NEW ISSUE – BOOK ENTRY ONLY

RATING: S&P: "BBB"
Stable Outlook
See: "RATING" herein

In the opinion of Ballard Spahr LLP, Bond Counsel, interest on the Bonds is excludable from gross income for purposes of federal income tax, assuming continuing compliance with the requirements of the federal tax laws. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel is also of the opinion that under the laws of the Commonwealth of Pennsylvania, as presently enacted and construed, interest on the Bonds is exempt from Pennsylvania personal income tax and corporate net income tax. See "TAX MATTERS" herein.

SAINT FRANCIS UNIVERSITY
FOUNDED 1847

$13,010,000
CAMBRIA COUNTY GENERAL FINANCING AUTHORITY
(Commonwealth of Pennsylvania)
Revenue Bonds
(AICUP Financing Program – Saint Francis University Project)
Series 2021 TT5

Dated: Date of Delivery **Due: April 1, as shown on inside cover**

The Cambria County General Financing Authority (the "Authority") will issue $13,010,000 aggregate principal amount of its Revenue Bonds (AICUP Financing Program – Saint Francis University Project) Series 2021 TT5 (the "Bonds") in denominations of $5,000 and any integral multiple thereof.

The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of beneficial interests in Bonds will be made only in book entry only form in denominations of $5,000 and any integral multiple thereof, and no physical delivery of Bonds will be made to Beneficial Owners (as herein defined) except as described herein. The principal of and premium, if any, and interest on the Bonds will be paid by the Trustee to DTC. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, (a) payments of principal of and premium, if any, and interest on the Bonds will be made to DTC for payment to its participants for subsequent disbursement to the Beneficial Owners, (b) all notices, including any notice of redemption shall be given only to DTC, and (c) references herein to the bondholders or registered owners of the Bonds shall mean Cede & Co., and shall not mean the Beneficial Owners of the Bonds. See "THE BONDS -- Book Entry Only System."

The principal of and premium, if any, on the Bonds will be payable to the registered owner at the designated corporate trust agency office of The Bank of New York Mellon Trust Company, N.A., Pittsburgh, Pennsylvania, as trustee (the "Trustee") for the Bonds, or the designated corporate trust office of any successor Trustee. The Bonds will bear interest at the rates shown on the inside cover hereof. Interest on the Bonds will be payable semiannually on April 1 and October 1, commencing April 1, 2022.

The Bonds are payable solely from, and are secured by an assignment and a pledge of, payments and other revenues to be received by the Authority under a Loan Agreement between the Authority and Saint Francis University (the "Borrower"), and from Bond proceeds and other moneys pledged to or held by the Trustee under the Trust Indenture between the Authority and the Trustee pursuant to which the Bonds are issued and secured.

The Bonds are subject to redemption prior to maturity as described herein.

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE SOURCES REFERRED TO IN THE INDENTURE PURSUANT TO WHICH SUCH BONDS ARE ISSUED AND SECURED, AND THE BONDS SHALL NOT BE OR BE DEEMED TO BE A GENERAL OBLIGATION OF THE AUTHORITY OR AN OBLIGATION OF CAMBRIA COUNTY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER CAMBRIA COUNTY, THE COMMONWEALTH OF PENNSYLVANIA NOR ANY POLITICAL SUBDIVISION THEREOF IS OR SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS, AND NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE FAITH AND CREDIT OR TAXING POWER OF CAMBRIA COUNTY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO SUCH PAYMENT. THE AUTHORITY HAS NO TAXING POWER.

The Bonds are offered when, as and if issued by the Authority, subject to prior sale, withdrawal or modification of the offer without any notice, and to the approving opinion of Ballard Spahr LLP, Philadelphia, Pennsylvania, Bond Counsel. Certain legal matters will be passed upon by Shahade and Shahade, Johnstown, Pennsylvania, as counsel to the Authority; by Dennis M. McGlynn Law Office, Johnstown, Pennsylvania, as counsel to the Borrower; and by Eckert Seamans Cherin & Mellott, LLC, Pittsburgh, Pennsylvania, as counsel to the Underwriter. It is expected that Bonds in definitive form will be delivered to DTC in New York, New York, on or about November 16, 2021.

STIFEL

The date of this Official Statement is November 4, 2021.

$13,010,000
CAMBRIA COUNTY GENERAL FINANCING AUTHORITY
(Commonwealth of Pennsylvania)
REVENUE BONDS
(AICUP FINANCING PROGRAM - SAINT FRANCIS UNIVERSITY PROJECT)
SERIES 2021 TT5

MATURITY SCHEDULE

$6,035,000 4.000% Term Bond Due April 1, 2046; Yield 3.100%*; Price 107.270%*; CUSIP† 132034 AV1

$6,975,000 3.250% Term Bond Due April 1, 2050; Yield 3.450%; Price 96.396%; CUSIP† 132034 AW9

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† The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the Authority, the Borrower or the Underwriter, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. None of the Authority, the Borrower or the Underwriter has agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

* Yield/Priced to first optional redemption date of April 1, 2031.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT 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 WITHOUT PRIOR NOTICE.

No dealer, broker, salesperson or other person has been authorized by the Authority, the Borrower, the Program Sponsor or the Underwriter (hereinafter defined) to give any information or to make any representations with respect to the Bonds other than those in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be a sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Except for the information concerning the Authority, the information contained herein is not to be construed as a representation by the Authority.

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 responsibility 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.

If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “assumes” and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties which could affect the revenues and obligations of the Borrower include, among others, changes in economic conditions, mandates from other governments and various other events, conditions and circumstances, many of which are beyond the control of the Borrower. Such forward-looking statements speak only as of the date of this Official Statement. The Borrower and the Authority disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Borrower’s or the Authority’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. None of the information contained herein, including any assumptions which relate to any forward-looking statements, has been modified to reflect changes, if any, which may occur as a result of the COVID-19 pandemic.

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, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the Borrower, or in any other matter described herein, since the date hereof or the dates of the information contained herein.

The order and placement of materials in this Official Statement, including the Appendices hereto, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the Appendices hereto, must be considered in its entirety.

The offering of the Bonds is made only by means of the entire Official Statement. This Official Statement is deemed “final” by the Authority and the Borrower within the meaning of Rule 15c2-12(b) under the Securities Exchange Act of 1934, as amended.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN THE OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT.

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OFFICIAL STATEMENT SUMMARY

The following is a summary of certain information contained in this Official Statement, to which reference should be made for a complete statement thereof. The Bonds are offered to potential investors only by means of the entire Official Statement, which includes the cover page and reverse thereof, this Summary, and the Appendices hereto. No person is authorized to detach this Summary from the Official Statement or otherwise use it without the entire Official Statement, including the cover page and reverse thereof, this Summary, and the Appendices hereto.

The Authority

Cambria County General Financing Authority (the "Authority") is a body corporate and politic created by the Board of Commissioners of Cambria County, Pennsylvania, pursuant to the provisions of the Pennsylvania Municipality Authorities Act, 53 Pa. Cons. Stat. §§5601-5622, as amended and supplemented (the "Act"). The Authority is authorized under the Act, among other things, to issue bonds or other obligations to finance projects for "eligible educational institutions" (as defined in the Act). The Bonds are being issued pursuant to the Act and a resolution adopted by the Authority.

The Program Sponsor

The financing program pursuant to which the Bonds will be issued is sponsored by the Association of Independent Colleges and Universities of Pennsylvania ("AICUP"), a nonprofit corporation located in Harrisburg, Pennsylvania, currently providing services and programs to 92 institutions of higher education in Pennsylvania. See "THE PROGRAM SPONSOR" herein.

The Borrower

Saint Francis University (the "Borrower") is a Pennsylvania nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Borrower is located in the Borough of Loretto, Cambria County, Pennsylvania. For more information regarding the Borrower, see Appendix A and Appendix B hereto.

The Trustee

The Bank of New York Mellon Trust Company, N.A., Pittsburgh, Pennsylvania has been appointed to serve as the trustee under the Indenture.

The Project

The proceeds of the sale of the Bonds will be used, together with other available funds, to finance the costs of a project (the "Project") for the benefit of the Borrower consisting of: (a) the payment (or reimbursement to the Borrower) of all or a portion of the costs of the construction, equipping and/or renovation of the following improvements located or to be located on the University's campus: (i) the admissions center, (ii) Connors Family Fine Arts Center, (iii) a chilled water project, (iv) the library air handling unit, (v) the renovations and expansion of Sullivan Hall, (vi) a sky bridge connecting certain campus buildings, and (vii) other miscellaneous campus improvement projects (collectively, the "Capital Project"); (b) the refinancing of the University's taxable loan in the original principal amount of $4,000,000 (the "Prior Loan"), the proceeds of which financed construction of an Experiential Learning Center located on the University campus; and (c) the payment of certain costs of issuing the Bonds. See "THE PROJECT" herein.

Authorized Denominations; Book-Entry Only

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds, and the Bonds will be registered in the name of Cede & Co., as registered owner and nominee for DTC. Individual purchases of Bonds will be made in book-entry form, in the authorized denomination of $5,000 and any integral multiple thereof. So long as Cede & Co. or any successor nominee of DTC is the registered owner of the

Bonds, references herein to the Bondholders, Holders, holders, owners or registered owners shall mean Cede & Co., or such successor nominee, and shall not mean the Beneficial Owners (hereinafter defined) of the Bonds. Principal and interest on the Bonds are payable by the Trustee to Cede & Co., as nominee for DTC, which will, in turn, remit such principal and interest to the DTC Participants for subsequent disbursement to the Beneficial Owners. (See "THE BONDS -- Book Entry Only System" herein).

Security for Bonds

The Bonds are limited obligations of the Authority payable solely from pledged revenues and other moneys assigned and pledged under the Indenture to secure such payment, including (i) the loan payments required to be made by the Borrower under the Loan Agreement, and (ii) moneys and obligations held by the Trustee in certain funds established under the Indenture. (See "SECURITY AND SOURCES OF PAYMENT FOR BONDS" herein.)

The Loan Agreement is the general obligation of the Borrower and the full faith and credit of the Borrower is pledged to secure the payments required thereunder. The Borrower's obligations under the Loan Agreement are secured by a pledge of the Pledged Revenues of the Borrower (as further described under "SECURITY AND SOURCES OF PAYMENT FOR BONDS – Pledged Revenues" below). For a summary of certain provisions of the Loan Agreement, see "THE LOAN AGREEMENT" herein.

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE SOURCES REFERRED TO IN THE INDENTURE PURSUANT TO WHICH THE BONDS ARE ISSUED AND SECURED, AND THE BONDS SHALL NOT BE OR BE DEEMED TO BE A GENERAL OBLIGATION OF THE AUTHORITY OR AN OBLIGATION OF CAMBRIA COUNTY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER CAMBRIA COUNTY, THE COMMONWEALTH OF PENNSYLVANIA NOR ANY POLITICAL SUBDIVISION THEREOF IS OR SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS, AND NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE FAITH AND CREDIT OR TAXING POWER OF CAMBRIA COUNTY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO SUCH PAYMENT. THE AUTHORITY HAS NO TAXING POWER.

Redemption Provisions

The Bonds are subject to optional and mandatory redemption as set forth herein. (See "THE BONDS -- Redemption Prior to Maturity" herein.)

OFFICIAL STATEMENT

$13,010,000
CAMBRIA COUNTY GENERAL FINANCING AUTHORITY
(Commonwealth of Pennsylvania)
REVENUE BONDS
(AICUP FINANCING PROGRAM - SAINT FRANCIS UNIVERSITY PROJECT)
SERIES 2021 TT5

INTRODUCTORY STATEMENT

This Official Statement, including the cover page and reverse thereof, the table of contents page, the Official Statement Summary and the Appendices hereto, is provided to furnish information with respect to the $13,010,000 aggregate principal amount of Revenue Bonds (AICUP Financing Program - Saint Francis University Project) Series 2021 TT5 (the "Bonds") being issued by the Cambria County General Financing Authority (the "Authority") under a Trust Indenture, dated as of November 1, 2021 (the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., a national banking association, Pittsburgh, Pennsylvania, as trustee (the "Trustee"). The Bonds will be dated the date of their initial delivery, will mature on the date or dates set forth on the inside cover hereof, and will be subject to redemption prior to maturity as described herein under "THE BONDS -- Redemption Prior to Maturity."

The Authority will loan the proceeds of the Bonds to Saint Francis University, a Pennsylvania nonprofit corporation (the "Borrower"), pursuant to a Loan Agreement dated as of November 1, 2021, between the Authority and the Borrower (the "Loan Agreement"). The Borrower is a private institution of higher education located in the Commonwealth of Pennsylvania, which is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Additional information respecting the Borrower, including certain financial statements, is set forth in Appendices A and B to this Official Statement.

