price equal to par plus accrued interest plus additional interest from the Date of Taxability (*See also* "THE BONDS – Redemption – Extraordinary Optional Redemption" and "THE BONDS – Determination of Taxability" in the body of the Official Statement). If a Determination of Taxability should occur, any monetary damage or loss resulting from or incident thereto will be limited to the additional interest rate on the Bonds, as more fully set forth in the Loan Agreement.

Other Covenants

The Corporation further agrees to comply with all applicable laws and regulations against unlawful discrimination, and not to discriminate as prohibited by Minnesota Statutes, Section 363A.13; to provide and file such financing statements and other instruments of further assurance as the Authority or Trustee may request; to perform all obligations imposed by the Internal Revenue Code and regulations thereunder with respect to the non-arbitrage status of the Series 2023 Bonds and to comply with the applicable rebate requirements under Section 148 of the Code and regulations thereunder; and to observe all applicable State laws and regulations, including those of the Authority, the Department of Education and the Minnesota Office of Higher Education, subject to the right of contest. The Corporation agrees to indemnify the Authority and the Trustee from losses arising from certain representations made by the Corporation regarding the absence of hazardous waste on the Project Facilities.

The Authority further agrees to comply with the applicable rebate requirements imposed under Section 148 of the Internal Revenue Code with respect (but only with respect) to amounts paid by the Corporation to the Authority as the Authority's annual fee under the Loan Agreement and any income earned or imputed therefrom.

Events of Default

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

(a) If the Corporation fails to make any Loan Repayment when due, and either (i) on an Interest Payment Date or redemption date (established or required to be established), the available moneys on deposit in the Series 2023 Bond and Interest Sinking Fund Account and Series 2023 Redemption Account are insufficient to pay when due principal of and interest on the applicable Bonds, or (ii) such failure continues for five Business Days after notice from the Trustee or the Authority to the Corporation that such payment has not been made; or

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

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

(d) If the Corporation files a petition in voluntary bankruptcy, or for the composition of its affairs or for its corporate reorganization under any state or Federal bankruptcy or insolvency law, or makes an assignment for the benefit of creditors, or consents in writing to the appointment of a trustee or receiver for itself or for the whole or any substantial part of the property of the Corporation; or

(e) If a court of competent jurisdiction enters an order, judgment or decree against the Corporation in any insolvency, bankruptcy, or reorganization proceeding, or appointing a trustee or receiver of the Corporation or of the whole or any substantial part of the property of the Corporation, and such order, judgment or decree will not be vacated or set aside or stayed within 90 days from the date of the entry thereof; or

(f) If, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the Corporation or of the whole or any substantial part of the property of the Corporation, and such custody or control will not be terminated within 90 days from the date of assumption of such custody or control.

The term "force majeure" as used above includes the following: acts of God; strikes, lockouts or other employee disturbances; acts of public enemies; orders, regulations or laws of any kind of the government of the United States of America or of the State of Minnesota or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions, breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Corporation. The provisions of paragraph (c) above are subject to the further limitation that if the Default can be remedied but not within a period of 30 days after notice and if the Corporation has taken all action reasonably possible to remedy such default within such 30-day period, the Default will not become an Event of Default for so long as the Corporation diligently proceeds to remedy such default and in accordance with any directions or limitations of time made by the Trustee. The Corporation agrees, however, to use its best efforts to remedy with all reasonable dispatch any cause or causes preventing the Corporation from carrying out its agreements.

Remedies on Default

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

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

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

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

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

Amendments

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

THE INDENTURE

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

Granting Clauses

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

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

(b) a first lien on and pledge of (i) the moneys and investments in the Accounts covenanted to be paid and maintained under the Indenture; (ii) the moneys and investments in the Series 2023 Construction Account not paid out for Project Costs; and (iii) all accounts, contract rights, general intangibles, moneys and instruments arising therefrom or relating thereto and all proceeds and products of and accessions to any thereof; and

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

Accounts

Bond proceeds, revenues and other funds derived under the Loan Agreement or Indenture will be deposited into Accounts held by the Trustee as described in "ACCOUNTS" in the body of the Official Statement.

Authorized Investments

Moneys on deposit to the credit of Series 2023 Bond and Interest Sinking Fund Account, the Series 2023 Redemption Account and the Series 2023 Construction Account will be invested by the Trustee as directed in writing by the Authorized Institution Representative only in investments as authorized by the Act, as amended from time to time, and subject to the additional restrictions generally described as follows: (i) direct obligations of the United States government and certain obligations issued or guaranteed by certain of its agencies; (ii) general obligations of states or local governments with taxing powers rated "A" or better by a national bond rating service, or revenue obligations of any state or local government rated "AA" or better by a national bond rating service; (iii) certain commercial paper maturing in 270 days or less; (iv) time deposits fully insured by the Federal Deposit Insurance Corporation or bankers' acceptances of United States banks; (v) certain types of repurchase agreements; (vi) units of certain short-term investment funds and shares of certain money market funds and certain other investment companies; and (vii) certain guaranteed investment contracts issued by a bank or insurance company rated at least in one of the two highest rating categories of a nationally recognized rating agency.

Trustee's Right to Payment

The Trustee shall have a first lien, with right of payment prior to payment on account of interest on or principal of the Bonds, for reasonable compensation, expenses, advances and counsel fees incurred in and about the execution of the trusts created and exercise and performance of the powers and duties of the

Trustee under the Indenture, and the cost and expense incurred in defending against any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the negligence or willful misconduct of the Trustee).

Covenants of the Authority

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

Events of Default

The following are Events of Default under the Indenture:

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

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

(c) If the Authority defaults in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the Bonds or in the Indenture, or in any supplemental indenture on the part of the Authority to be performed, and such default has continued for a period of 60 days after written notice, specifying such default and requiring the same to be remedied, has been given to the Authority and to the Corporation (giving the Corporation the privilege of curing such default in the name of the Authority, if permitted by law) by the Trustee, which may give such notice in its discretion and will give such notice upon written request of the Holders of not less than a majority in principal amount of the Bonds then outstanding; or

(d) If any "Event of Default" on the part of the Corporation, as that term is defined in the Loan Agreement, occurs and is continuing.

Remedies

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

In the case of the breach of any of the covenants or conditions of the Loan Agreement or the Indenture, the Trustee (subject, however to the provisions of the Indenture, including its rights to indemnity and notice provided in the Indenture), will be obligated to take such action or actions as are necessary for the enforcement of its rights and the rights of the Bondholders and the rights of the Authority under the Loan Agreement.

Upon the happening and continuance of an Event of Default, the Trustee may, and the written request of the Holders of not less than a majority in aggregate principal amount of the outstanding Bonds, proceed forthwith by suit or suits at law or in equity or by any other appropriate remedy to enforce payment of the Bonds, to enforce application to payment of the Bonds the funds, revenues and income appropriated thereto by the Indenture and by the Bonds, to enforce the Loan Agreement and to enforce any such other appropriate legal or equitable remedy as the Trustee, being advised by counsel, deems most effectual to protect and enforce any of its rights or any of the rights of the Bondholders. Notwithstanding the foregoing, the Trustee need not proceed upon any such written request of the Bondholders, as aforesaid, unless such Bondholders have offered to the Trustee security and indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred therein or thereby.

Concerning the Trustee

The Trustee has no responsibility to use its own funds under the Indenture, but it may make advances at a rate equal to the Reference Rate, which advances are given priority of payment. The Trustee also has a first lien with right of payment prior to payment on account of Bond interest or principal for reasonable compensation, expenses, advances and counsel fees. The responsibilities of the Trustee prior to an Event of Default are limited to express provisions of the Indenture, and at all times the Trustee will not be liable unless it acts negligently or in bad faith. The Trustee is not required to institute suit or take other steps to enforce its rights and powers under the Indenture unless indemnified to its satisfaction against all costs and expenses. The Trustee and its affiliates, officers and directors are authorized to acquire and hold Bonds and otherwise deal with the Authority or the Corporation to the same extent as if it were not Trustee. Provision is made for the succession or replacement of the Trustee by another corporate Trustee with a minimum combined capital, surplus and undivided profits of $10,000,000 in event of merger, resignation or removal by Holders of a majority in principal amount of outstanding Bonds, or in the event of disability, by the Authority or a court. Provision is also made for removal of the Trustee by Bondholders or the Authority, at the request of the Corporation, provided that the Authority may, but is not required to remove the Trustee with or without the request of the Corporation if an Event of Default has occurred and is continuing or a default which with the passage of time or the giving of notice will become an Event of Default has occurred and is continuing. The Authority may not remove a successor Trustee properly appointed by the Bondholders.

Concerning the Bondholders

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

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

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

Defeasance

If the Authority and the Corporation and their respective successors or assigns:

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

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

(c) deliver to the Trustee (1) proof satisfactory to the Trustee that notice of redemption of all of the outstanding Bonds not surrendered or to be surrendered to it for cancellation has been given or waived as provided in the Indenture, or that arrangements satisfactory to the Trustee have been made insuring that such notice will be given or waived, or (2) a written instrument executed by the Corporation for the Authority and expressed to be irrevocable, authorizing the Trustee to give such notice for and on behalf of the Authority, or (3) file with the Trustee a waiver of such notice of redemption signed by the Holders of all of such outstanding Bonds, and in any such case, deposit with the Trustee before the date on which such Bonds are to be redeemed, as provided in the Indenture, the entire amount of the redemption price, including interest accrued and to accrue, and premium, if any, of (i) government obligations described in the Indenture in such aggregate face amount, bearing interest at such rates and maturing at such dates as are sufficient in the opinion of a verification agent, upon which the Trustee may conclusively rely, and/or (ii) in cash, to provide for the payment of the redemption price on the date such Bonds are to be redeemed and on any Interest Payment Dates, or

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

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

Supplemental Indentures

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

(a) To correct the description of any property conveyed or pledged by the Indenture or intended so to be, or to assign, convey, pledge or transfer and set over unto the Trustee, subject to such liens or other encumbrances as will be therein specifically described, additional property or properties of the Authority or the Corporation for the equal and proportional benefit and security of the Holders of all Bonds at any time issued and outstanding under the Indenture;

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

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

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

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

In addition and subject to the provisions set forth below, the Holders of not less than a majority in aggregate principal amount of the Bonds under the Indenture then outstanding will have the right to consent to and approve such supplemental indentures as will be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding in any particular, any of the terms or provisions of the Indenture or in any supplemental indenture; provided, however, that such provision will not be construed as permitting without the consent of the Holders of all Bonds outstanding (a) an extension of the maturity of any Bond, or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, or (c) the creation of a lien upon or a pledge of revenues ranking prior to or on a parity with the lien or pledge created by the Indenture, or (d) a preference or priority of any Bond over any other, or (e) a reduction in the aggregate principal amount of the Bonds the Holders of which are required to consent to such supplemental indenture or to amendments to the Loan Agreement.

Amendments to the Loan Agreement

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

Except for amendments, changes or modifications provided for in the preceding paragraph, neither the Authority nor the Trustee will consent to or execute any other amendment, change or modification of the Loan Agreement without the written approval or consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time outstanding, given and procured as provided in the Indenture. However, the Indenture does not permit a reduction in, or a postponement of, the Loan Repayments under the Loan Agreement without the consent of the Holders of all Bonds then outstanding.

Registration

The Bonds shall be fully registered as to principal and interest at the Principal Trust Office of the Trustee, which shall also perform the functions of registrar and paying agent. Bonds may be transferred and exchanged by surrender to the Trustee with a written authorization by the registered Holder or his authorized attorney satisfactory to the Trustee subject to such reasonable regulations as the Trustee may prescribe and shall be without expense to the Holder, except as to any taxes or other governmental charges required to be paid. If the Bonds are no longer in book entry form, Bonds may be exchanged for a new Bond or Bonds, aggregate principal amount, maturity and interest rate of any authorized denominations. Payment of principal will be at the Principal Trust Office of the Trustee and interest shall be by check or draft of the Trustee mailed (or, pursuant to an agreement with the Trustee, by wire transfer to an account within the United States) to the registered Owner at the address as shown on the registration books of the Trustee, subject to applicable procedures while in book entry form.

THE DEPOSITORY TRUST COMPANY

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

Payment of principal, interest, and redemption premium, if any, on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest, and redemption premiums, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Registrar, the Trustee, or the Authority. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The information in this section concerning DTC and DTC's book entry system has been obtained from sources that the Authority, the University, and the Underwrite believe to be reliable. None of the Authority, the University or the Underwriter make any representations as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

FINANCIAL STATEMENTS
YEARS ENDED MAY 31, 2022 AND 2021

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
St. Catherine University
St. Paul, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of St. Catherine University, which comprise the statement of financial position as of May 31, 2022, and the related statements of activities, functional expenses, and cash flows for the years ended May 31, 2022 and 2021, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Catherine University as of May 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited St. Catherine University's 2021 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated October 7, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of St. Catherine University and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about St. Catherine University's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of St. Catherine University's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about St. Catherine University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Board of Trustees
St. Catherine University

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the financial statements as a whole. The financial responsibility ratio supplemental schedule, as required by Department of Education is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the financial responsibility ratio supplemental schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 2, 2022

ST. CATHERINE UNIVERSITY
STATEMENT OF FINANCIAL POSITION
MAY 31, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR MAY 31, 2021)

	2022			
	Without Donor Restrictions	With Donor Restrictions	Total	2021 Total
ASSETS				
Cash and Cash Equivalents	$ 9,242,144	$ -	$ 9,242,144	$ 9,680,152
Receivables, Net of Allowance for Doubtful Accounts of $1,800,000 for 2022 and 2021	2,713,595	5,009,377	7,722,972	5,632,126
Bookstore Inventories	119,248	-	119,248	170,726
Prepaid Expenses	900,898	93,955	994,853	905,278
Deposits with Bond Trustee	-	-	-	112,613
Contributions Receivable, Net	2,660	2,846,778	2,849,438	2,323,660
Loans to Students, Net of Allowance for Doubtful Accounts of $450,000 for 2022 and 2021	5,367,766	-	5,367,766	6,079,467
Investments	89,592,732	149,406,537	238,999,269	255,504,372
Beneficial Interest in Perpetual Trusts	-	2,775,300	2,775,300	2,991,865
Lease Right of Use Asset - Financing	196,855	-	196,855	240,035
Property, Plant, and Equipment, Net	79,621,510	-	79,621,510	82,408,535
Total Assets	$ 187,757,408	$ 160,131,947	$ 347,889,355	$ 366,048,829
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts Payable	$ 1,498,092	$ 132,377	$ 1,630,469	$ 2,113,774
Accrued Expenses	7,422,794	167,720	7,590,514	8,564,300
Deferred Revenue and Deposits	3,771,680	2,722	3,774,402	4,735,442
Funds Held for Others	768,521	-	768,521	782,454
Liability Under Split-Interest Agreements	-	83,286	83,286	102,463
Lease Liability - Financing	191,484	-	191,484	237,029
Bonds Payable	75,172,221	-	75,172,221	75,419,283
U.S. Government Grants Refundable	4,939,774	-	4,939,774	6,216,608
Total Liabilities	93,764,566	386,105	94,150,671	98,171,353
NET ASSETS				
Without Donor Restrictions	93,992,842	-	93,992,842	102,227,101
With Donor Restrictions	-	159,745,842	159,745,842	165,650,375
Total Net Assets	93,992,842	159,745,842	253,738,684	267,877,476
Total Liabilities and Net Assets	$ 187,757,408	$ 160,131,947	$ 347,889,355	$ 366,048,829

See accompanying Notes to Financial Statements.

ST. CATHERINE UNIVERSITY
STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR YEAR ENDED MAY 31, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
OPERATING REVENUE				
Tuition and Fees, Net of Discounts of $39,270,893	$ 67,787,907	$ -	$ 67,787,907	$ 71,788,664
Grants	243,619	11,241,989	11,485,608	11,134,439
Contributions	2,215,839	5,821,086	8,036,925	6,063,079
Auxiliary Services	6,266,161	-	6,266,161	4,470,528
Investment Income, Net	627,099	-	627,099	525,805
Net Gain (Loss) on Investments	(5,703,917)	-	(5,703,917)	12,875,026
Interest on Student Loans	74,998	-	74,998	55,291
Other	1,110,716	36,758	1,147,474	1,412,946
Net Assets Released from Restrictions	18,397,138	(18,397,138)	-	-
Total Operating Revenue	91,019,560	(1,297,305)	89,722,255	108,325,778
OPERATING EXPENDITURES				
Instruction and Other Services:				
Instructional	40,699,610	-	40,699,610	42,379,425
Library	3,552,954	-	3,552,954	3,488,328
Academic Support	4,550,478	-	4,550,478	4,623,297
Student Services	13,981,424	-	13,981,424	12,758,927
Auxiliary Enterprises	10,340,782	-	10,340,782	10,418,407
Sponsored Research	6,873,658	-	6,873,658	6,370,587
Total Instruction and Other Services	79,998,906	-	79,998,906	80,038,971
Management and General:				
Institutional Support	16,559,520	-	16,559,520	15,499,973
Development	2,695,393	-	2,695,393	2,461,066
Total Management and General	19,254,913	-	19,254,913	17,961,039
Total Expenses	99,253,819	-	99,253,819	98,000,010
CHANGE IN OPERATING NET ASSETS	(8,234,259)	(1,297,305)	(9,531,564)	10,325,768
NONOPERATING ACTIVITIES				
Contributions	-	5,118,437	5,118,437	2,990,446
Investment Income, Net	-	3,690,141	3,690,141	2,741,248
Net Gain (Loss) on Investments	-	(13,231,700)	(13,231,700)	42,557,795
Change in Value of Split-Interest Agreements	-	2,207	2,207	(4,354)
Change in Fair Value of Beneficial Interest in Perpetual Trusts	-	(186,313)	(186,313)	421,948
CHANGE IN NONOPERATING NET ASSETS	-	(4,607,228)	(4,607,228)	48,707,083
CHANGE IN NET ASSETS	(8,234,259)	(5,904,533)	(14,138,792)	59,032,851
Net Assets - Beginning of Year	102,227,101	165,650,375	267,877,476	208,844,625
NET ASSETS - END OF YEAR	$ 93,992,842	$ 159,745,842	$ 253,738,684	$ 267,877,476

See accompanying Notes to Financial Statements.