The proceeds of the sale of the Bonds will be used, together with other available funds, to finance the costs of a project (the "Project") for the benefit of the Borrower consisting of the financing of: (i) the payment (or reimbursement to the Borrower) of the costs related to the Capital Project; (ii) the refinancing of the Prior Loan; and (iii) the payment of certain costs of issuing the Bonds. See "THE PROJECT" herein.

The Bonds are limited obligations of the Authority, and the principal thereof and premium, if any, and interest thereon will be payable solely from the revenues and other moneys assigned and pledged under the Indenture to secure such payment, including (i) the loan payments required to be made by the Borrower under the Loan Agreement, and (ii) moneys and obligations held by the Trustee in certain funds established under the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR BONDS" herein.

There follow herein brief descriptions of the Authority, the Program Sponsor, the Bonds and the Project, together with summaries of the Loan Agreement and the Indenture. Certain information regarding the Borrower, including certain financial statements, is set forth in Appendix A and Appendix B hereto. The form of the Continuing Disclosure Agreement is set forth in Appendix C, and the form of opinion of Bond Counsel is set forth in Appendix D. The description and summaries of the Loan Agreement, the Indenture and other documents contained herein do not purport to be comprehensive and are qualified in their entirety by reference to such documents, and all references to the Bonds are qualified in their entirety by the definitive form thereof included in the Indenture. Words and terms defined in such documents and not defined herein shall have the meanings set forth in such documents. Copies of such documents will be available for inspection during the initial offering period from the Underwriter, and thereafter, will be available for inspection at the corporate trust office of the Trustee in Pittsburgh, Pennsylvania or at the designated corporate trust office of any successor Trustee.

THE AUTHORITY

General

The Authority is a body politic and corporate of the Commonwealth of Pennsylvania organized and existing under the Act by a resolution adopted by the Board of County Commissioners of Cambria County (the "County"). The Authority may finance projects for "eligible educational institutions" (as defined in the Act).

The Authority has issued, and may continue to issue, other series of revenue bonds and notes for the purposes of financing other projects as permitted by the Act. None of the Authority's outstanding revenue bonds or notes, other than the Bonds, is payable from or secured by the revenues of the Borrower or other monies securing the Bonds.

Members of the Authority

The governing body of the Authority is a Board consisting of seven members appointed by the County Commissioners of the County of Cambria. Members of the Board are appointed for staggered terms. The present members of the Board are as follows:

Name	Position
Warren M. Myers	Chairperson
Scott Morris	Vice Chairperson
Donald F. Kirsch	Secretary/Treasurer
Jerome A. Stephens	Assistant Secretary/Treasurer
Thomas McAneny	Member
Charles E. Kupchella	Member
Katie Kinka	Member

Authority Not Liable on the Bonds

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE SOURCES REFERRED TO IN THE INDENTURE PURSUANT TO WHICH THE BONDS ARE ISSUED AND SECURED, AND THE BONDS SHALL NOT BE OR BE DEEMED GENERAL OBLIGATIONS OF THE AUTHORITY OR OBLIGATIONS OF CAMBRIA COUNTY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER CAMBRIA COUNTY, THE COMMONWEALTH OF PENNSYLVANIA NOR ANY POLITICAL SUBDIVISION THEREOF IS OR SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS, AND NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE FAITH AND CREDIT OR TAXING POWER OF CAMBRIA COUNTY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO SUCH PAYMENT. THE AUTHORITY HAS NO TAXING POWER.

The Authority has not prepared or assisted in the preparation of this Official Statement, except the statements with respect to the Authority contained under the captions "THE AUTHORITY" and "LITIGATION," and, except as aforesaid, the Authority is not responsible for any statements made in this Official Statement. Except for the execution and delivery of documents required to effect the issuance of the Bonds, the Authority has not otherwise assisted in the public offer, sale or distribution of the Bonds. Accordingly, except as aforesaid, the Authority disclaims responsibility for the disclosures set forth in this Official Statement or otherwise made in connection with the offer, sale and distribution of the Bonds.

The Authority does not and will not in the future monitor the financial condition of the Borrower, the operations of the Project Facilities or otherwise monitor payment of the Bonds or compliance with the documents relating thereto. The responsibility of the operation of the Project Facilities will rest entirely with the Borrower and not with the Authority. The Authority will rely entirely upon the Trustee and the Borrower to carry out their respective responsibilities under the Indenture and the Loan Agreement and with respect to the Project Facilities.

THE PROGRAM SPONSOR

The Association of Independent Colleges and Universities of Pennsylvania ("AICUP" or the "Program Sponsor") is a nonprofit corporation located in Harrisburg, Pennsylvania. The Program Sponsor sponsors and administers services and programs for its membership, which currently is comprised of 92 institutions of higher education in the Commonwealth. The current members of AICUP are listed on the inside back cover of this Official Statement.

The Program Sponsor is sponsoring this bond financing program (the "Program"), pursuant to which the Bonds and other series of bonds have been issued, in order to provide both an efficient and cost effective source of funding for projects of its members or their supporting organizations. In connection with the Program, the Program Sponsor, among other things, will monitor the participation of individual members in the Program. The Program Sponsor will be paid a fee from bond proceeds in connection with the Program activities. Neither the Program Sponsor nor any member of AICUP (other than any AICUP member in its individual capacity as a borrower of proceeds of its particular series of bonds) has any liability for the repayment of any series of bonds, or the loan of bond proceeds to any entity, including the Borrower.

THE BONDS

General

The Bonds will be dated, and will bear interest from, the date of their initial delivery. The Bonds will mature, unless previously called for redemption, on the dates and in the amounts set forth on the inside cover hereof, and will bear interest at the rates set forth on the inside cover hereof. Interest will be payable on April 1 and October 1 of each year (each, an "Interest Payment Date"), commencing April 1, 2022.

The Bonds will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Bonds. Purchases of beneficial interests in Bonds will be made only in book-entry only form in denominations of $5,000 and any integral multiple thereof, and no physical delivery of Bonds will be made to Beneficial Owners except as described herein.

For so long as the Bonds are in the book-entry system described below under "THE BONDS -- Book Entry Only System" (the "Book-Entry System"), principal of and premium, if any, and interest on the Bonds will be paid by the Trustee to DTC. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, (a) payments of principal of and premium, if any, and interest on the Bonds will be made to DTC for payment to its participants for subsequent disbursement to the Beneficial Owners, (b) all notices, including any notice of redemption shall be given only to DTC, and (c) references herein to the bondholders or registered owners of the Bonds shall mean Cede & Co., and shall not mean the Beneficial Owners of the Bonds. See "THE BONDS -- Book Entry Only System." In the event the Bonds are no longer held in the Book-Entry System, or the Book-Entry System is not available, the principal or redemption price of any Bond shall be payable when due, upon surrender of such Bond, in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts, at the Payment Office of the Trustee. Interest on any Bond on each Interest Payment Date in respect thereof shall be payable by check mailed to the address of the Person entitled thereto as such address shall appear in the Bond Register on the applicable Record Date; provided that on such Interest Payment Date, at the written request of the Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, received by the Bond Registrar at least two Business Days prior to any Record Date, interest payable on any Bond shall be payable to the registered owner on the applicable Interest Payment Date and thereafter in immediately available funds by wire transfer within the continental United States or by deposit into a bank account maintained with the Trustee, in either case, to the bank account number of such owner specified and entered by the Bond Registrar on the Bond Register. Interest payable at maturity shall be made upon presentation and surrender of such Bond.

The principal or redemption price of the Bonds will be payable upon presentation and surrender of the Bonds at the designated corporate trust office of the Trustee and interest on the Bonds will be paid on the applicable Interest Payment Date to the owners of Bonds shown as the registered owners on the registration books maintained by the Trustee as registrar at the close of business on the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date (See "THE BONDS -- Book Entry Only System" below.)

The Bank of New York Mellon Trust Company, N.A. has been appointed as Trustee under the Indenture and has a corporate trust office in Pittsburgh, Pennsylvania. The Trustee shall act as registrar, paying agent and transfer agent for the Bonds.

As used herein, "Business Day" means any day other than a Saturday or Sunday or a day on which banks located in Pittsburgh, Pennsylvania, New York, New York, or any other city in which the Payment Office of the Trustee is located are authorized or required by law or executive order to close or a day on which DTC is closed.

Book Entry Only System

The information in this section has been provided by The Depository Trust Company, New York, New York ("DTC") and is not deemed to be a representation of the Authority, the Underwriter or the Borrower. DTC will act as the initial securities depository for the Bonds. The Bonds will be issued as fully-registered bonds 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 Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity, and all certificates will be deposited with DTC or pursuant to its instructions.

DTC, the world's largest 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, as amended. 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 a Standard & Poor's rating of AA+. 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 such 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 purchases. 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 Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in 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 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 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 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 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 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 the notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 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 with respect to any request for consent or vote. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose account the respective Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, redemption price and interest 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 Trustee, on each 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 Participants and not of DTC, the Trustee, the Authority or the Borrower, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price and interest to Cede & Co. (or to such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered. The Authority may determine to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered as described in the Indenture.

For every transfer and exchange of ownership interests in Bonds, the Beneficial Owners may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

IT IS THE DUTY OF EACH BENEFICIAL OWNER TO MAKE ARRANGEMENTS WITH THE APPLICABLE DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO RECEIVE FROM SUCH PARTICIPANT NOTICES OF PAYMENTS OF PRINCIPAL, PREMIUM (IF ANY) AND INTEREST, AND ALL OTHER PAYMENTS AND COMMUNICATIONS WHICH THE DIRECT PARTICIPANT RECEIVES FROM DTC. NEITHER THE AUTHORITY NOR THE TRUSTEE HAS ANY DIRECT OBLIGATION OR RESPONSIBILITY TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

THE AUTHORITY, THE TRUSTEE AND THE BORROWER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE BONDS, (2) CONFIRMATION OF BENEFICIAL OWNERSHIP INTEREST IN THE BONDS, OR (3) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT

"RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DIRECT PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE AUTHORITY, THE TRUSTEE, NOR THE BORROWER SHALL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A BONDHOLDER WITH RESPECT TO (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (4) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS REGISTERED OWNER OF THE BONDS.

So long as Cede & Co. is the registered owner of the Bonds as nominee of DTC, references herein to the Holders, holders, owners or registered owners of such Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

Redemption Prior to Maturity

The Bonds will be subject to redemption prior to maturity as follows:

Optional Redemption. The Bonds are subject to optional redemption prior to maturity by the Authority, at the direction of the Borrower, on or after April 1, 2031, in whole or in part at any time. Any such redemption shall be made at a redemption price equal to 100% of the stated principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The Bonds maturing on April 1 of the years 2046 and 2050 are subject to mandatory sinking fund redemption prior to maturity in part by lot at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date on April 1 of the years and in the respective principal amounts set forth below:

Bonds Due April 1, 2046

Year	Principal Amount	
2043	$1,420,000	
2044	1,480,000	
2045	1,535,000	
2046	1,600,000	(maturity)

Bonds Due April 1, 2050

Year	Principal Amount	
2047	$1,660,000	
2048	1,715,000	
2049	1,770,000	
2050	1,830,000	(final maturity)

In the event that any Bonds are redeemed (other than through mandatory sinking fund redemption pursuant to the Indenture) and are canceled by the Trustee, the Trustee shall cause the Authority to receive a credit against its mandatory sinking fund redemption obligations with respect to Bonds of the same maturity and bearing the same CUSIP number in the aggregate principal amount of the Bonds so redeemed, such credits to be given in such order of maturity as may be directed in writing by the Borrower. Also, at its option, the Borrower may deliver to the Trustee for cancellation Bonds purchased by the Borrower pursuant to the Indenture. The Bonds so purchased, delivered and canceled shall be credited by the Trustee at 100% of the principal amount thereof against the mandatory sinking fund redemption obligations of the Authority with respect to Bonds of the same maturity and bearing the same CUSIP number in such order of maturity as may be directed in writing by the Borrower.

Procedure for and Notice of Redemption

The Trustee on behalf of the Authority is required to cause notice of the call for redemption, identifying the Bonds or portions thereof to be redeemed, to be sent by first class mail, not more than 60 days and not less than 30 days prior to the date set for redemption of all or part of such Bonds, to the registered owner of each Bond to be redeemed at such owner's registered address. So long as the Bonds or any portion thereof are held by DTC, the Trustee shall send each notice of redemption of such Bonds to DTC. Failure to mail any such notice or defect in the mailing thereof in respect of any Bond shall not affect the validity of the redemption of any other Bond with respect to which notice is properly given.

If at the time of mailing of notice of any optional redemption there shall not have been deposited with the Trustee moneys sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional in that it is subject to the deposit of such redemption moneys with the Trustee not later than the opening of business on the redemption date, in which case such notice shall be of no effect unless moneys are so deposited.

If less than all Bonds are to be redeemed, the particular Bonds to be called for redemption shall be selected from the maturities designated by the Borrower and within a maturity by lot or any method determined by the Trustee to be fair and reasonable; provided that if any Bond is to be redeemed in part, the principal portion to remain outstanding must be in an authorized denomination. In the case of a partial redemption of Bonds, when Bonds of denominations greater than $5,000 are then Outstanding, each $5,000 unit of face value of principal thereof shall be treated as if it were a separate Bond of the denomination of $5,000.

THE PROJECT

The proceeds from the sale of the Bonds, together with other available funds, will be used to finance a project for the benefit of the Borrower consisting of the financing of: (i) the payment (or reimbursement to the Borrower) of the costs related to the Capital Project; (ii) the refinancing of the Prior Loan; and (iii) the payment of certain costs of issuing the Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds in connection with the Bonds:

Sources of Funds

Par Amount of Bonds	$13,010,000.00
Plus Net Original Issue Premium	187,365.50
TOTAL SOURCES OF FUNDS	$13,197,365.50

Uses of Funds

Refunding of Prior Loan	$ 4,019,728.67
Deposit to Project Fund for the Capital Project	8,990,000.00
Costs of Issuance [1]	187,636.83
TOTAL USES OF FUNDS	$13,197,365.50

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(1) Includes amounts to be paid for Authority related fees, Trustee fees, rating agency fees, legal fees, printing costs, Underwriter's discount, Program Sponsor fee, and other fees and expenses.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds will constitute limited obligations of the Authority payable solely from, and secured by, the revenues and other moneys pledged and assigned by the Indenture to secure that payment. "Revenues" means (a) all amounts payable to the Trustee with respect to the principal or redemption price of, or interest on the Bonds (i) upon deposit in the Bond Fund from the proceeds of the Bonds or of obligations issued by the Authority to refund the Bonds; or (ii) by the Borrower under the Loan Agreement; (b) any proceeds of Bonds originally deposited with the Trustee for the payment of interest accrued on the Bonds or otherwise, and (c) investment income with respect to any moneys held by the Trustee in the Funds established under the Indenture.

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE SOURCES REFERRED TO IN THE INDENTURE PURSUANT TO WHICH THE BONDS ARE ISSUED AND SECURED, AND THE BONDS SHALL NOT BE OR BE DEEMED TO BE A GENERAL OBLIGATION OF THE AUTHORITY OR AN OBLIGATION OF CAMBRIA COUNTY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER CAMBRIA COUNTY, THE COMMONWEALTH OF PENNSYLVANIA NOR ANY POLITICAL SUBDIVISION THEREOF IS OR SHALL BE OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS, AND NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE FAITH AND CREDIT OR TAXING POWER OF CAMBRIA COUNTY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO SUCH PAYMENT. THE AUTHORITY HAS NO TAXING POWER.

The Indenture

The Bonds will be issued under and secured by the Indenture. The Indenture provides that all Bonds issued thereunder will be limited obligations of the Authority, payable solely from the sources identified therein, which include: (i) payments required to be made by the Borrower under the Loan Agreement (other than certain fees and indemnification payments required to be paid to the Authority or to the Trustee), and (ii) certain moneys and securities held by the Trustee under the Indenture and investment earnings thereon (excluding the Rebate Fund). See "THE INDENTURE" below for a summary of certain provisions of the Indenture.

The Loan Agreement

Under the Loan Agreement, the Borrower will be obligated to make loan payments in amounts necessary to provide for the payment as and when due of the principal or redemption price of, and interest on, the Bonds, any amounts that may be required to make up any deficiency that may occur in any funds and accounts established under the Indenture, and to provide for certain other payments required by the Indenture. The Authority will assign the Loan Agreement, including its right to receive loan payments thereunder (other than certain fees, expenses and indemnification payments required to be paid to the Authority or to the Trustee) to the Trustee as security for the Bonds.

The Loan Agreement is the general obligation of the Borrower and the full faith and credit of the Borrower is pledged to secure the payments required thereunder. The Borrower's obligations under the Loan Agreement are secured by a pledge of the Pledged Revenues of the Borrower (as further described under "Pledged Revenues" below). For a summary of certain provisions of the Loan Agreement, see "THE LOAN AGREEMENT" herein.

Pledged Revenues

To secure its obligations under the Loan Agreement, the Borrower will grant to the Trustee (as the assignee of the Authority) a lien on and security interest in its Pledged Revenues (the "Parity Lien"), on a parity with any lien on and security interest in the Pledged Revenues heretofore or hereafter granted by the Borrower to secure the Borrower's obligations respecting any Parity Indebtedness incurred by or for the benefit of the Borrower (see "Parity Indebtedness" below). The term "Pledged Revenues" is defined under the caption "DEFINITIONS OF CERTAIN

TERMS" herein. The existence of such lien and security interest in the Pledged Revenues of the Borrower will not prevent the Borrower from expending, depositing or commingling such funds so long as the Borrower is not in default under the Loan Agreement and any agreements pertaining to any applicable Parity Indebtedness.

To the extent that a security interest can be perfected in the Pledged Revenues of the Borrower by filing of financing statements, such action will be taken. The security interest in the Pledged Revenues of the Borrower may not be enforceable against third parties unless such Pledged Revenues of the Borrower are actually transferred to the Trustee or are subject to exceptions under the Uniform Commercial Code (the "UCC") as enacted in the Commonwealth of Pennsylvania. Under current law, such security interest may be further limited by the following: (1) statutory liens; (2) rights arising in favor of the United States of America or any agency thereof; (3) present or future prohibitions against assignment contained in any Commonwealth of Pennsylvania or Federal statutes or regulations; (4) constructive trusts, equitable liens or other rights impressed or conferred by any Commonwealth of Pennsylvania or Federal court in the exercise of its equitable jurisdiction; (5) Federal bankruptcy laws; and (6) the filing of appropriate continuation statements pursuant to UCC provisions as from time to time in effect.

Parity Indebtedness

The term "Parity Indebtedness" refers to any indebtedness previously issued or issued in the future by or on behalf of the Borrower, that is secured by a lien on and security interest in the Pledged Revenues of the Borrower on a parity with the lien on and security interest in such Pledged Revenues that will be granted by the Borrower to secure its obligations under the Loan Agreement. The following revenue bonds and other obligations heretofore issued for the benefit of the Borrower (the "Other Debt") will remain outstanding after the issuance of the Bonds and will constitute Parity Indebtedness: (i) Pennsylvania Higher Educational Facilities Authority Revenue Bonds (AICUP Financing Program – Saint Francis University Project) Series 2012 LL2 (the "2012 Bonds"), of which $2,465,000 in principal amount is currently outstanding, (ii) Cambria County General Financing Authority Revenue Bonds (AICUP Financing Program – Saint Francis University Project) Series 2017 PP3 (the "2017 Bonds"), of which $21,620,000 in principal amount is currently outstanding, and (iii) a revolving line of credit in the maximum principal amount of $3,750,000 provided to the Borrower by First National Bank of Pennsylvania, none of which is currently outstanding. The agreements entered into by the Borrower to secure its obligations respecting the Parity Indebtedness, and all supplements and amendments thereto, are collectively referred to herein as the "Parity Debt Documents."

The Parity Debt Documents contain various covenants and agreements, solely for the benefit of the holders of the Parity Indebtedness, which will be in effect so long as any of the Parity Indebtedness remain outstanding. A default by the Borrower in its obligations under the Parity Debt Documents could result in a default under the Indenture that secures the Bonds. Prior to the closing for the issuance of the Bonds, copies of the Parity Debt Documents may be obtained upon request to the Underwriter.

The Parity Indebtedness is secured by a lien on and security interest in the Pledged Revenues of the Borrower on a parity with the lien on and security interest in such Pledged Revenues that will be granted by the Borrower to secure its obligations under the Loan Agreement.

Rate Covenant

Under the Loan Agreement, the Borrower covenants that it will establish, charge and collect tuition, student fees and charges for services provided by the Borrower such that Net Revenues Available for Debt Service (defined under "THE LOAN AGREEMENT" below) plus all other funds of the Borrower which are legally available to be used for the payment of debt service will equal or exceed, in each fiscal year, 110% of the Debt Service Requirement for such fiscal year. See "THE LOAN AGREEMENT – Rate Covenant" below.

Liens on Pledged Revenues and Other Properties

Except as described above under "Pledged Revenues," the Borrower has not given or granted a mortgage lien or other security interest or encumbrance upon any property of the Borrower to secure its payment obligations under the Loan Agreement. In the Loan Agreement, the Borrower covenants and agrees that it shall not grant any liens on its Pledged Revenues or any of its other property (whether real or personal, and whether owned as of the date of issuance of the Bonds or acquired thereafter) except for Permitted Encumbrances (defined below).

Additional Indebtedness

The Borrower may incur, guaranty or assume additional indebtedness upon compliance with specified requirements and limitations contained in the Loan Agreement and the Parity Debt Documents. To the extent permitted under the Loan Agreement and the Parity Debt Documents, such additional indebtedness may be secured by liens on and security interests in property of the Borrower, including a lien on and security interest in the Pledged Revenues on a parity with the lien on and security interest in the Pledged Revenues granted to secure the Bonds and any Parity Indebtedness of the Borrower. See "THE LOAN AGREEMENT – "Incurrence of Additional Indebtedness" and "Security for Indebtedness"" herein for a description of the requirements and limitations relating to the incurrence of and security for additional indebtedness which may be incurred by the Borrower.

DEFINITIONS OF CERTAIN TERMS

The following are definitions of certain terms used in the summaries of the Loan Agreement and Indenture set forth below. All capitalized terms used herein and not otherwise defined in this Official Statement, shall have the same meanings as set forth in the Indenture or Loan Agreement.

"**Audited Financial Statements**" means financial statements prepared in accordance with GAAP which have been examined and reported on by an independent certified public accountant.

"**Balloon Debt**" means debt 25% or more of the principal amount of which comes or may come due in any one Fiscal Year by maturity, mandatory sinking fund redemption or optional or mandatory tender by the holder thereof.

"**Bond Counsel**" means an attorney-at-law or a firm of attorneys of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

"**Bond Documents**" means the Loan Agreement, the Indenture, the Bonds and all other documents executed by the Borrower or the Authority in connection therewith, including but not limited to any Continuing Disclosure Agreement entered into by the Borrower.

"**Bondholder**" or **"Holder"** or **"Registered Owner"** or **"Owner"** of Bonds means the registered owner of any Bond.

"**Borrower Facilities**" shall mean the buildings, structures, real estate and any appurtenant facilities, equipment and fixtures currently owned or hereafter acquired by the Borrower, used by the Borrower in connection with its functioning as an institution of higher learning.

"**Borrower Representative**" means the President, any Vice President or the Chief Financial Officer of the Borrower, or each person at the time designated to act on behalf of the Borrower by written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by its Secretary or Assistant Secretary or other such authorized officer.

"**Certificate**" means a certificate or report, in form and substance reasonably satisfactory to the Authority and the Trustee, executed: (a) in the case of an Authority Certificate, by an Authority Representative; (b) in the case of a Borrower Certificate, by a Borrower Representative; and (c) in the case of a Certificate of any other Person, by such Person, if an individual, and otherwise by an officer, partner or other authorized representative of such Person; provided that in no event shall any individual be permitted to execute any Certificate in more than one capacity.

"**Consultant**" shall mean a Person, who shall be Independent, appointed by the Borrower or the Authority, as the case may be, generally recognized as qualified to pass upon the matters under consideration and having a favorable reputation for skill and experience in such matters.

"**Core Campus**" shall mean the Borrower's main campus, including an approximate 600-acre parcel located in Loretto, Pennsylvania, bounded by Laurel Drive on the North, Saint Catherine Street on the East, Metz Road on the South, and woods and farmland on the West, and all buildings, facilities and personal property of the Borrower now or hereafter located thereon.