ST. CATHERINE UNIVERSITY
STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE			
Tuition and Fees, Net of Discounts of $38,285,385	$ 71,788,664	$ -	$ 71,788,664
Grants	539,236	10,595,203	11,134,439
Contributions	2,598,505	3,464,574	6,063,079
Auxiliary Services	4,470,528	-	4,470,528
Investment Income, Net	525,805	-	525,805
Net Gain (Loss) on Investments	12,875,026	-	12,875,026
Interest on Student Loans	55,291	-	55,291
Other	1,283,018	129,928	1,412,946
Net Assets Released from Restrictions	14,087,945	(14,087,945)	-
Total Operating Revenue	108,224,018	101,760	108,325,778
OPERATING EXPENDITURES			
Instruction and Other Services:			
Instructional	42,379,425	-	42,379,425
Library	3,488,328	-	3,488,328
Academic Support	4,623,297	-	4,623,297
Student Services	12,758,927	-	12,758,927
Auxiliary Enterprises	10,418,407	-	10,418,407
Sponsored Research	6,370,587	-	6,370,587
Total Instruction and Other Services	80,038,971	-	80,038,971
Management and General:			
Institutional Support	15,499,973	-	15,499,973
Development	2,461,066	-	2,461,066
Total Management and General	17,961,039	-	17,961,039
Total Expenses	98,000,010	-	98,000,010
CHANGE IN OPERATING NET ASSETS	10,224,008	101,760	10,325,768
NONOPERATING ACTIVITIES			
Contributions	-	2,990,446	2,990,446
Investment Income, Net	-	2,741,248	2,741,248
Net Gain (Loss) on Investments	-	42,557,795	42,557,795
Change in Value of Split-Interest Agreements	-	(4,354)	(4,354)
Change in Fair Value of Beneficial Interest in Perpetual Trusts	-	421,948	421,948
CHANGE IN NONOPERATING NET ASSETS	-	48,707,083	48,707,083
CHANGE IN NET ASSETS	10,224,008	48,808,843	59,032,851
Net Assets - Beginning of Year	92,003,093	116,841,532	208,844,625
NET ASSETS - END OF YEAR	$ 102,227,101	$ 165,650,375	$ 267,877,476

See accompanying Notes to Financial Statements.

ST. CATHERINE UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED MAY 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (14,138,792)	$ 59,032,851
Adjustments to Reconcile Change in Net Assets to Net		
Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	4,635,809	4,409,890
Unrealized (Gain) Loss on Investments	26,947,326	(40,726,088)
Realized Gain on Investments	(8,011,709)	(14,706,733)
Private Gifts for Long-Term Investments	(6,323,951)	(3,801,836)
Change in Fair Value of Beneficial Interest in Perpetual Trusts	186,313	(421,948)
Adjustment of Actuarial Liability for Split-Interest Agreements	(2,207)	4,354
Allowance for Doubtful Accounts and Loans	-	300,000
Change in Assets and Liabilities:		
Receivables	(2,090,846)	(699,782)
Bookstore Inventories	51,478	162,676
Prepaids	(89,575)	(39,263)
Loans to Students	711,701	1,322,271
Contributions Receivable	(525,778)	(362,547)
Accounts Payable and Accrued Expenses	(1,396,147)	(213,084)
Deferred Revenue, Deposits, and Fund Held for Others	(974,973)	(2,368,527)
Net Cash Provided (Used) by Operating Activities	(1,021,351)	1,892,234
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(219,009,694)	(107,121,246)
Proceeds from Sale of Investments	216,504,274	101,536,762
Purchase of Property, Plant, and Equipment	(2,113,610)	(3,342,076)
Change in Beneficial Interest in Perpetual Trust	30,252	-
Net Cash Used by Investing Activities	(4,588,778)	(8,926,560)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Private Gifts for Long-Term Investment for Endowment	6,398,857	3,537,026
Payments on Lease Obligations	(45,545)	(39,711)
Payments on Split-Interest Agreements	(10,454)	(16,234)
Change in Annuity and Unitrust Liability	(6,516)	1,296
U.S. Government Grants Repayable	(1,276,834)	(1,953,060)
Net Cash Provided by Financing Activities	5,059,508	1,529,317
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(550,621)	(5,505,009)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	9,792,765	15,297,774
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 9,242,144	$ 9,792,765
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH		
Cash and Cash Equivalents	$ 9,242,144	$ 9,680,152
Deposits with Bond Trustee	-	112,613
Cash and Cash Equivalents and Restricted Cash - End of Year	$ 9,242,144	$ 9,792,765
SUPPLEMENTAL DISCLOSURES OF NONCASH TRANSACTIONS		
Property, Plant, and Equipment Purchased Through Accounts Payable	$ 60,944	$ -
Right-of-Use Asset Obtained in Exchange for New Financing Lease Liability	$ -	$ 276,740
Cash Paid During the Year for Interest, Net of Amounts Capitalized	$ 2,619,952	$ 2,619,952

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

St. Catherine University (the University) was founded in Saint Paul, Minnesota, in 1905 by the Sisters of St. Joseph of Carondelet. Today the University is one of the largest Catholic universities primarily for women in the nation. In 1917, St. Catherine University earned full accreditation by the North Central Association of Colleges and Schools, and by 1937, the University became the first Catholic college or university in the United States, and the third Minnesota institution, to be awarded a Phi Beta Kappa chapter. As the nation's oldest and most prestigious undergraduate honors organization, Phi Beta Kappa recognizes achievement in the liberal arts.

The University previously maintained a campus in Minneapolis, Minnesota, which was originally founded in 1887 by the Sisters of St. Joseph of Carondelet as St. Mary's School of Nursing, later named St. Mary's Junior College. Operations at the Minneapolis campus were merged and were transferred to the Saint Paul campus in June 2020. In 1986, St. Mary's Junior College merged with what was then called the College of St. Catherine. This connection to St. Mary's School of Nursing makes the University the oldest healthcare educator in Minnesota. St. Catherine University became Minnesota's newest university on June 1, 2009. The change reflected the University's transformation into the comprehensive institution it is today — with four schools and three colleges — and vision to move from a regional presence to national and international pre-eminence.

The University offers traditional four-year liberal arts and professional programs as well as nontraditional evening, weekend, and online opportunities to pursue baccalaureate, associate and graduate degrees in the liberal arts, healthcare, and other professional programs. The University had a total enrollment of 3,915 for 2021-2022.

St. Catherine University's mission is to educate women to lead and influence. The University educates at all degree levels through valuing and integrating the liberal arts and professional education within the Catholic intellectual tradition, emphasizing scholarly inquiry and social justice teaching as lived by the Sisters of St. Joseph of Carondelet. The University welcomes a rich diversity of students, with a baccalaureate college for women at the heart of the University and graduate and adult colleges for women and men. Committed to excellence and opportunity, the University develops leaders who act with integrity. The University's mission is based on three core principles: Catholic, women and the liberal arts.

The University is an independent nonprofit 501(c)(3) corporation organized under the laws of the state of Minnesota. The University is sponsored by the Sisters of St. Joseph of Carondelet, also a nonprofit 501(c)(3) corporation. The Sisters of St. Joseph of Carondelet is a pontifical religious institute with headquarters in Saint Louis, Missouri.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measure of Operation

In its statements of activities, the University includes in its definition of operations, all revenues and expenses that are an integral part of its programs and supporting activities. Nonoperating activity consists primarily of investment income, including net realized and unrealized gains and losses earned in excess of the University's aggregate authorized spending amount, change in value of split-interest agreements, and endowment and capital contributions to nonoperating activities or projects.

Basis of Presentation

The financial statements of the University have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The University maintains its accounts in accordance with the principles of fund accounting. Resources for various purposes are classified into funds that are in accordance with activities or objectives specified by donors. Separate accounts are maintained for each fund.