"**Debt Service Requirement,**" with reference to a specified period, shall mean:

a. interest payable on Long-Term Indebtedness during the period, excluding (i) interest funded from the proceeds thereof and (ii) interest on Long-Term Indebtedness to be redeemed during such period through any sinking fund account which would otherwise accrue after the redemption date;

b. amounts required to be paid into any mandatory sinking fund account for Long-Term Indebtedness during the period;

c. amounts required to pay the principal of Long-Term Indebtedness maturing during the period and not to be redeemed prior to maturity through any mandatory sinking fund account; and

d. in the case of Long-Term Indebtedness in the form of a lease capitalized under GAAP, the lease rentals payable during the period;

provided, however, that (i) in the case of Variable Rate Debt, interest shall be calculated, in any projection of Debt Service Requirement for a future period, (A) if the debt has been outstanding for at least 24 months, at 100% of the average interest rate on such debt during the most recent 24-month period, (B) if such debt has been outstanding for at least 12 months but less than 24 months, at the higher of 100% of the average interest rate on such debt for the most recent 12-month period or the rate in effect on the date of calculation, and (C) if such debt has been outstanding for less than 12 months, at a rate equal to 100% of (1) the average SIFMA Municipal Swap Index for the preceding 24 months, if such debt is tax-exempt debt, and (2) the average rate for one-month LIBOR for the preceding 24 months, if such debt is taxable debt, (ii) in the case of Balloon Debt, such debt shall be assumed to amortize on a level debt service basis over a period of 20 years or the actual remaining term to maturity, whichever is less, unless a binding commitment to refinance such debt upon maturity has been provided by a financial institution rated at least "A2" from Moody's or "A" from S&P, in which case such debt will be assumed to mature in accordance with the terms of such binding commitment, (iii) interest payable shall be reduced by the amount of any interest subsidy which a Federal, state or local government is irrevocably committed to pay for the period in question, and (iv) the Debt Service Requirement on any Long Term Indebtedness in the form of a guaranty of the indebtedness of others shall be deemed equal to (A) 25% of the annual principal and interest requirements on the indebtedness being guaranteed during each Fiscal Year if the guaranteed entity had Net Revenues Available for Debt Service at least equal to 150% of the annual debt service on its long-term debt in its latest fiscal year, (B) 50% of the annual principal and interest requirements on the indebtedness being guaranteed during each Fiscal Year if the guaranteed entity had Net Revenues Available for Debt Service at least equal to 125% but less than 150% of the annual debt service on its long-term debt in its latest fiscal year, (C) 75% of the annual principal and interest requirements on the indebtedness being guaranteed during each Fiscal Year if the guaranteed entity had Net Revenues Available for Debt Service at least equal to 110% but less than 125% of the annual debt service on its long-term debt in its latest fiscal year, and (D) 100% of the annual principal and interest requirements on the indebtedness being guaranteed during each Fiscal Year if the guaranteed entity had Net Revenues Available for Debt Service below 110% of the annual debt service on its long-term debt in its latest fiscal year or if the Borrower has made a payment on the guaranteed entity's debt during any of the last three Fiscal Years.

“**GAAP**” means generally accepted accounting principles as defined more specifically in the Loan Agreement.

“**Government Obligations**” means (i) U.S. Treasury certificates, notes and bonds (including State and Local Government Series (SLGS)), (ii) direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury, and (iii) obligations issued by the following agencies which are backed by the full faith and credit of the United States of America: U.S. Export-Import Bank (direct obligations or fully guaranteed certificates of beneficial ownership), Farmers Home Administration, Federal Financing Bank, General Services Administration (participation certificates), U.S. Maritime Administration (guaranteed Title XI financing), and U.S. Department of Housing and Urban Development (project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds).

“**Intercreditor Agreement**” means the Intercreditor Agreement dated as of November 1, 2011, as previously supplemented and as further supplemented by Supplement No. 5 dated as of November 1, 2021, among the Trustee, The Bank of New York Mellon Trust Company, N.A., as trustee for the Bonds and as trustee for the 2012 Bonds and the 2017 Bonds, First National Bank of Pennsylvania and the Borrower, as the same may be further amended or supplemented from time to time, or any other intercreditor agreement entered into with respect to the Bonds and any Parity Indebtedness.

“**Loan Payments**” means the payments received or receivable by the Authority from the Borrower with respect to the Bonds pursuant to the Loan Agreement (except for the Unassigned Rights).

“**Long-Term Indebtedness**” shall mean all obligations for the payment of money (including, without limitation, all Bonds), incurred, assumed or guaranteed by the Borrower, whether due and payable in all events, or upon the performance of work, the possession of property as lessee or the rendering of services by others, except:

a. Short-Term Indebtedness;

b. current obligations payable out of current revenues, including current payments for the funding of pension plans;

c. obligations under contracts for supplies, services, and pensions, allocable to current operating expenses of future years in which the supplies are to be furnished, the services rendered, or the pensions paid;

d. rentals payable in future years under leases not required to be capitalized under GAAP;

e. Non-Recourse Indebtedness (as described under the heading “THE LOAN AGREEMENT – Incurrence of Additional Indebtedness”) or any other obligation secured solely by and paid solely from sources other than Pledged Revenues; and

f. Student Loan Guarantees complying with the requirements described under the heading “THE LOAN AGREEMENT – Student Loan Guarantees,” except to the extent includable as Long-Term Indebtedness under the provisions thereof.

“**Maximum Annual Debt Service Requirement**” shall mean, with respect to any Long-Term Indebtedness, the maximum Debt Service Requirement for any one Fiscal Year during the remaining life of such Long-Term Indebtedness.

“**Moody's**” means Moody's Investors Service, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody's” shall be deemed to refer to any other nationally recognized securities rating agency designated in writing by the Borrower.

“**Net Revenues Available for Debt Service**” shall mean, for any period, the sum of (i) unrestricted revenues (operating and non-operating) less unrestricted expenses (operating and non-operating), exclusive of unrealized and realized gains and losses on long-term investments, (ii) all interest expense of the Borrower for such period with respect to Long-Term Indebtedness, and (iii) all depreciation expense for such period; provided that no determination of Net Revenues Available for Debt Service shall take into account any disposition of capital assets not in the ordinary course of business to the extent otherwise included in the foregoing calculations of revenue and expenses, any other gains or losses resulting from changes in accounting principles not involving the receipt or expenditure of cash, or any other non-operating, non-cash expenses.

"**Outstanding**" in connection with the Bonds, means, as of the time in question, all Bonds authenticated and delivered under the Indenture, except: (i) bonds cancelled upon surrender, exchange or transfer, or cancelled because of payment or redemption at or prior to that time; (ii) bonds paid pursuant to the Indenture; (iii) bonds, or the portion thereof, which are deemed to have been paid and discharged or caused to have been paid and discharged pursuant to the provisions of the Indenture; and (iv) bonds in substitution for which other Bonds have been authenticated under the Indenture. In determining whether the owners of a requisite aggregate principal amount of Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions hereof, only bonds a Responsible Officer of the Trustee actually knows are held by or on behalf of the Borrower shall be disregarded for the purpose of any such determination, unless 100% of the Bonds are so held, in which case all of the Bonds shall be deemed Outstanding.

"**Parity Indebtedness**" means the existing indebtedness as of the date of issuance of the Bonds that is described under the heading "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Parity Indebtedness" and subject to the Intercreditor Agreement, and any additional indebtedness secured on a parity with the Bonds in accordance with the Loan Agreement.

"**Permitted Encumbrances**" shall mean, with respect to the Pledged Revenues and the Borrower Facilities as of any particular time, (i) liens arising by reason of good faith deposits by the Borrower in connection with leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the Borrower to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges; (ii) liens arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose as required by law or regulation (A) as a condition to the transaction of any business or the exercise of any privilege or license, or (B) to enable the Borrower to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with worker's compensation, unemployment insurance, or pension or profit sharing plans or other social security plans or programs, or to share in the privileges or benefits required for companies participating in such arrangements; (iii) any judgment lien against the Borrower, so long as the finality of such judgment is being contested and execution thereon is stayed and (A) provision for payment of the judgment has been made in accordance with applicable law or by the deposit of cash or investments with a commercial bank or trust company or (B) adequate insurance coverage is available to satisfy such judgment; (iv) such defects, irregularities, encumbrances, utility easements, access and other easements and rights of way, restrictions, exceptions and clouds on title which do not have a material and adverse effect on the interests of the holders of Bonds and do not materially interfere with or impair the operations of the Borrower; (v) any mechanic's, laborer's, materialman's, supplier's or vendor's lien or right in respect thereof if payment is not yet due under the contract in question or if such lien is being contested in good faith; (vi) such minor defects and irregularities of title as normally exist with respect to facilities similar in character to the Borrower Facilities and which do not have a material and adverse effect on the value of, or materially impair, the Borrower Facilities affected thereby for the purpose for which they were acquired or are held by the Borrower; (vii) zoning laws and similar restrictions which are not violated by the Borrower Facilities affected thereby; (viii) all right, title and interest of the Commonwealth, municipalities and the public in and to tunnels, bridges and passageways over, under or upon a public way; (ix) liens on property received by the Borrower through gifts, grants or bequests, such liens being due to restrictions on such gifts, grants or bequests or property or income thereon; (x) liens for taxes, special assessments, or other governmental charges not then delinquent or being contested in good faith; (xi) liens and encumbrances permitted as described herein under the heading "THE LOAN AGREEMENT – Security for Indebtedness;" (xii) liens on goods and equipment as normally exist with respect to facilities similar in character to the Borrower Facilities; and (xiii) liens and encumbrances securing indebtedness existing on the date of issuance of the Bonds and identified on an Exhibit attached to the Loan Agreement.

"**Permitted Investments**" means any of the following investments, if and to the extent the same are at the time legal for investment of the funds held under the Indenture:

(i) Government Obligations.

(ii) obligations issued or guaranteed by any of the following agencies (stripped securities are only permitted if they have been stripped by the agency itself): Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (participation certificates or senior debt obligations), Federal National Mortgage Association (mortgage-backed securities and senior debt obligations), Student Loan Marketing Association (senior debt obligations), Resolution Funding Corp., and Farm Credit System (consolidated system-wide bonds and notes).

(iii) Certificates of deposit issued by commercial banks, savings and loan associations or mutual savings banks which certificates of deposit are secured at all times by collateral consisting of Government Obligations, including those of the Trustee or any of its affiliates. Such collateral must be held by a third party and the Trustee must have a perfected first security interest in the collateral.

(iv) Certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and the Borrower, savings accounts, bank deposit products, deposit accounts or money market deposits which are fully insured by the Federal Deposit Insurance Corporation.

(v) Federal funds or bankers acceptances with a maximum term of one year of any bank (including the Trustee or any of its affiliates) which has an unsecured, uninsured and unguaranteed obligation rating at the time of purchase of “P-1” or “A3” or better by Moody's and “A-1” or “A” or better by S&P.

(vi) Obligations of a state, a territory, or a possession of the United States, or any political subdivision of any of the foregoing or of the District of Columbia as described in Section 103(a) of the Code if such obligations are rated at the time of purchase by Moody's and S&P in one of the two highest rating categories assigned by such rating agencies.

(vii) Commercial paper rated, at the time of purchase, not less than P-1 by Moody's and A-1 by S&P.

(viii) Any money market mutual fund registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating at the time of investment by S&P of AAAm-G, AAA-m, or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2, or analogous ratings if such ratings are no longer being used by S&P or Moody's, including, without limitation, any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (1) the Trustee or an affiliate of the Trustee receives and retains fees from such funds for services rendered to such funds, (2) the Trustee charges and collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (3) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or its affiliates.

(ix) Investment agreements with, or which are guaranteed by, a financial institution which has an unsecured, uninsured and unguaranteed obligation rated, at the time such agreement is entered into, in one of the two highest rating categories by Moody's or S&P, or is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation meeting such rating requirements, including any affiliate of the Trustee provided (i) interest is paid at least semi-annually at a fixed rate during the entire term of the agreement, consistent with the Interest Payment Dates, (ii) moneys invested thereunder may be withdrawn for any purpose required under the Indenture without any penalty, premium or charge upon not more than seven days' notice (provided such notice may be amended or cancelled at any time prior to the withdrawal date), (iii) the agreement is not subordinated to any other obligations of such financial institution or bank, (iv) the same guaranteed interest rate will be paid on any future deposits permitted to be made under such investment agreement, and (v) the Trustee receives an opinion of counsel that such agreement is an enforceable obligation of such financial institution.

“**Person**” means an individual, a corporation, a partnership, an association, a joint stock company, a joint venture, a trust, an unincorporated organization, a governmental unit or an agency, a political subdivision or instrumentality thereof, or any other group or organization of individuals.