For financial reporting purposes, resources are classified into net asset categories according to the existence or absence of donor-imposed restrictions. Accordingly, net assets of the University and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. Some of these amounts have been designated for specific purposes by action of the board of trustees.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that: a) restrict their use to a specific purpose and/or the passage of time; b) require they be maintained in perpetuity by the University. Generally, the donors of these assets permit the University to use all, or part, of the income earned on related investments for general or specific purposes.

Contributions are recognized as revenue in the period received or unconditionally promised, whichever is earlier. They are recorded as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the financial statements of activities as net assets released from restrictions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fund-raising activity.

Cash and Cash Equivalents

All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. Cash and cash equivalents designated for long-term investment purposes are included as investments. At times, cash may be in excess of the Federal Deposit Insurance Corporation insurance limit.

Bookstore Inventories

Inventories consisting of books, clothing, and other bookstore merchandise held for resale are carried at the lower of cost (first-in, first-out) or market.

Deposits with Bond Trustee

The bond proceeds, in part, are held to finance the renovation, furnishing, and equipment of space on the University's Saint Paul campus to accommodate the transfer of the University's Minneapolis campus operations to Saint Paul, fund the installation of the Saint Paul campus of comprehensive security systems, residential housing hot water system, tunnel reconstructions and related water abatement. The balance in the account, related to the bonds (see Note 8) is $-0- and $112,613 at May 31, 2022 and 2021, respectively.

Accounts Receivable

Receivables are stated at net realizable value and are unsecured. The University provides an allowance for bad debts using the allowance method, which is based on management judgment considering historical information. Accounts past due more than 90 days are individually analyzed for collectability. When all collection efforts have been exhausted and no payments have been received, accounts are individually assessed for collectability and are written off against the related allowance. Amounts over 90 days were $2,670,719 and $2,510,372 at May 31, 2022 and 2021, respectively. All accounts, notes, and other receivables are collectible within one year.

Contributions Receivable

Unconditional promises-to-give are recognized in the period the promises are made. Promises to give that are expected to be collected within one year are recorded at their net realizable value. Promises that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the pledge is received. Conditional promises to give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Student Loans

Student loans receivable consist of loans made to students under U.S. government loan programs.

Investments

Investments are carried at fair value, based upon quoted market prices. In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur due to market fluctuation and that such changes could materially affect the amounts reported in the statements of net assets. Changes in quoted market value are recorded as unrealized gains or losses in the period of change. Realized gains and losses on sales of securities are determined using the average cost method and are recorded on a trade-date basis.

Fair Value of Financial Instruments

The University follows an accounting standard that defines fair value, establishes a fair value hierarchy based on the quality of the inputs used to measure fair value, and requires expanded disclosures about fair value measurements. The University accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement. Certain financial assets and liabilities are accounted for at fair value in accordance with applicable standards.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments where it is practicable to estimate that value:

The carrying amounts of cash and cash equivalents, deposits with bond trustee, receivables, accounts payable, accrued expenses, and deferred revenue and deposits approximate fair value because of the short maturity of these financial instruments.

Contributions receivable and liability under split-interest agreements approximate fair value using appropriate discount rates. The discount rates used in the calculations are the rates applied when the receivable or liability was originally recorded. These rates are deemed to approximate fair value due to the relative current maturities and the narrow range of discount rates used which approximates the current discount rate. Investments are carried at fair value. The University's beneficial interest in perpetual trusts is recorded at fair value.

Student loans receivable consist of loans to students under U.S. government loan programs. The loans are stated at net realizable value in the accompanying statements. It is not practicable to estimate the fair value of these receivables since they contain federally mandated interest rates and repayment terms subject to significant restrictions as to their transfer and disposition. The fair value of loans receivable from students and the related U.S. government grants refundable under the University's loan programs approximate carrying value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Hierarchy

In accordance with accounting standards, the University has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for the identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the statement of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the University has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Beneficial Interest in Perpetual Trusts

The University is the beneficiary of perpetual trusts held by third parties. Under the terms of the trusts, the University has the irrevocable right to receive the income generated by the trust in perpetuity, but never receive the corpus of the trust. The beneficial interest in the perpetual trusts is recorded at the University’s proportional share of the fair value of the underlying trust assets.

Collections

The University does not deaccession artwork from the collections and their policy is to follow the Delegation of Spending Authority policy based on discretion and dollar amount.

Leases

The University determines if an arrangement is a lease at inception. Operating leases are included in “Right of Use Assets – Operating” and “Lease Liability – Operating,” and finance leases are included in “Lease Right of Use Asset – Financing” and “Lease Liability – Financing” in the statements of financial position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Right-of-use (ROU) assets represent the University's right to use an underlying asset for the lease term and lease liabilities represent the University's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the University will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The University has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the University has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost at the date of acquisition or fair value at the date of donation less accumulated depreciation. Contributed items are recorded at fair market value at date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulation, contributions of property and equipment are recorded as unrestricted. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Buildings are estimated to have 50-year lives. All other assets are depreciated over lives ranging up to 20 years. All expenses that extend useful life and meeting University criteria by category are capitalized. Items purchased which do not meet the defined criteria are expensed. When applicable, interest is capitalized in connection with the construction of facilities. If capitalized interest is recorded, it is classified as part of the asset to which it relates and is amortized over the asset's useful life.

Government Contracts

Conditional government grants and contract funds are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each contract, are made. Funds received but not yet earned are shown as Deferred Revenue. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the University will record such disallowance at the time the final assessment is made.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Contracts (Continued)

A portion of the University's revenue is derived from cost reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the University has incurred expenditures in compliance with specific contract or grant provisions. The University received cost reimbursable grants of $5,505,198 that have not been recognized at May 31, 2022 because qualifying expenditures have not yet been incurred.

Due to COVID-19, The Federal Government passed the funding for the Higher Education Emergency Relief Fund (HEERF). These funds were awarded to institutions of higher education in three tranches (HEERF I, II, and III). These funds are provided in two portions; institutional aid to provide support for pivoting instruction to online delivery or reimbursement of refunds, and a student portion.

For the year ended May 31, 2021, the University received an allocation of $5,578,831 for the student portion and $7,278,303 for the institutional portion. As of May 31, 2021, the University expended $2,208,823 related to lost room and board revenue (included with "Net Assets Released from Restrictions" on the statement of activities), as well as, the University had expended $1,986,546 related to emergency student grants that is included in student services expense on the statement of activities. For the year ended May 31, 2022, the University had recognized $5,069,480 related to lost revenue (included with "Net Assets Released from Restrictions" on the statement of activities), as well as, the University had expended $4,256,578 related to emergency student grants that is included in student services expense on the statement of activities.

U.S. Government Grants Refundable

Funds provided by the United States government under the Federal Perkins Loan and Health Professions Student Loan programs are loaned to qualified students and may be re-loaned after collections. These funds are ultimately refundable to the United States government and are included as liability in the financial statements.

Split-Interest Agreements

The University's split-interest agreements include charitable remainder trusts and charitable gift annuities. The University recognizes the contribution from charitable trusts when the irrevocable trust is established and recognizes the contribution from the charitable annuity gifts when the agreement is executed. The contribution amount when the University is the trustee is the difference between the fair value of assets received and the present value of the future cash flows expected to be paid to the designated beneficiaries. The contribution amount when the University is not the trustee is the present value of expected future cash flows from the trust. The significant assumptions used to estimate the present value of the future cash flows include varying discount rates up to 14%, from the current mortality tables in Publication 590-B, and for charitable remainder unitrusts, an assumed rate of return on investments of 6%.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tuition and Fees

Tuition and fees are presented net of student-funded aid, which consists of gifts, and endowment income used for scholarships of $3,373,421 and $3,207,176, and institutionally funded aid of $35,897,472 and $35,078,209 for the years ended May 31, 2022 and 2021, respectively.

Auxiliary Revenue

The University provides auxiliary services, primarily dining and residential living spaces. Revenue from these services is recognized in the year in which the services are provided. Students that withdraw from the University may receive a partial refund in accordance with the respective refund policies. Services are available to undergraduate and graduate student populations. Approximately 78% of students are from Minnesota and almost 32% of students select St. Paul campus residential living spaces.

Revenue Recognition and Disaggregation of Revenue

The University provides academic instruction toward baccalaureate and graduate degrees. Tuition and fee revenue is recognized over the period in which the academic courses are provided. Financial assistance in the form of institutional scholarships and grants awarded to students reduce the amount of tuition and fee revenue recognized. In addition, students who adjust their course load or withdraw completely may receive a partial refund in accordance with the University's refund policy. Refunds issued reduce the amount of revenue recognized. Payments for services are due upon registration for each academic term.