“**Pledged Revenues**” shall mean all receipts, revenues, income and other moneys received by or on behalf of the Borrower from the operation, ownership or leasing of all Borrower Facilities, all gifts, grants, bequests, donations and contributions received by the Borrower, and all rights to receive the same whether in the form of accounts receivable, contract rights, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, including any insurance proceeds and any condemnation awards derived therefrom, whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by the Borrower in connection with the Borrower Facilities; provided, however, that there shall be excluded from Pledged Revenues: gifts, grants, bequests, donations and contributions heretofore or hereafter made, the application of the proceeds of which is designated or restricted at the time of making thereof by the donor, payor or maker as being for certain specified purposes inconsistent with the application thereof to the payment of Loan Payments under the Loan Agreement or not subject to pledge, or subsequent to the receipt thereof, so designated or restricted by the Borrower in order to meet the requirements of any challenge grant received by the Borrower, and the income derived therefrom to the extent that it is permanently restricted in or by such designation or restriction or by law.

“**Project Facilities**” means the facilities financed or refinanced with proceeds of the Bonds.

“**Property**” means any and all rights, titles and interests in and to any and all property, whether real or personal, tangible or intangible and wherever situated.

“**Rating Service**” means Moody's, if the Bonds are rated by such at the time, and S&P, if the Bonds are rated by such at the time.

“**Refunding Indebtedness**” means indebtedness issued for the purpose of refunding other Long-Term Indebtedness.

“**Short-Term Indebtedness**” shall mean all obligations of the Borrower for the repayment of borrowed money having a final maturity of less than one year from the date incurred, excluding the current portion of any Long-Term Indebtedness.

“**S&P**” means S&P Global Ratings, a Standard & Poor's Financial Services LLC business, its successors and assigns, and, if such rating agency shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Borrower.

“**Student Loan Guarantees**” shall mean any guarantees by the Borrower of the primary obligations of students enrolled at the Borrower to repay loans made to them, or any guarantee by the Borrower of obligations incurred by other parties to finance loans to or for the benefit of such students.

“**Total Operating Revenues**” means the aggregate of all unrestricted operating revenues of the Borrower less applicable deductions from unrestricted operating revenues (but before deduction of operating expenses) as determined in accordance with GAAP.

“**Trust Estate**” means the Loan Agreement, the Loan Payments, the Funds and Accounts created under the Indenture, Revenues (as defined in the Indenture, and which include certain investment income), and the other right, title and interest assigned, transferred and pledged or intended so to be to the Trustee under the Indenture.

“**Variable Rate Debt**” shall mean indebtedness which bears interest at a variable, adjustable, or floating rate.

THE LOAN AGREEMENT

The following description of certain provisions of the Loan Agreement is only a brief outline of some of the provisions thereof and does not purport to summarize or describe all of the provisions thereof. Reference is made to the Loan Agreement, a copy of which is on file at the corporate trust office of the Trustee in Pittsburgh, Pennsylvania, for a complete statement of these provisions and other provisions which are not summarized in this Official Statement.

General

The Loan Agreement provides for the financing by the Authority of the Project and a loan of the proceeds of the Bonds from the Authority to the Borrower. Under the Loan Agreement, the Authority, at the request of the Borrower, will obtain funds necessary to finance the Project through the issuance and sale of the Bonds and concurrently therewith, a portion of the proceeds shall be applied to the costs of refunding the Prior Loan, a portion of the proceeds shall be deposited in the Project Fund and applied to the costs of the Capital Project, and a portion of the proceeds shall be applied to payment of costs of issuance of the Bonds. The Borrower agrees to repay the loan in installments corresponding to the principal or redemption price of and interest on the Bonds.

Loan Payments

To provide funds to pay the principal or redemption price of and interest on the Bonds when due, the Borrower will make loan payments to the Trustee corresponding, as to amounts, to the principal or redemption price of and interest on the Bonds, such payments to be made at least ten calendar days before the corresponding dates for payments on the Bonds. The Borrower will also make payments to the Trustee in the amounts and on the dates necessary to pay the administrative fees and expenses of the Authority and the Trustee as provided in the Loan Agreement. The Borrower shall also be entitled to credits against the loan payments as and to the extent provided in the Indenture.

Pledge of Pledged Revenues

As security for the Borrower's obligation to make payments required under the Loan Agreement and to make all other payments due and perform all other obligations under the Loan Agreement, the Borrower pledges, assigns and grants to the Trustee, as assignee of the Authority, a lien on and a security interest in its Pledged Revenues, on a parity with the liens and security interests previously granted to secure Parity Indebtedness. (See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Parity Indebtedness.”) The existence of such pledge and security interest will not prevent the expenditure, deposit or commingling of the Pledged Revenues by the Borrower so long as all required payments under the Loan Agreement are made when due. Subject to the terms of the Intercreditor Agreement, if any required payment is not made when due or an Event of Default shall have occurred under the Loan Agreement, any Pledged Revenues subject to such security interest which are then on hand and not yet commingled with other funds of the Borrower, and any such Pledged Revenues thereafter received, shall not be commingled or deposited but shall immediately be paid over to the Trustee.

Maintenance of Existence

The Borrower shall do all things necessary to preserve and keep in full force and effect its existence as a not-for-profit corporation under the laws of the Commonwealth and shall not (i) dissolve or otherwise sell, transfer or dispose of all, or substantially all, of its assets or (ii) consolidate with or merge into any other entity; provided that, subject to certain provisions of the Loan Agreement relating to the tax-exempt status of the Borrower and the Bonds, the preceding restrictions shall not apply to a transaction to which the Authority consents in writing if the transferee or the surviving or resulting entity, if other than the Borrower, by written instrument satisfactory to the Authority and the Trustee, irrevocably and unconditionally assumes and agrees to perform and observe the agreements and obligations of the Borrower under the Loan Agreement and the provisions of the Loan Agreement described below under the heading “Assignment” are satisfied.

The Borrower covenants that it will maintain the necessary accreditation to enable it to maintain its authority to operate as an institution of higher education in the Commonwealth of Pennsylvania.

Compliance with Laws; Commencement and Continuation of Operations at Project Facilities; No Sale, Removal or Demolition of Project Facilities

The Borrower will acquire, construct, install, operate and maintain the Project Facilities in such manner as to comply with the Act and all applicable requirements of federal, state and local laws and the regulations, rules and orders of any federal, state or local agency, board, commission or court having jurisdiction over the Project Facilities or the operation thereof, including without limitation applicable zoning, planning, building and environmental laws, regulations, rules and orders; provided that the Borrower shall be deemed in compliance with this covenant so long as it is contesting in good faith any such requirement by appropriate legal proceedings. The Borrower will not sell, assign or otherwise dispose of (whether in one transaction or in a series of transactions) its interest in the Project Facilities or any material portion thereof (other than as described above under the heading "Maintenance of Existence" and other than leases permitted as described below under the heading "Lease by Borrower") or undertake or permit the demolition or removal of the Project Facilities or any material portion thereof without the prior written consent of the Authority; provided that the Borrower shall be permitted to sell, transfer, assign or otherwise dispose of or remove any portion of the Project Facilities which is retired or replaced in the ordinary course of business.

Lease by Borrower

The Borrower may, subject to certain provisions of the Loan Agreement, including provisions relating to the tax-exempt status of the Borrower and the Bonds, lease the Project Facilities, in whole or in part, to one or more other Persons, provided that: (a) no such lease shall relieve the Borrower from its obligations under the Loan Agreement; (b) in connection with any such lease the Borrower shall retain such rights and interests as will permit it to comply with its obligations under the Loan Agreement; (c) no such lease shall impair materially the accomplishment of the purposes of the Act to be accomplished by operation of the Project Facilities as provided in the Loan Agreement; (d) any such lease shall require the lessee to operate the Project Facilities as a "project" under the Act as long as the Bonds are outstanding; (e) in the case of a lease to a new lessee or an assignment of an existing lease to a new lessee of substantially all of the Project Facilities, such new lessee shall have been approved by the Authority (such approval not to be unreasonably withheld); and (f) the lessees under any such leases, including any leases in force on the date of issuance of the Bonds, shall be subject to certain terms and conditions of the Loan Agreement relating to the tax-exempt status of the Borrower and the Bonds.

Financial Statements

The Borrower shall cause its Annual Financial Statements for each Fiscal Year to be examined by an Independent Certified Public Accountant. A copy of such financial statements and the Independent Certified Public Accountant's report thereon shall be filed on the Electronic Municipal Market Access ("EMMA") system and therefore deemed to have been provided to the Authority and the Trustee within 30 days after release of such audited financial statements by the Borrower's Board of Trustees. The Trustee shall have no duty to examine or review such financial statements, shall not be considered to have notice of the contents of such statements or of a default or Event of Default under the Loan Agreement or under any other document based on such content and shall have no duty to verify the accuracy of such statements.

Taxes, Other Governmental Charges and Utility Charges

The Borrower shall pay, or cause to be paid before the same become delinquent, all taxes, assessments, whether general or special, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project Facilities, including any equipment or related property installed or bought by the Borrower therein or thereon, and all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project Facilities. With respect to special assessments or other governmental charges that lawfully may be paid in installments over a period of years, the Borrower shall be obligated to pay only such installments as are required to be paid during the term of the Loan Agreement. The Borrower may, at its expense, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, unless the Authority or the Trustee shall notify the Borrower that, in the opinion of counsel selected by the Authority or the Trustee, by nonpayment of any such items the Project Facilities or any part thereof will be subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid promptly. The Borrower shall also comply at its own cost and expense with all notices received from public authorities with respect to the Project.

Insurance

The Borrower covenants and agrees that it will continuously maintain insurance on its properties and against such risks (including casualty, accident, worker's compensation and cybersecurity-related insurance, if commercially available), in such amounts and with such deductibles, as are consistent with customary coverage, as from time to time in effect, in connection with the operation of properties of type and size comparable to properties as maintained by entities similar to the Borrower; provided, that property and casualty coverage shall at all times be maintained in an amount at least equal to the outstanding principal amount of the Bonds.

In the event the property and liability insurance required by the preceding paragraph is not commercially available at a reasonable cost or has been otherwise provided, the Borrower may accept such substituted coverage, including coverage from a captive insurance company or a consortium, as is recommended by an independent insurance consultant, provided, however, that no Event of Default shall occur under the Loan Agreement if such substitute coverage is unavailable, and the Borrower makes a continuing good faith effort to secure the insurance or such substitute coverage, including self-insurance. For purposes of the foregoing, "independent insurance consultant" means a nationally recognized firm of insurance agents, brokers or consultants with experience and expertise in assessing the property and casualty and liability risks of the Borrower and, if applicable, assessing the risks associated with such substitute insurance coverage, and if the Borrower has coverage through a captive insurance company or a consortium, includes an independent insurance consultant retained by such captive insurance company or consortium.

The Borrower may self-insure solely for professional liability, employee health insurance, workers compensation insurance, unemployment insurance, commercial general liability insurance, automobile insurance, student health and accident insurance, directors and officers insurance, travel insurance, broadcasters liability insurance, publishers liability insurance, and excess liability insurance, so long as the Borrower's self-insurance plan provides for (i) the establishment by the Borrower of a separate segregated self-insurance fund funded in an amount confirmed as to sufficiency through the annual auditing process by an independent auditor or an insurance consultant or nationally recognized independent actuarial consultant employing accepted actuarial techniques and (ii) the establishment and maintenance of a claims processing and risk management program. If the Borrower elects to self-insure for professional liability, the Borrower shall within 150 days after the end of each Fiscal Year cause an independent insurance consultant or nationally recognized independent actuarial consultant to submit a report to the Trustee to the effect that such self-insurance plan maintains adequate reserves and has been adequately funded.

Damage to or Condemnation of Project Facilities

In the event of damage, destruction or condemnation of part or all of the Project Facilities, the Borrower will either: (i) restore the Project Facilities, (ii) if permitted by the terms of the Bonds, direct the Authority to call the Bonds for optional redemption pursuant to the Indenture, or (iii) apply any insurance proceeds or condemnation awards received with respect to such damage, destruction or condemnation to any other purpose specified in a Borrower Certificate delivered to the Authority and the Trustee and accompanied by an opinion of Bond Counsel to the effect that such application will not result in the interest on the Bonds becoming included in the gross income of the Holders for federal income tax purposes. Damage to, destruction of or condemnation of all or a portion of the Project Facilities shall not terminate the Loan Agreement or cause any abatement of or reduction in the payments to be made by the Borrower under the Loan Agreement.

Rate Covenant

The Borrower covenants that it will establish, charge and collect tuition, student fees and charges for services provided by the Borrower such that Net Revenues Available for Debt Service plus all other funds of the Borrower which are legally available to be used for the payment of debt service will equal or exceed, in each Fiscal Year, 110% of the Debt Service Requirement for such Fiscal Year.