The University also provides auxiliary services, such as residence and food services. Revenue from these services is recognized over the period in which the goods and services are provided. Students that withdraw from the University may receive a partial refund in accordance with the University's refund policy. Refunds issued reduce the amount of auxiliary revenue recognized.

Deferred Revenue

Deferred revenue represents payments received prior to the start of the academic term. The following table depicts activities for deferred revenue related to tuition, fees, and auxiliary services:

	Balance May 31, 2021	Refunds Issued	Revenue Recognized Included in May 31, 2021 Balance	Cash Received in Advance of Performance	Balance May 31, 2022
Tuition and Auxiliary	$ 4,079,502	$ -	$ (4,079,502)	$ 3,002,472	$ 3,002,472
Grants	5,114	-	(5,114)	2,722	2,722
Other	650,826	-	(650,826)	769,208	769,208
Total	$ 4,735,442	$ -	$ (4,735,442)	$ 3,774,402	$ 3,774,402

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue (Continued)

	Balance May 31, 2020	Refunds Issued	Revenue Recognized Included in May 31, 2020 Balance	Cash Received in Advance of Performance	Balance May 31, 2021
Tuition and Auxiliary	$ 5,338,869	$ -	$ (5,338,869)	$ 4,079,502	$ 4,079,502
Grants	1,085,783	-	(1,085,783)	5,114	5,114
Other	761,066	-	(761,066)	650,826	650,826
Total	$ 7,185,718	$ -	$ (7,185,718)	$ 4,735,442	$ 4,735,442

The balance of deferred revenue at May 31, 2022 less any refunds will be recognized as revenue over the academic term as services are rendered. The University applies the practical expedient in Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09 paragraph 606-10-50-14 and does not disclose information about remaining performance obligations that have original expected durations of one year or less. The University anticipates that students enrolled for the Fall semester will continue their studies in the Spring semester, and that students who receive their baccalaureate or graduate degree in December or May will be replaced by an equivalent number of new enrollees.

Accounts Receivable (Student)

Accounts receivable represents payments not yet received for academic terms already completed. The following table depicts activities for accounts receivable related to tuition, fees, and auxiliary services:

	2022	2021
Accounts Receivable - Beginning of Year	$ 3,710,373	$ 2,925,806
Payments Made	128,090,437	128,573,986
Charges for Tuition and Fees	(128,417,970)	(127,489,419)
Change in Allowance and Write Offs	-	(300,000)
Accounts Receivable - End of Year	$ 3,382,840	$ 3,710,373

Income Taxes

The University is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the University’s tax-exempt purpose is subject to taxation as unrelated business income. The University utilizes the provisions of FASB *Accounting Standards Codification* 7 40-10, *Accounting for Uncertain Tax Positions*. The University continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings. The University’s tax returns are subject to review and examination by federal, state, and local authorities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising Costs

Advertising costs are expensed as incurred. Total advertising costs during 2022 and 2021 totaled $2,171,388 and $2,172,119, respectively.

Use of Estimates

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

Liquidity

The University regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The University considers all expenditures related to its ongoing activities of teaching and public service as well as the conduct of services undertaken to support general institutional expenditures.

In addition to financial assets available to meet general expenditures, the University operates with a balanced operating budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

As of May 31, 2022 and 2021, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

	2022	2021
Cash and Cash Equivalents	$ 9,242,144	$ 9,680,152
Less Funds Held for Others	(768,521)	(782,454)
Accounts Receivable	1,839,504	2,397,215
Investments	89,592,732	95,312,268
Pledges Receivable	962,111	683,811
Total	$ 100,867,970	$ 107,290,992

The majority of the University's liquidity is provided by cash and cash equivalents. Student loan receivables are not included in the analysis, as principal and interest on these loans are used to make new loans and Perkins is restricted for payment of the governmental grants refundable liability. Included in the available investment balance above are board-designated endowment and reserve funds in the amount of $10,929,703 and $12,458,003 included in the University's statements of financial position at May 31, 2022 and 2021, respectively. Although the University does not intend to spend from the corpus of these funds, these amounts could be made available if deemed necessary.

Subsequent Events

In connection with the preparation of the financial statements, the University has evaluated subsequent events and transactions for potential recognition or disclosure through December 2, 2022, the date the financial statements were issued.

NOTE 2 FAIR VALUE MEASUREMENTS

The University uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the University measures fair value refer to Note 1 – Summary of Significant Accounting Policies.

The following table presents the University's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of May 31, 2022 and 2021.

	2022				
	NAV**	Level 1	Level 2	Level 3	Total
Deposits with Bond Trustee	$ -	$ -	$ -	$ -	$ -
Investments:					
Short-Term Investments	-	29,019,553	-	-	29,019,553
Bonds	74,309,076	-	-	-	74,309,076
Stocks - Domestic	82,472,982	42,602,871	-	-	125,075,853
Stocks - International	8,426,227	216,308	-	-	8,642,535
Beneficial Interest in Perpetual Trusts (Not Trustee)	-	-	-	2,775,300	2,775,300
Total Assets	$ 165,208,285	$ 71,838,732	$ -	$ 2,775,300	$ 239,822,317

	2021				
	NAV**	Level 1	Level 2	Level 3	Total
Deposits with Bond Trustee	$ -	$ 112,613	$ -	$ -	$ 112,613
Investments:					
Short-Term Investments	-	23,529,681	-	-	23,529,681
Bonds	44,696,561	35,228,788	-	-	79,925,349
Stocks - Domestic	87,133,956	50,359,020	-	-	137,492,976
Stocks - International	10,823,810	1,830,611	-	-	12,654,421
Beneficial Interest in Perpetual Trusts (Not Trustee)	-	-	-	2,991,865	2,991,865
Total Assets	$ 142,654,327	$ 111,060,713	$ -	$ 2,991,865	$ 256,706,905

**In accordance with Subtopic 820-10, certain investments that are measured at fair value using the Net Asset Value (NAV) per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

NOTE 2 FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables present the University's activity for assets measured at fair value and a recurring basis using significant unobservable inputs (Level 3) as defined in Note 1 – Summary of Significant Accounting Policies for the years ended May 31, 2022 and 2021:

	Beneficial Interest in Perpetual Trusts
Balance - June 1, 2021	$ 2,991,865
Unrealized Loss	(186,313)
Write-Off's	-
Transfers In	-
Transfers Out	-
Closed Out / Receipts	(30,252)
Balance - May 31, 2022	$ 2,775,300

	Beneficial Interest in Perpetual Trusts
Balance - June 1, 2020	$ 2,569,917
Unrealized Gain	458,615
Write-Off's	-
Transfers In	-
Transfers Out	-
Closed Out / Receipts	(36,667)
Balance - May 31, 2021	$ 2,991,865

Below is additional information regarding the valuation of the Level 3 assets:

Instrument	Fair Value 2022	Fair Value 2021	Principal Valuation Technique	Unobservable Inputs	Range (Weighted Average)
Beneficial Interest in Trusts	$ 2,775,300	$ 2,991,865	Percentage of		N/A
			Assets	Trust Agreement	N/A

In situations where an investment mutual fund does not have a readily determinable fair value and meets other eligibility criteria, the University measures fair value based on the net asset value per share or its equivalent. The following table lists investment mutual funds by major category at net asset value as of:

May 31, 2022

Strategy	Asset Category	Market Value	Redemption Frequency	Redemption Notice
SSgA	Stock Domestic	$ 72,610,785	Daily	2 Days
Vulcan	Stock Domestic	9,862,197	Daily	3 Days
Vulcan	Stock International	8,426,227	Daily	3 Days
Payden	Bond	32,983,258	Daily	1 Day
CBIS	Bond	41,325,818	Daily	1 Day
		$ 165,208,285		

May 31, 2021

Strategy	Asset Category	Market Value	Redemption Frequency	Redemption Notice
SSgA	Stock Domestic	$ 73,890,656	Daily	2 Days
Vulcan	Stock Domestic	13,243,309	Daily	3 Days
Vulcan	Stock International	10,823,810	Daily	3 Days
CBIS	Bond	44,696,552	Daily	1 Day
		$ 142,654,327		

NOTE 2 FAIR VALUE MEASUREMENTS (CONTINUED)

For the years ended May 31, 2022 and 2021, the socially screened index investment mutual fund strategy (SSGA) is a privately offered commingled vehicle managed under socially responsible guidelines. The fund invests in the stocks of the S&P 500 Index which consists of domestic large capitalization stocks. The funds offer daily liquidity with varying redemption notice periods. There were no unfunded commitments at May 31, 2022.