If, in any Fiscal Year, the Borrower fails to meet the foregoing covenant, it shall immediately retain a Consultant to make a report and recommendation with respect to such tuition, student fees and other charges, and with regard to operations of the Borrower. The Borrower further covenants that upon receipt of such report and recommendation from the Consultant, the Borrower shall cause copies thereof to be filed with the Trustee, and the Borrower shall within 60 days of the receipt of such report and recommendation describe in writing to the Trustee what action, if any, the Borrower shall take upon the report and recommendation of the Consultant. So long as the amount described in the preceding paragraph is equal to at least 100% of the Debt Service Requirement for the Fiscal Year in question, and provided that the Borrower does not fail to meet the foregoing rate covenant for two consecutive Fiscal Years, no Event of Default shall be deemed to have occurred under the Loan Agreement unless the Borrower shall have failed to take the foregoing steps.

Incurrence of Additional Indebtedness

The Borrower covenants that it will not incur or assume additional Long-Term Indebtedness unless there is no Event of Default under the Loan Agreement or under the Indenture that has occurred and is continuing, and the Borrower delivers to the Trustee prior to such incurrence either (a) a Borrower Certificate in form acceptable to the Trustee demonstrating that, for each of the two most recent Fiscal Years for which Audited Financial Statements are available, Net Revenues Available for Debt Service equaled or exceeded 125% of the Maximum Annual Debt Service Requirement for all Long-Term Indebtedness outstanding during such Fiscal Years and for the Long-Term Indebtedness proposed to be incurred or (b) a Borrower Certificate stating the Maximum Annual Debt Service Requirement with respect to all outstanding Long-Term Indebtedness immediately after the incurrence of the proposed Long-Term Indebtedness does not exceed an amount equal to 10% of Total Operating Revenues without donor restriction of the Borrower for the most recent Fiscal Year for which Audited Financial Statements are available.

Notwithstanding the foregoing, the following types of indebtedness may be incurred without meeting the foregoing requirements:

<u>Refunding Indebtedness</u>. Refunding Indebtedness may be incurred without limitation.

<u>Short-Term Indebtedness</u>. The Borrower may, from time to time, incur or assume Short-Term Indebtedness in the ordinary course of business in any amount up to 15% of Total Operating Revenues for the preceding Fiscal Year, less any Short-Term Indebtedness then outstanding; provided, however, that no Short-Term Indebtedness shall be outstanding for a period of at least 15 consecutive calendar days in each Fiscal Year.

<u>Student Loan Guarantees</u>. The Borrower may incur indebtedness in the form of Student Loan Guarantees as described below under the heading "Student Loan Guarantees."

<u>Non-Recourse Indebtedness</u>. The Borrower may, from time to time, incur debt which is (i) incurred to finance additional capital projects; (ii) is nonrecourse debt secured solely by a lien on and security interest in the property financed by such debt and/or the revenues therefrom; and (iii) is in a principal amount which, when added to the total principal amount of non-recourse indebtedness incurred pursuant to this paragraph and outstanding immediately after the incurrence of the new debt, is less than or equal to 15% of the Total Operating Revenues for the most recent Fiscal Year.

<u>Purchase Money Financings</u>. The Borrower may, from time to time, incur debt without complying with the debt incurring tests described above if such debt (i) is issued to finance the acquisition of machinery or equipment; (ii) is unsecured or secured solely by a purchase money security interest in the acquired machinery or equipment; and (iii) is in a principal amount which, when added to the total amount of indebtedness incurred pursuant to this paragraph

and outstanding immediately after the incurrence of the new debt, is less than or equal to 15% of the Total Operating Revenues for the then most recent Fiscal Year.

Security for Indebtedness

Any Long-Term Indebtedness or Short-Term Indebtedness hereafter incurred or assumed as described above under the caption "Incurrence of Additional Indebtedness" may be secured only as follows:

(i) In the case of Parity Indebtedness: (a) by a lien on and security interest in the Pledged Revenues ranking on a parity with the lien and security interest granted under the Loan Agreement as confirmed by the execution and delivery by the holder of such debt or a trustee acting on behalf of such holder of a joinder or other agreement by which such lender or holder shall be bound by the terms of the Intercreditor Agreement; or (b) by a lien or mortgage on and/or security interest in Borrower Facilities, provided that, if the Borrower grants a mortgage on or security interest in any part of the Borrower Facilities, the Borrower shall grant to the Trustee a mortgage of equal priority on and/or security interest in the same property to secure the Loan Agreement.

(ii) In the case of nonrecourse debt, solely by a lien on and/or security interest in the property financed with such debt and/or the revenues therefrom.

(iii) In the case of purchase money financings, solely by a purchase money security interest in machinery or equipment financed with such debt.

(iv) In the case of Student Loan Guarantees, solely by a lien or pledge upon Pledged Revenues subordinate and junior to the pledge of Pledged Revenues under the Loan Agreement.

(v) In the case of other Long-Term Indebtedness:

(A) by a lien, on and security interest in any property or interest in tangible property, real, personal, or mixed, other than the Borrower's Core Campus or the Pledged Revenues; or

(B) by a purchase money security interest in any real property, fixtures, machinery and equipment made part of the Borrower Facilities and revenues therefrom; or

(C) by a lien on and security interest in the Pledged Revenues subordinate to the lien and security interest granted under the Loan Agreement; provided, however, that no such permitted indebtedness shall be secured by the moneys and investments held by the Trustee in any Funds created under the Indenture.

(vi) Any Short-Term Indebtedness incurred pursuant to the Loan Agreement may be secured solely:

(A) by a purchase money security interest in personal property acquired with the proceeds thereof; or

(B) by a lien on or mortgage against any real or personal property not constituting Borrower Facilities; or

(C) by a lien on and security interest in the Pledged Revenues ranking on a parity with or subordinate to that granted under the Loan Agreement; provided, however, that (i) no such permitted indebtedness shall be secured by the moneys and investments in any Funds held by the Trustee under the Indenture; and (ii) if such lien and security interest shall rank on a parity with that granted under the Loan Agreement, the holder or a trustee acting on behalf of such holder shall have confirmed such parity lien and security interest by the execution and delivery of a joinder or other agreement by which such holder or trustee shall be bound by the terms of the Intercreditor Agreement.

Student Loan Guarantees

The Borrower may incur obligations in the form of Student Loan Guarantees which meet the following criteria upon compliance with the following requirements:

(i) The loans to students shall be made pursuant to a program, whether governmental or privately sponsored, for the purpose of providing aid to students for tuition, room and/or board, or other expenses associated with the attendance by the student at the Borrower's institution and which program shall require that the Borrower execute its Student Loan Guarantee.

(ii) In the case of a program which is fully funded, no part of the obligations guaranteed by the Borrower shall constitute Long-Term Indebtedness of the Borrower. A program shall be deemed to be "fully-funded" if the assets of the program are at least equal to its liabilities, without regard to the guarantee by the Borrower. In determining the assets of the program, full effect must be given to estimated anticipated losses on student repayments to the extent not insured and due provision shall have been made to cover any shortfall between the principal amount of the obligations and the proceeds thereof (i.e., "nonasset bonds"). The plan may be made fully-funded by deposits, bank letters of credit or other credit support facilities provided by the Borrower or others.

(iii) To the extent that a program is not fully funded as provided above, the amount by which the liabilities exceed the assets shall be determined and such amount shall constitute Long-Term Indebtedness of the Borrower for all purposes of the Loan Agreement and the proportionate part of the debt service requirements on such obligations represented by such deficiency shall be deemed to be part of the Debt Service Requirement. A program which at its commencement is not fully funded may nonetheless be demonstrated to have become fully funded at a later date at which time there shall cease to be any Long-Term Indebtedness attributable to such Student Loan Guarantees so long as it continues to be fully-funded.

(iv) The fully funded status of a program or the extent to which a program is not fully funded shall be determined by a Certificate of the Pennsylvania Higher Education Assistance Authority or other issuing governmental authority if such Certificate be obtainable, or in the alternative, shall be certified to by a Consultant, which may be the Certified Public Accountant regularly retained by the Borrower, which Certificate in any case shall set forth in full the basis of its determination.

(v) If a Consultant's Certificate or Certificate of the issuing agency is not available, as provided above, the extent to which the principal amount of the Student Loan Guarantees shall be considered Long-Term Indebtedness shall be determined by multiplying the principal amount of such Student Loan Guarantees by the average default ratio, during the three Fiscal Years preceding such Student Loan Guarantees, for university students participating in United States Government guaranteed student loans programs.

(vi) The guarantee by the Borrower may be secured only by a lien or pledge upon Pledged Revenues subordinate and junior to the pledge of Pledged Revenues under the Loan Agreement.

No Liens or Encumbrances

The Borrower covenants and agrees that it will not grant any liens on the Pledged Revenues or the Borrower Facilities (whether real or personal, and whether owned as of the date of the Loan Agreement or acquired thereafter) except for Permitted Encumbrances.

Disposition of Assets

The Borrower covenants and agrees that it will not sell, transfer or otherwise dispose of any Property (other than transfers of current assets or investments in payment for property, goods or services, or as an investment of funds) except as follows:

(i) The Borrower may transfer property constituting a portion of the Borrower Facilities having a net book value of not more than 5% of the Borrower's total unrestricted net assets shown on its most recent audited financial statements, provided that the Trustee receives a Borrower Certificate which states the Borrower's intended use of the proceeds of such transfer and that such transfer will not adversely affect the ability of the Borrower to meet its payment obligations under the Loan Agreement; or

(ii) If no Event of Default under the Loan Agreement shall have occurred and be continuing, the Borrower may, with or without consideration:

(A) transfer easements, licenses, rights of way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property included in the Borrower Facilities, or release existing easements, licenses, rights of way and other rights or privileges, all upon such terms and conditions as the Borrower shall determine; or

(B) transfer any Property which has been replaced in the ordinary course of operations; or

(C) transfer tangible or intangible personal property, fixtures, or equipment from the Borrower Facilities in the ordinary course of business; or

(D) transfer real estate at any one time or during any Fiscal Year having a net book value alone or in the aggregate not in excess of 10% of the Borrower's net property, plant, and equipment as so determined; or

(E) transfer any Property at any one time or during any Fiscal Year having a net book value alone or in the aggregate in excess of the amounts set forth in (i) and (ii)(D) above or not in the ordinary course of business, if the Borrower shall file with the Trustee a Certificate showing that the Borrower's total unrestricted net assets immediately after such transfer shall not be less than 90% of such total unrestricted net assets before such transfer, and stating that such transfer will not adversely affect the ability of the Borrower to meet its payment obligations under the Loan Agreement.

Tax Covenants of Borrower and Authority

The Borrower covenants in the Loan Agreement that it will at all times do and perform all acts and things necessary or desirable and within its reasonable control in order to assure that interest paid on the Bonds shall be excludable from the gross income of the Holders thereof for federal income tax purposes and that it shall not take or omit to take, or permit to be taken on its behalf, any actions which, if taken or omitted, would adversely affect the excludability from the gross income of the Holders of interest paid on the Bonds for federal income tax purposes.

The Authority and the Borrower mutually covenant for the benefit of the Holders of the Bonds that they will not use the proceeds of the Bonds, any moneys derived, directly or indirectly, from the use or investment thereof or any other moneys on deposit in any fund or account maintained in respect of the Bonds in a manner which would cause such Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code or would otherwise violate the provisions of the Indenture relating to arbitrage.

The Borrower has covenanted that it will comply with various requirements of the Code pertaining to the excludability of interest on the Bonds from gross income of Holders thereof for federal income tax purposes, including, without limitation, that:

(a) It will take whatever actions are necessary for it to continue to be organized and operated in a manner which will preserve and maintain its status as an organization which is described in Section 501(c)(3) of the Code, exempt from federal income taxes under Section 501(a) of the Code and not a private foundation under Section 509(a) of the Code (or corresponding provisions of prior law), and it will not perform any acts nor enter into any agreements which would cause any revocation or adverse modification of such federal income tax status; and

(b) The Borrower will make such payments to the Trustee as are required of it under the Indenture in connection with the requirements of Section 148 of the Code concerning arbitrage bonds including Section 148(f), which requires generally rebate payments to the United States of arbitrage profits, and to pay the costs and expenses of any Financial Consultant engaged in accordance with the Indenture to assist in calculating the amount of such rebate payments, if any.