NOTE 3 CONTRIBUTIONS RECEIVABLE

Contributions receivable are discounted at rates ranging from 2.58% to 4.93% and are summarized as follows at May 31:

	2022	2021
Less Than One Year	$ 1,046,331	$ 909,638
One Year to Five Years	1,589,498	1,086,473
More Than Five Years	466,365	452,566
Total	3,102,194	2,448,677
Discount	(252,756)	(125,017)
Contributions Receivable, Net	$ 2,849,438	$ 2,323,660

Receivables from two contributors represent 63% of the balance in contributions receivable as of May 31, 2022. Receivables from three contributors represent 51% of the balance in contributions receivable as of May 31, 2021.

NOTE 4 CREDIT QUALITY OF STUDENT LOANS RECEIVABLE

The University issues uncollateralized loans to students based on financial need. Student loans are funded through federal government loan programs. At May 31, 2022 and 2021, student loans represented 1.54% and 1.66% of total assets, respectively. At May 31, student loans consisted of the following:

	2022	2021
Federal Government Programs	$ 5,817,766	$ 6,529,467
Less: Allowance	(450,000)	(450,000)
Loans to Students	$ 5,367,766	$ 6,079,467

Outstanding loans cancelled under the program result in a reduction of the funds available for loan.

NOTE 4 CREDIT QUALITY OF STUDENT LOANS RECEIVABLE (CONTINUED)

At May 31, 2022 and 2021 respectively, the following amounts were past due as defined by federal student loan programs:

	2022	2021
30-90 Days Past Due	$ 12,654	$ 7,654
91-180 Days Past Due	8,515	10,232
181-364 Days Past Due	81,908	33,652
1-2 Years Past Due	113,309	55,735
2 or More Years Past Due	437,386	416,609
Total	$ 653,772	$ 523,882

The University participates in the Perkins federal revolving loan program which is now closed. As loans are repaid, the federal portion is returned to the U.S. government. The University participates in the Health Professional Student Loan Program. The availability of funds for loans under these programs are dependent on reimbursements, plus interest, to the loan pool from repayments on outstanding loans. Funds advanced by the federal government of $5,389,774 and $6,666,608 at May 31, 2022 and 2021, respectively, are ultimately refundable to the government and are classified as liabilities in the statements of financial position.

Allowances for doubtful accounts are established based on prior collection experience and current economic factors which, in management's judgment, could influence the ability of loan recipients to repay the amounts per the loan terms. Amounts due under the Perkins loan program are guaranteed by the government and, therefore, no reserves are placed on any past due balances under the program. The University has an allowance of $450,000 at May 31, 2022 and 2021 for the Health Professional Loan Program. The University does not authorize or disburse faculty and staff loans.

NOTE 5 INVESTMENTS

The fair value of investments as of May 31, 2022 and 2021 is as follows:

	2022	2021
Common Stock - Domestic	$ 125,075,853	$ 137,492,976
Common Stock - International	8,642,535	12,654,421
Corporate Bonds	74,309,076	79,925,349
Cash and Equivalents	29,045,180	23,529,681
Cash Surrender Value, Life Insurance Policies	1,926,625	1,901,945
Total	$ 238,999,269	$ 255,504,372

The University uses the total return method of accounting for income from its investments of endowment funds. Under this method, a rate of return is established which is considered to be a prudent return on investment, consisting of both yield (dividend and interest) and realized and unrealized gains.

Investment expenses, including custodial and management fees, totaled $448,326 and $366,053 for the years ended May 31, 2022 and 2021, respectively.

NOTE 6 PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consisted of the following at May 31:

	2022	2021
Land	$ 2,438,354	$ 2,438,354
Building and Improvements	133,935,375	132,898,617
Furniture and Equipment	29,830,494	29,123,278
Construction in Progress	290,874	-
Total	166,495,097	164,460,249
Less: Accumulated Depreciation	(86,873,587)	(82,051,714)
Total Property, Plant, and Equipment	$ 79,621,510	$ 82,408,535

NOTE 7 ENDOWMENTS

The University endowment consists of approximately 370 individual endowments established for a variety of operating and scholarship purposes. The endowment includes both donor-restricted endowments and board-designated endowments (quasi). The University records the original value of the gifts, subsequent gifts, and any accumulated earnings as directed by donor agreement which are donor-restricted to the permanent endowment and the value of subsequent gifts to the permanent endowment.

In accordance with UPMIFA (Uniform Prudent Management of Institutional Funds Act), the University considers the following factors in making a determination of appropriate or accumulated donor-restricted endowment funds:

- The duration and preservation of the funds
- The purposes of the University and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the University

Endowment net asset composition by type of fund as of May 31, 2022 were:

	Without Donor Restriction	With Donor Restriction	Total
Donor-Restricted Endowment Funds	$ -	$ 122,197,493	$ 122,197,493
Board-Designated Endowment Funds	10,929,703	-	10,929,703
Total Funds	$ 10,929,703	$ 122,197,493	$ 133,127,196

NOTE 7 ENDOWMENTS (CONTINUED)

Endowment related activities for the year ended May 31, 2022:

	Without Donor Restriction	With Donor Restriction	Total
Endowment Net Assets, June 1, 2021	$ 12,458,003	$ 131,438,083	$ 143,896,086
Investment Return:			
Investment Income	-	2,954,160	2,954,160
Net Realized and Unrealized Gain	(1,528,300)	(13,509,055)	(15,037,355)
Total Investment Return	(1,528,300)	(10,554,895)	(12,083,195)
Contributions	-	6,323,951	6,323,951
Appropriations of Endowment Assets for Expenditure	-	(5,009,646)	(5,009,646)
Endowment Net Assets, May 31, 2022	$ 10,929,703	$ 122,197,493	$ 133,127,196

Endowment net asset composition by type of fund as of May 31, 2021:

	Without Donor Restriction	With Donor Restriction	Total
Donor-Restricted Endowment Funds	$ -	$ 131,438,083	$ 131,438,083
Board-Designated Endowment Funds	12,458,003	-	12,458,003
Total Funds	$ 12,458,003	$ 131,438,083	$ 143,896,086

Endowment related activities for the year ended May 31, 2021:

	Without Donor Restriction	With Donor Restriction	Total
Endowment Net Assets, June 1, 2020	$ 8,689,720	$ 88,410,286	$ 97,100,006
Investment Return:			
Investment Income	-	2,279,001	2,279,001
Net Realized and Unrealized Gain	3,768,283	41,762,465	45,530,748
Total Investment Return	3,768,283	44,041,466	47,809,749
Contributions	-	3,801,836	3,801,836
Appropriations of Endowment Assets for Expenditure	-	(4,815,505)	(4,815,505)
Endowment Net Assets, May 31, 2021	$ 12,458,003	$ 131,438,083	$ 143,896,086

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the University to retain as a fund of perpetual duration. As of May 31, 2022 and 2021, no deficiencies of this nature existed.

NOTE 7 ENDOWMENTS (CONTINUED)

Investment Objectives and Strategies

The University's board of trustees has adopted a set of investment policies and guidelines to which it adheres to in order to minimize investment risks. To this end, the investment policies and guidelines mandate a diversified investment portfolio, and a committee of the board reviews and evaluates the investment objectives and performance periodically. Endowment funds are managed primarily by outside fund managers selected by the University. The University retains an investment consultant who works with the University on selecting outside fund managers. The University currently utilizes five fund types in diversifying our endowment portfolio. The University uses an asset allocation model, with target allocations approximating 60% of the endowment to equity investments and 40% of the endowment to fixed rate income investments. Income earned and appreciation, both realized and unrealized, are measured to calculate a total return. The investment subcommittee is charged with reviewing the allocation of endowment funds between equity investments and fixed rate income investments.

Spending Policy

The University uses the total return concept to manage its perpetually restricted endowment investments and certain other investments designated by the University as endowment. Under this concept, a spending rate is established which is considered to be prudent and is drawn from both yield (dividends and interest) and realized and unrealized gains. For the years ended May 31, 2022 and 2021, the maximum spending rate was 5.5% of the 36-month moving average fair value of such investments. For fiscal years May 31, 2022 and 2021, the effective payout percentage was 5% and the book entry appropriating endowment net assets for expenditure was $5,009,646 and $4,815,505, respectively. Accordingly, over the long term, the University expects the current spending policy to allow its endowment to grow and maintain the purchasing power of the endowment assets held in perpetuity as well as provide real growth through new gifts and investment return.