Environmental Matters

The Borrower covenants to comply in all material respects with all applicable federal, state and local laws, ordinances, rules and regulations pertaining to the environment (collectively, "Environmental Laws"), including, without limitation, those regulating hazardous or toxic wastes and substances (as such phrases may be defined in any Environmental Law), and to give prompt written notice to the Trustee and the Authority of any material violation or alleged material violation of any Environmental Law with respect to the Borrower's Property. The Borrower will indemnify and defend the Authority and the Trustee and their respective directors, officers, employees and agents (the "Indemnified Parties"), and hold the Indemnified Parties harmless from, any loss, liability, damage, claim, fine, penalty, action or cause of action, including, without limitation, out-of-pocket and incidental expenses and court costs and reasonable attorney's fees and expenses and the allocated costs of in-house counsel and legal staff, consultants' fees and any clean-up or remediation costs, arising from any violation or alleged violation by the Borrower of any Environmental Law with respect to the Borrower's Property.

Borrower's Use of the Project Facilities

The Borrower will use the Project Facilities only in furtherance of the lawful purposes of the Borrower.

The Borrower further agrees that it will use the Project Facilities for secular instruction and will not use the Project as a facility used primarily in connection with any part of a program of a school or department of divinity for any religious denomination for the training of ministers, priests, rabbis or other similar persons in the field of religion or in a manner which would violate the First Amendment to the Constitution of the United States of America, including the decisions of the United States Supreme Court interpreting the same, or any comparable provisions of the Constitution of the Commonwealth, including the decisions of the Supreme Court of the Commonwealth interpreting the same. Notwithstanding the termination of the Loan Agreement, the Borrower agrees that it will continue to comply with the restriction stated in the preceding sentence on the sectarian use of the Project Facilities. To the extent required by law, the Borrower will permit the Authority to inspect the Project Facilities solely in order to determine whether the Borrower has complied with the provisions of this paragraph and such right of inspection shall survive the termination of the Loan Agreement.

The Borrower further agrees that it will not use the Project Facilities, or permit the Project Facilities to be used, in such manner as would result in the loss of any exemption from federal income taxation to which interest on the Bonds would otherwise be entitled.

Events of Default

Each of the following shall constitute an Event of Default under the Loan Agreement:

(a) if the Borrower fails to make any payments required under the Loan Agreement with respect to the principal or redemption price of and interest on the Bonds when the same shall become due and payable thereunder; or

(b) if the Borrower fails to make any other payment or deposit required under the Loan Agreement within thirty (30) days of the due date thereof; or

(c) if the Borrower fails to perform any of its other covenants, conditions or provisions under the Loan Agreement and such failure continues for thirty (30) days after the Authority or the Trustee gives the Borrower written notice thereof; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such thirty (30) day period, no Event of Default shall be deemed to have occurred or to exist if, and so long as, the Borrower shall commence such performance within such thirty (30) day period and shall diligently and continuously prosecute the same to completion; or

(d) if the Borrower admits in writing its inability to pay its debts generally as they become due, or proposes or makes an assignment for the benefit of creditors or a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the Borrower or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangements of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the Borrower and if such is not vacated, dismissed or stayed on appeal within sixty (60) days; or

(e) if for any reason any of the Bonds shall be declared due and payable by acceleration in accordance with the terms of the Indenture; or

(f) if the Borrower shall default in the payment of any indebtedness (other than amounts due under the Loan Agreement) with a principal amount in excess of $1,000,000, and any period of grace with respect thereto shall have expired; or

(g) the occurrence of any default with respect to Parity Indebtedness subject to the Intercreditor Agreement as a result of which such Parity Indebtedness is declared immediately due and payable.

Remedies

If acceleration of the principal amount of the Bonds has been declared pursuant to the Indenture, the Trustee shall declare all loan payments to be immediately due and payable, whereupon the same shall become immediately due and payable. In addition, if an Event of Default under the Loan Agreement has occurred and is continuing, the Authority (or the Trustee as its assignee) may, at its option, in addition to its other rights and remedies as may be provided in the Loan Agreement or may exist at the time at law or in equity, exercise any one or more of the following remedies:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Authority, and require the Borrower to carry out any agreements with or for the benefit of the Bondholders and to perform its duties under the Act or the Loan Agreement; or

(b) by action or suit in equity require the Borrower to account as if it were the trustee of an express trust for the Authority; or

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Authority; or

(d) upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and the Bondholders, have appointed a receiver or receivers of the Trust Estate, with such powers as the court making such appointment shall confer; or

(e) upon notice to the Borrower, accelerate the due dates of all sums due or to become due under the Loan Agreement.

In order to entitle the Authority or the Trustee to exercise any remedy reserved to it in Loan Agreement concerning Events of Default and remedies, it shall not be necessary to give any notice, other than such notice as may be therein expressly required. Such rights and remedies as are given the Authority thereunder shall also extend to the Trustee. For so long as any Bonds remain Outstanding under the Indenture, and except with respect to the Borrower's obligations in respect of the Authority's rights to notices, payments of fees and expenses and indemnification rights and the Borrower's obligations to comply with the Act, the Trustee, as the assignee of the Authority, shall have the sole right to exercise rights and remedies against the Borrower upon the occurrence of any Event of Default under the Loan Agreement, and the exercise by the Trustee of such rights and remedies shall be subject to all applicable provisions of the Indenture, the Loan Agreement and the Act. To the extent necessary or appropriate and requested by the Trustee, the Authority shall cooperate with the Trustee in connection with the exercise by the Trustee of such rights and remedies against the Borrower.

Amendments

The Authority and the Borrower may enter into any amendments and supplements to the Loan Agreement without the consent of Bondholders, but with prior notice to the Trustee, for the following purposes:

(a) To cure any ambiguity, inconsistency, defect or omission in the Loan Agreement or in any amendment thereto;

(b) To modify, eliminate or add to the provisions of the Loan Agreement to such extent as shall be necessary to obtain, maintain or improve a rating of the Bonds by the Ratings Services;

(c) To add covenants of the Borrower or surrender rights or powers of the Borrower;

(d) To make such additions, deletions or modifications as may be necessary in the case of any Bonds to assure compliance with Section 148(f) of the Code relating to the required rebate of certain investment earnings to the United States government or otherwise as may be necessary to assure exemption from federal income taxation of interest on the Bonds; or

(e) In connection with any other change in the Loan Agreement if in the judgment of the Trustee in reliance on an opinion of Counsel (which may be Bond Counsel), the proposed change does not materially adversely affect the rights of the Holders of any Bonds.

Except for amendments, changes or modifications as provided in clauses (a) through (e) above, neither the Authority nor the Trustee shall consent to any amendment, change or modification of the Loan Agreement or waive any obligation or duty of the Borrower under the Loan Agreement without the written consent of the holders of not less than a majority in aggregate principal amount of the Outstanding Bonds affected thereby; provided, however, that no such waiver, amendment, change or modification shall permit termination or cancellation of the Loan Agreement or any reduction of the amounts payable under the Loan Agreement with respect to debt service on the Bonds or change the date when such payments are due without the consent of the Holders of all the Bonds then Outstanding who are adversely affected thereby. Prior to consenting to an amendment, change or modification of the Loan Agreement, the Trustee is entitled to receive and rely upon an opinion of Counsel to the effect that such amendment, change or modification is authorized or permitted under the Loan Agreement, complies with the terms thereof, and shall not adversely affect the exclusion of interest from the gross income of the Holders of the Bonds for federal income tax purposes.

Assignment

The Borrower will not assign the Loan Agreement or any interest of the Borrower therein, either in whole or in part, without the prior written consent of the Trustee, which consent shall be given if the following conditions are fulfilled: (i) the assignee assumes in writing all of the obligations of the Borrower under the Loan Agreement; (ii) in the opinion of Borrower's counsel, neither the validity nor the enforceability of the Loan Agreement will be adversely affected by such assignment; (iii) the Project shall continue in the opinion of Bond Counsel to be a "project" as such term is defined in the Act after such assignment; (iv) such assignment will not, in the opinion of Bond Counsel, have an adverse effect on the exclusion from gross income for federal income tax purposes of interest on the Bonds; and (v) consent by the Authority, which consent shall not be unreasonably withheld.

THE INDENTURE

The following description of certain provisions of the Indenture is only a brief outline of some of the provisions thereof, and does not purport to summarize or describe all of the provisions thereof. Reference is made to the Indenture, a copy of which is on file at the corporate trust office of the Trustee in Pittsburgh, Pennsylvania, for a complete statement of these provisions and other provisions which are not summarized in this Official Statement.

Pledge of Trust Estate

In order to secure the payment of the principal of, premium, if any, on and interest on the Bonds and the performance of the Authority's covenants in respect of the Bonds, the Authority assigns and pledges to the Trustee pursuant to the Indenture:

(i) all right, title and interest (but not the obligations) of the Authority under and pursuant to the terms of the Loan Agreement, all Loan Payments and all other payments, revenues and receipts receivable by the Authority thereunder (except for the "Unassigned Rights" as defined in the Loan Agreement); and

(ii) all of the right, title and interest of the Authority in and to all funds (other than the Rebate Fund) and accounts established under the Indenture and all moneys and investments now or hereafter held therein and all present and future Revenues (as defined in the Indenture).

Bond Fund

A Bond Fund will be established and maintained with the Trustee under the Indenture. Moneys in the Bond Fund will be used to pay (i) the principal or redemption price of Bonds as they mature or become due, upon redemption or acceleration, or otherwise upon surrender thereof, and (ii) the interest on Bonds as it becomes payable whether at maturity, upon redemption or acceleration or otherwise.

Project Fund

A Project Fund will be established and maintained with the Trustee under the Indenture. Proceeds of the Bonds will be deposited in the Project Fund and disbursed to pay costs of the Capital Project in accordance with provisions set forth in the Loan Agreement.

Investments

Any moneys held as a part of the Funds established under the Indenture shall be invested by the Trustee in Permitted Investments as provided in the Indenture. Any such investments shall mature or be subject to redemption by the holder at not less than the principal amount thereof, and all deposits in time accounts shall be subject to withdrawal without penalty, not later than the date when the amounts will foreseeably be needed for purposes of the Indenture.

Events of Default and Remedies

The Indenture provides that each of the following shall be an "Event of Default":

(a) Failure to pay the principal or redemption price of any Bond when due and payable, whether at the stated maturity thereof, by redemption, by acceleration or otherwise;

(b) Failure to pay any interest on any Bond when due and payable;

(c) Failure by the Authority to comply with the provisions of the Act relating to the Bonds or the Project or to perform or observe any other covenant, agreement or obligation on its part to be observed or performed contained in the Indenture or the Bonds, which failure shall have continued for a period of 60 days after written notice has been given by registered or certified mail to the Authority and the Borrower as provided in the Indenture, which notice may be given by the Trustee in its discretion and which notice must be given by the Trustee at the written request of the Holders of not less than 25% in aggregate principal amount of Bonds Outstanding; or

(d) The occurrence and continuance of an "Event of Default" as defined in the Loan Agreement (see "THE LOAN AGREEMENT -- "Events of Default" herein).

The Indenture provides that if an Event of Default occurs, the Trustee may and shall upon the written request of the Owners of 25% in principal amount of all Bonds then outstanding (100% in principal amount of all Bonds then outstanding in the case of an Event of Default described in clause (c) above) by notice in writing to the Authority, the Borrower and the Program Sponsor, declare the principal of all Bonds then outstanding to be immediately due and payable and upon such declaration such principal, together with interest accrued thereon, shall become immediately due and payable to the Owners. Upon any declaration of acceleration under the Indenture, the Trustee shall immediately exercise such rights as it may have as the assignee of the Loan Agreement to declare all payments under the Loan Agreement to be due and payable immediately.

Within five calendar days of the occurrence of any such acceleration, the Trustee shall notify, by first class mail, postage prepaid, the owners of all Bonds then outstanding of the occurrence of such acceleration, the date through which interest has accrued and the time and place of payment.

In addition, upon the occurrence and continuation of an Event of Default under the Indenture, the Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of principal or redemption price of and interest on the Bonds.

The provisions described above are subject to the condition that if, after the principal of all Bonds has been so declared to be due and payable, all arrears of interest on the Bonds (and interest on overdue interest at the rate in accordance with the Indenture) are paid by the Authority, and the Authority performs all other things in respect to which it may have been in default under the Indenture and pays the reasonable charges and expenses of the Trustee and of the Owners of the Bonds and any trustee appointed under the Act, including reasonable attorneys' fees, then Owners of a majority in principal amount of the Bonds then outstanding, by notice to the Authority, the Trustee and the Program Sponsor, may annul such declaration and its consequences.

The Owners of a majority in principal of the Bonds then Outstanding will have the right, after furnishing indemnity satisfactory to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee under the Indenture, except that such direction may not (i) be in conflict with the provisions of law and of the Indenture, (ii) unduly prejudice the rights of minority Owners or (iii) involve the Trustee in personal liability against which indemnity would not be satisfactory.