NOTE 8 BONDS PAYABLE

Bonds payable at May 31, 2022 and 2021 consists of the following:

Description	2022	2021
Minnesota Higher Education Facilities Authority Revenue and Refunding Bonds, Series 2018A (St. Catherine University), bearing interest at rates ranging from 4.0% to 5.0%; due in varying annual installments 2024 through 2038, and term bonds commencing 2039 through 2045.	$ 49,770,000	$ 49,770,000
Minnesota Higher Education Facilities Authority Taxable Revenue Refunding Bonds, Series 2018B (St. Catherine University), bearing interest at 4.937%; due in term bonds commencing 2046 through 2050.	20,765,000	20,765,000
Total	70,535,000	70,535,000
Plus: Unamortized Premium	4,900,509	5,163,206
Less: Unamortized Deferred Financing Cost	(263,288)	(278,923)
Total Bonds Payable	$ 75,172,221	$ 75,419,283

On September 13, 2018, the Minnesota Higher Education Facilities Authority issued Revenue and Refunding Bonds, Series 2018A (St. Catherine University) on behalf of the University totaling $49,770,000.

The Series 2018A Revenue and Refunding Bonds have interest rates ranging from 4.00% to 5.00% and mature in annual amounts ranging from $1,295,000 to $3,585,000 on October 1 in the years 2024 through 2045. The bonds are secured by a pledge of the loan repayments, the payment of which is a general obligation of the University.

Also, on September 13, 2018, the Minnesota Higher Education Facilities Authority issued Taxable Revenue Refunding Bonds, Series 2018B (St. Catherine University) on behalf of the University totaling $20,765,000.

The Series 2018B Revenue Refunding Bonds have an interest rate of 4.937% and mature in annual amounts ranging from $3,755,000 to $4,570,000 on October 1 in the years 2046 through 2050. The bonds are secured by a pledge of the loan repayments, the payment of which is a general obligation of the University.

NOTE 8 BONDS PAYABLE (CONTINUED)

Below are the scheduled maturities of bonds payable for each of the next five years and thereafter:

Year Ending May 31,	Amount
2023	$ -
2024	-
2025	1,295,000
2026	1,360,000
2027	1,430,000
Thereafter	66,450,000
Total	$ 70,535,000

Total interest expense for the years ended May 31, 2022 and 2021, amounted to approximately $3,195,464 and $3,193,355, respectively.

NOTE 9 ENVIRONMENTAL REMEDIATION

The University owns several assets on campus that contain environment contaminants in various forms. At this time, the University plans to renovate or demolish certain buildings over their estimated remaining useful lives of 50-150 years. In addition to potential project work, in accordance with applicable standards, management has estimated the cost of any potential obligation to remove contaminants and annually undertakes abatement measures. The University used a future value rate assumption of 2.7% and brought that estimate back to present value using a risk-free rate of return of 5.0% in making this determination. The potential environmental remediation liability of $255,000 at May 31, 2022 and 2021 is recorded as an accrued liability on the statements of financial position.

NOTE 10 RESTRICTIONS AND LIMITATIONS ON NET ASSET BALANCES

Donor-restricted nets assets not invested in perpetuity at May 31:

	2022	2021
Operations	$ 74,967,715	$ 90,681,982
Capital Expenditures	6,121,820	2,284,014
Scholarships	3,771,853	3,504,041
Faculty Chairs	2,280,853	1,998,157
Faculty and Staff Development	1,391,780	1,301,850
Programs	10,391,662	11,013,824
Total	$ 98,925,683	$ 110,783,868

Net assets released for time and purpose restrictions were $18,397,138 and $14,087,945 for the years ended May 31, 2022 and 2021, respectively.

NOTE 10 RESTRICTIONS AND LIMITATIONS ON NET ASSET BALANCES (CONTINUED)

Donor-restricted net assets invested in perpetuity. The purposes the income is expendable to support are as follows at May 31:

	2022	2021
Scholarships	$ 38,804,475	$ 33,793,472
Faculty Chairs	8,936,193	7,969,527
Faculty and Staff Development	2,871,051	2,875,378
Programs	10,208,440	10,228,130
Total	$ 60,820,159	$ 54,866,507

NOTE 11 EMPLOYEE BENEFITS

Contributory Savings Plan

The University also participates in a discretionary individual retirement plan administered by Teachers Insurance and Annuity Association, University Retirement Equities Fund (TIAA) or Fidelity which covers substantially all faculty and administrative personnel. Participants who contribute at least 5% of their salary receive a University contribution of 8% of the participant's salary. Effective January 1, 2019, TIAA was named the sole administrator for new contributions and plan design changes provided a University match at lower contribution levels to increase plan participation. Participant contributions of 3% of salary receive an equivalent 3% employer match, and a 4% contribution allows for a 4% University match. Retirement plan expense was $685,433 and $7,717 for the years ended May 31, 2022 and 2021, respectively.

Health Benefit Plan

The University has an Employee Health Benefits Plan (the Plan) to provide comprehensive health benefits for covered employees and their covered dependents, as defined in the Plan agreement. This Plan is self-insured and, as such, the University pays the benefits as claims for benefits and associated expenses are incurred subject to stop-loss limits of $120,000 per claimant. There is also a group aggregate stop-loss limit, which is recalculated quarterly based on Plan enrollment. For the years ended May 31, 2022 and 2021, the aggregate stop-loss amount was $7,031,439 and $7,237,683, respectively. The employees are required to contribute to the cost of coverage under the Plan. The liability is reported as a component of accrued expenses on the statements of financial position.

NOTE 12 COMMITMENTS

Leases

The University leases instructional equipment and laundry equipment in residence halls on campus. The leases expire at various dates through 2028 and provide for renewal options ranging from month-to-month to four months. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases.

NOTE 12 COMMITMENTS (CONTINUED)

Leases (Continued)

The following table provides quantitative information concerning the University's leases.

	2022	2021
Finance Lease Cost:	$ 276,740	$ 276,740
Amortization of Right-of-Use Assets	(77,056)	(35,984)
Interest on Lease Liabilities	(2,829)	(721)
Total Lease Cost	$ 196,855	$ 240,035
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities	$ 47,654	$ 39,711
Financing Cash Flows from Financing Leases	47,654	39,711
Right-of-Use Asset Obtained in Exchange for New Financing Lease Liabilities	-	276,740
Weighted-Average Remaining Lease Term - Financing Lease	4.2 Years	5.7 Years
Weighted-Average Discount Rate - Financing Leases	2.94%	2.94%

Future commitments for these leases are as follows:

Year Ending May 31,	Financing Leases
2023	$ 47,654
2024	47,654
2025	47,654
2026	38,185
2027	39,032
Total	220,179
Amount Representing Interest	(28,695)
Total Lease Liability	$ 191,484

NOTE 13 RELATED PARTY TRANSACTIONS

The University has entered into a lease agreement at the Carondelet Center for residence space at an annual cost of $80,630. The one-year lease obligation ended at May 31, 2021 and was not renewed. The University received contributions from the Sisters of St. Joseph of Carondelet totaling $156,875 and $49,660 for the years ended May 31, 2022 and 2021, respectively.

NOTE 14 CONTINGENCIES

The University is subject to certain claims arising out of the ordinary course of business. Although it is not possible to predict the outcome of these claims, management believes they will not have a material effect on the financial condition of the University.

NOTE 15 EXPENSES BY FUNCTION AND NATURAL CLASSIFICATION

In its statements of activities, the University reports expenditures in categories reflecting core operational objectives for higher education, as defined by Integrated Postsecondary Education Data System (IPEDS). During the year, expenses are directly coded to program (instruction, academic support, student services, auxiliary services, and sponsored programs) or support services (institutional support) whenever possible. Expenses which are not directly identifiable by program or support service including interest, depreciation, and facilities are allocated based on the best estimates of management.

Expenses reported by function on the statements of activities are summarized by natural classification for the year ended May 31:

	2022		
	Program Services	Supporting Activities	Total
Salaries, Benefits, and Taxes	$ 52,172,284	$ 8,644,384	$ 60,816,668
Professional and Other Services	11,810,055	3,786,408	15,596,463
Office Expenses and Information Technology	4,535,760	2,760,967	7,296,727
Occupancy	724,012	1,270,678	1,994,690
Travel and Conferences	313,657	125,046	438,703
Interest	3,074,462	121,002	3,195,464
Depreciation (Excluding Amortization)	4,590,691	274,364	4,865,055
Insurance	1,518	777,520	779,038
Repairs and Maintenance	761,986	1,106,612	1,868,598
Other	2,014,481	387,932	2,402,413
Total Expenses by Function	$ 79,998,906	$ 19,254,913	$ 99,253,819

	2021		
	Program Services	Supporting Activities	Total
Salaries, Benefits, and Taxes	$ 51,349,466	$ 8,216,235	$ 59,565,701
Professional and Other Services	13,293,252	3,292,901	16,586,153
Office Expenses and Information Technology	4,961,156	3,138,073	8,099,229
Occupancy	568,857	858,819	1,427,676
Travel and Conferences	201,621	21,294	222,915
Interest	3,061,495	132,582	3,194,077
Depreciation (Excluding Amortization)	4,393,365	262,894	4,656,259
Insurance	505	662,116	662,621
Repairs and Maintenance	516,280	704,525	1,220,805
Other	1,692,974	671,600	2,364,574
Total Expenses by Function	$ 80,038,971	$ 17,961,039	$ 98,000,010

NOTE 16 COMPOSITE SCORE

The University participates in various federally funded student financial aid programs. Under regulatory provisions of these programs, the University is required to demonstrate financial responsibility by meeting a certain composite score based on a formula developed by the Department of Education. This score uses financial ratios based on the University's audited financial statements. The composite score calculated reflects the overall relative financial health of institutions along a scale of negative 1.0 to positive 3.0.

The composite score for the year ended May 31, 2022 is as follows:

Primary Reserve Ratio:		
Expendable Net Assets	$ 176,459,613	
Total Expenses/Losses	$ 99,253,819	1.777862
Equity Ratio:		
Modified Net Assets	$ 253,738,684	
Modified Assets	$ 347,889,355	0.729366
Net Income Ratio:		
Change in Net Assets Without Donor Restrictions	$ (8,234,259)	
Total Revenues/Gains	$ 96,723,477	-0.085132

	Ratio	Strength Factor	Weight	Composite Scores
Primary Reserve Ratio	1.7779	3.0000	40%	1.2000
Equity Ratio	0.7294	3.0000	40%	1.2000
Net Income Ratio	-0.0851	-1.0000	20%	(0.2000)
				2.2000

See below for additional disclosures deemed necessary to calculate certain ratios for determining sufficient financial responsibility under Title IV.

Net Assets		
1	Net assets with donor restrictions: restricted in perpetuity	$ 60,820,159
2	Other net assets with donor restrictions (not restricted in perpetuity):	
a.	Annuities with donor restrictions	$443,332
b.	Term endowments	
c.	Life income funds (trusts)	851,464
		$ 1,294,796

NOTE 16 COMPOSITE SCORE (CONTINUED)

Property, Plant, and Equipment, Net			
3	Pre-implementation property, plant, and equipment, net		
a.	Ending balance of pre-implementation as of May 31, 2021	$	68,320,265
b.	Reclassify capital lease assets previously included in PPE, net prior to the implementation of ASU 2016-02 leases standard		-
c.	Less subsequent depreciation and disposals (net of accumulated depreciation)		(3,857,500)
d.	Balance pre-implementation property, plant, and equipment, net		64,462,765
4	Debt financed post-implementation property, plant, and equipment, net Long-lived assets acquired with debt subsequent to May 31, 2019:		
a.	Equipment		1,900,589
b.	Land improvements		131,000
c.	Building		10,888,672
d.	Total property, plant, and equipment, net acquired with debt exceeding 12 months		12,920,261
5	Construction in progress - acquired subsequent to May 31, 2019		-
6	Post-implementation property, plant, and equipment, net, acquired without debt:		
a.	Long-lived assets acquired without use of debt subsequent to May 31, 2019		2,238,484
7	Total Property, Plant, and Equipment, net - May 31, 2022	$	79,621,510
Debt to be Excluded from Expendable Net Assets			
8	Pre-implementation debt:		
a.	Ending balance of pre-implementation as of May 31, 2021	$	68,320,265
b.	Reclassify capital leases previously included in long-term debt prior to the implementation of ASU 2016-02 leases standard.		-
c.	Less subsequent debt repayments		(247,062)
d.	Removal in order to not exceed pre-implementation PPE		(3,610,438)
e.	Balance Pre-implementation Debt		64,462,765
9	Allowable post-implementation debt used for capitalized long-lived assets:		
a.	Equipment - all capitalized		-
b.	Land improvements		-
c.	Buildings		-
d.	Balance Post-implementation Debt		-
10	Construction in progress (CIP) financed with debt or line of credit		-
11	Long-term debt not for the purchase of property, plant, and equipment or liability greater than assets value		10,709,456
		$	75,172,221

ST. CATHERINE UNIVERSITY
FINANCIAL RESPONSIBILITY RATIO SUPPLEMENTARY SCHEDULE
MAY 31, 2022 AND 2021

	Primary Reserve Ratio:			
		Expendable Net Assets:		
1	Statement of Financial Position (SFP)	Net Assets without Donor Restrictions	$	93,992,842
2	SFP	Net Assets with Donor Restrictions		159,745,842
3	Note 16	Net Assets Restricted in Perpetuity		60,820,159
4	N/A	Unsecured Related-Party Receivable		-
5	Note 16	Donor-Restricted Annuities, Term Endowments, Life Income Funds		1,294,796
6	Note 16	Property, Plant, and Equipment Pre-Implementation		64,462,765
7	Note 16	Property, Plant, and Equipment Post-Implementation with Outstanding Debt for Original Purchase		12,920,261
8	Note 16	Construction in Progress Purchased with Long-Term Debt		-
9	Note 16	Post-Implementation Property, Plant, and Equipment, Net, Acquired without Debt		2,238,484
10	N/A	Lease Right-of-Use Asset, Pre-Implementation (Grandfather of Leases Option not Chosen)		-
11	SFP	Lease Right-of-Use Asset, Post-Implementation		196,855
12	N/A	Intangible Assets		-
13	N/A	Post-Employment and Pension Liabilities		-
14	Note 16	Long-Term Debt - for Long-Term Purposes Pre-Implementation		64,462,765
15	Note 16	Long-Term Debt - for Long-Term Purposes Post-Implementation		-
16	Note 16	Line of Credit for Construction In Progress		-
17	N/A	Pre-Implementation Right-of-Use Asset Liability		-
18	SFP	Post-Implementation Right-of-Use Asset Liability		191,484
		Total Expenses And Losses:		
18	Statement of Activities (SOA)	Total Expenses (Operating and Nonoperating) without Donor Restrictions		99,253,819
19	N/A	Nonservice Component of Pension/Postemployment (Nonoperating) Cost, (if Loss)		-
20	N/A	Sale of Fixed Assets (if Loss)		-
21	N/A	Change in Value of Interest-Rate Swap Agreements (if Loss)		-
	Equity Ratio:			
		Modified Net Assets:		
22	SFP	Net Assets without Donor Restrictions	$	93,992,842
23	SFP	Net Assets with Donor Restrictions		159,745,842
24	N/A	Intangible Assets		-
25	N/A	Unsecured Related-Party Receivables		-
		Modified Assets:		
26	SFP	Total Assets		347,889,355
27	N/A	Lease Right-of-Use Asset Pre-Implementation		-
28	N/A	Intangible Assets		-
29	N/A	Unsecured Related-Party Receivables		-
	Net Income Ratio:			
30	SOA	**Change in Net Assets Without Donor Restrictions**	$	(8,234,259)
		Total Revenues and Gains:		
31	SOA	Total Operating Revenue (Including Net Assets Released from Restrictions)		96,723,477
32	SOA	Investments Gain, Net (Aggregate Operating and Nonoperating		-
		Interest, Dividends, Realized and Unrealized Gains)		-
33	SOA	Nonservice Component of Pension/Postemployment (Nonoperating) Cost (if Gain)		-
34	SOA	Pension-Related Changes other than Net Periodic Pension Costs (if Gain)		-
35	SOA	Change in Value of Annuity Agreement (Typically in Nonoperating)		
36	SOA	Change in Value of Interest-Rate Swap Agreements (if Gain)		-
37	N/A	Sale of Fixed Assets (if Gain)		-
38	SOA	Other Gains		-

FISCAL YEAR 2023 OPERATING FUND BUDGET TO ACTUAL
UNAUDITED INFORMATION

Operating Fund Budget to Actual
11 Months Ending April, FY 23

PRELIMINARY
(numbers in 000's)

	FY22 Actual	FY23 Final Budget	FY23 YTD Actual
Operating Revenue			
Tuition and Fees	$106,646	$111,719	$100,752
Less Internally Funded Aid	(35,900)	(38,786)	(35,770)
Sub-Total	70,746	72,933	64,982
Grants and Gifts	2,528	3,140	2,832
Auxiliary Enterprises	6,093	7,066	6,575
Other	865	1,239	1,056
Sub-Total	9,486	11,445	10,463
Net Operating Revenue	**84,232**	**84,378**	**75,445**
Operating Expense			
Instructional	32,113	36,119	31,111
Academic Support: Library	1,612	1,910	1,873
Academic Support: Other	3,636	4,680	3,889
Student Services	9,570	11,536	10,449
Institutional Support	24,709	28,271	26,008
Auxiliary Enterprises	3,708	4,532	4,139
Compensation Pool	-	1,300	-
	75,349	**88,346**	**77,469**
Unallocated Revenue/Expenses	(277)	3,968	(872)
Net Position	**$ 4,606**	**-**	**$ 2,896**

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ST. CATHERINE
UNIVERSITY