No Bondholder shall have any right to pursue any remedy under the Indenture or the Loan Agreement unless:

(a) The Trustee shall have been given written notice of an Event of Default,

(b) The Holders of at least 25% in principal amount of all Bonds then Outstanding shall have requested the Trustee, in writing, to exercise the powers granted in the Indenture or to pursue such remedy in its or their name or names,

(c) The Trustee shall have been offered indemnity satisfactory to it against its fees, costs, expenses and liabilities, and

(d) The Trustee shall have failed to comply with such request within a reasonable time.

Notwithstanding the foregoing provisions or any other provision of the Indenture, the obligation of the Authority shall be absolute and unconditional to pay or cause to be paid, but solely from the Revenues and other funds pledged under the Indenture, the principal or redemption price of and interest on, the Bonds to the respective Holders thereof on the respective due dates thereof, and nothing in the Indenture shall affect or impair the right of action, which is absolute and unconditional, of such holders to enforce such payment.

Modifications and Amendments

The Indenture provides that it may be amended or supplemented at any time without notice to or the consent of any of the Owners of the Bonds, by a supplemental indenture consented to by the Borrower, authorized by the Authority and filed with the Trustee for any one or more of the following purposes:

(a) To add additional covenants of the Authority or to surrender any right or power conferred upon the Authority in the Indenture;

(b) For any purpose not inconsistent with the terms of the Indenture or to cure any ambiguity or to correct or supplement any provision of the Indenture or in any supplemental indenture which may be defective or inconsistent with any other provision in the Indenture or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under the Indenture which shall not be inconsistent with the provisions of the Indenture and which shall not adversely affect the interests of the holders of the Bonds, including the appointment and duties of a bond registrar or authenticating agent;

(c) To modify, eliminate or add to the provisions of the Indenture to such extent as shall be necessary to effect the qualification of the Indenture under the Trust Indenture Act of 1939 or under any similar Federal statute hereafter enacted, and to add to the Indenture such other provisions as may be expressly permitted by the Trust Indenture Act of 1939, as from time to time amended;

(d) To modify, eliminate or add to the provisions of the Indenture to such extent as shall be necessary to obtain, maintain or improve a rating of the Bonds by the Ratings Services;

(e) To grant to or confer or impose upon the Trustee for the benefit of the Owners of the Bonds any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(f) To permit the Bonds to be converted to, or from, certificateless securities or securities represented by a master certificate held in trust, ownership of which, in either case, is evidenced by book entries on the books of the Securities Depository, for any period of time;

(g) To permit the appointment of a co-trustee under the Indenture;

(h) To authorize different authorized denominations of the Bonds and to make correlative amendments and modifications to the Indenture regarding exchangeability of Bonds of different authorized denominations, redemption of portions of Bonds of particular authorized denominations and similar amendments and modifications of a technical nature;

(i) To modify, alter, supplement or amend the Indenture to comply with changes in the Code affecting the status of interest on the Bonds as excluded from gross income for Federal income tax purposes or the obligations of the Authority or the Borrower in respect of Section 148 of the Code; and

(j) To modify, alter, amend or supplement the Indenture in any other respect which is not materially adverse to the Owners of the Bonds.

The Indenture may be amended from time to time, except with respect to (i) the principal or interest payable upon any of the Bonds, (ii) the Interest Payment Dates, the dates of maturity or the redemption provisions of any of the Bonds, and (iii) the provisions relating to amendments of the Indenture by a supplemental indenture consented to by the Borrower and approved by the Owners of at least a majority in aggregate principal amount of the Bonds then outstanding which would be affected by the action proposed to be taken. The Indenture may be amended with respect to the matters enumerated in clauses (i) through (iii) of the immediately preceding sentence with the unanimous consent of all Owners and the Borrower.

Discharge of Indenture

When interest on, and principal or redemption price (as the case may be) of, all Bonds issued under the Indenture have been paid, or there shall have been deposited with the Trustee (i) cash in an amount sufficient to pay in full the principal or redemption price of and interest on the Bonds, and all other sums payable under the Indenture by the Authority, (ii) “defeasance obligations” (as defined below), the principal of and interest on which, when due, will provide sufficient moneys without reinvestment to pay in full the principal or redemption price of and interest on the Bonds, as well as all other sums payable under the Indenture by the Authority, or (iii) any combination of the foregoing, then upon receipt by the Trustee of (a) all of its necessary and proper fees, compensation and expenses, (b) an opinion of Bond Counsel that all conditions precedent to the defeasance of the lien of the Indenture have been complied with, (c) unless the Bonds will be paid in full within 90 days of the date of deposit of any defeasance obligations, a verification report in form and substance satisfactory to the Trustee from an independent certified public accountant or a nationally recognized firm with experience in preparing verification reports to the effect that the cash and defeasance obligations delivered will be sufficient to provide for the payment of the Bonds as aforesaid, and (d) other assurances from the Authority that the Trustee may deem necessary or appropriate, the right, title and interest of the Trustee in the Loan Agreement and the Trust Estate shall thereupon cease and the Trustee, on demand of the Authority, shall release the Loan Agreement and the Trust Estate from the lien and security interest created by the Indenture and shall execute such documents to evidence such release as may be reasonably required by the Authority or the Borrower and shall turn over to the Borrower or to such Person as may be entitled to receive the same, as it shall be directed in writing by the Borrower all balances remaining in any funds (other than the Rebate Fund) under the Indenture and the Trustee's right, title and interest to and under the Loan Agreement. For the purposes of this paragraph, “defeasance obligations” shall mean the following, but only to the extent they are Permitted Investments at the time of delivery to the Trustee: (1) Government Obligations; and (2) pre-refunded debt obligations of any state or political subdivision thereof or any agency or instrumentality of such a state or political subdivision, provided that such debt obligations are rated, at the time of purchase, at least “AA” by S&P or at least “Aa” by Moody's.

The foregoing requirements may also be met with respect to any portion of the Bonds, as designated by the Borrower, by depositing with the Trustee cash, defeasance obligations, or any combination thereof sufficient to pay or provide for the payment of such Bonds, as described in the preceding paragraph. Upon such deposit and compliance with the other requirements of the Indenture, the Bonds for which such deposit has been made shall no longer be deemed Outstanding under the Indenture.

The Trustee

The obligations and duties of the Trustee are described in the Indenture and, except upon an Event of Default, the Trustee has undertaken only those obligations and duties which are expressly set out in the Indenture. If any Event of Default of which the Trustee has been notified or is deemed to have notice under the Indenture has occurred and is continuing, the Trustee is obligated to exercise such of the rights and remedies vested in it by the Indenture and to use the same degree of care in its exercise as a prudent person would exercise or use in the circumstances in the conduct of his own affairs; provided that if in the opinion of the Trustee such action may tend to involve expense or liability, it will not be obligated to take such action unless it is furnished with indemnity satisfactory to it.

The Indenture expressly provides that the Trustee will not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in principal amount of the Bonds then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under the Indenture.

Under the terms of the Indenture, the Trustee is liable only for those damages caused by its gross negligence or willful misconduct. Under the terms of the Indenture, the Trustee shall not be deemed to have notice of an Event of Default, other than the failure to pay principal of or interest on the Bonds when due, unless the Trustee has been notified in writing of such events by the Authority or the holders of at least 25% in aggregate principal amount of the Bonds then Outstanding. In the absence of delivery of such notices satisfying these requirements, the Trustee may assume conclusively that there is no such default. The summary of the Trustee's rights, duties, obligations and immunities contained herein is not intended to be a complete summary, and reference must be made to the Indenture for a complete statement of the Trustee's rights, duties, obligations and immunities.

The Trustee may resign and be discharged by written resignation filed with the Authority (and a copy to the Borrower) not less than 30 days prior to the date the resignation is to take effect. Such resignation will take effect only upon the appointment of, and acceptance of such appointment by, a successor trustee. In addition, the Trustee may be removed at any time by an instrument appointing a successor to the Trustee so removed, executed (i) by the Authority at the direction of the Holders of a majority in principal amount of the Bonds then Outstanding, or (ii) so long as no Event of Default has occurred and is continuing, by the Authority or by the Borrower with the written consent of the Authority.

Any successor trustee must be a national banking association or a state bank with trust powers or a bank and trust company having capital and surplus of at least $50,000,000, if there is one able and willing to accept the trust on reasonable and customary terms.

Limitation of Rights; No Personal Recourse

With the exception of rights conferred expressly in the Indenture, nothing in the Indenture expressed or implied is intended or shall be construed to give to any person other than the parties thereto, the Borrower and the Holders of the Bonds any legal or equitable right, remedy, power or claim under or with respect to the Indenture or any covenants, agreements, conditions and provisions contained therein.

The Indenture does not pledge the general credit of the Authority or the general credit or the taxing power of Cambria County, the Commonwealth of Pennsylvania or any political subdivision thereof. The liability of the Authority shall be limited to and payable solely from the sources described herein under “SECURITY AND SOURCES OF PAYMENT FOR BONDS”.

No recourse shall be had for any claim based on the Indenture or the Bonds, including but not limited to the payment of the principal or redemption price of, or interest on, the Bonds, against the Authority or any member, officer, agent or employee, past, present or future, of the Authority or of any successor body, as such, either directly or through the Authority or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or by any legal or equitable proceeding or otherwise. The obligations and liabilities of the Authority arising under the Indenture shall be payable solely from the Revenues. The Program Sponsor shall have no liability under the Indenture, under the Bonds or under the Loan Agreement.

ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth the annual debt service requirements on the Borrower's Other Debt and the Bonds.

Year Ending June 30	Other Bonds Debt Service	Series 2021 TT5 Bonds Principal	Series 2021 TT5 Bonds Interest	Series 2021 TT5 Bonds Total	Total Debt Service
2022	$2,188,327		$175,533	$175,533	$2,363,860
2023	2,080,698		468,088	468,088	2,548,786
2024	1,995,179		468,088	468,088	2,463,267
2025	1,810,035		468,088	468,088	2,278,123
2026	1,733,787		468,088	468,088	2,201,874
2027	1,635,075		468,088	468,088	2,103,162
2028	1,618,263		468,088	468,088	2,086,350
2029	1,615,313		468,088	468,088	2,083,400
2030	1,734,438		468,088	468,088	2,202,525
2031	1,684,438		468,088	468,088	2,152,525
2032	1,634,438		468,088	468,088	2,102,525
2033	1,603,938		468,088	468,088	2,072,025
2034	1,606,563		468,088	468,088	2,074,650
2035	1,606,438		468,088	468,088	2,074,525
2036	1,566,813		468,088	468,088	2,034,900
2037	1,646,719		468,088	468,088	2,114,806
2038	2,006,500		468,088	468,088	2,474,588
2039	2,005,100		468,088	468,088	2,473,188
2040	2,003,900		468,088	468,088	2,471,988
2041	1,995,000		468,088	468,088	2,463,088
2042	1,973,700		468,088	468,088	2,441,788
2043		$1,420,000	468,088	1,888,088	1,888,088
2044		1,480,000	411,288	1,891,288	1,891,288
2045		1,535,000	352,088	1,887,088	1,887,088
2046		1,600,000	290,688	1,890,688	1,890,688
2047		1,660,000	226,688	1,886,688	1,886,688
2048		1,715,000	172,738	1,887,738	1,887,738
2049		1,770,000	117,000	1,887,000	1,887,000
2050		1,830,000	59,475	1,889,475	1,889,475
Total	**$37,744,657**	**$13,010,000**	**$11,635,333**	**$24,645,333**	**$62,389,990**

Note: Numbers may not add due to rounding.

BONDHOLDERS' RISKS

General

The Bonds are limited obligations of the Authority and are payable solely from payments made pursuant to the Loan Agreement and from certain funds held by the Trustee under the Indenture. No representation or assurance can be given that the Borrower will generate sufficient revenues to meet the Borrower's payment obligations under the Loan Agreement. Future legislation, regulatory actions, economic conditions, changes in the number of students in attendance at the Borrower, or other factors could adversely affect the Borrower's ability to generate such revenues. Neither the Underwriter nor the Authority has made any independent investigation of the extent to which any such factors will have an adverse impact on the revenues of the Borrower.

Covenant to Maintain Tax-Exempt Status of the Bonds

The tax-exempt status of the Bonds is based on the continued compliance by the Authority and the Borrower with certain covenants contained in the Indenture, the Loan Agreement and the other documents executed by the Authority, the Borrower and the Trustee. These covenants relate generally to restrictions on use of facilities financed with proceeds of the Bonds, arbitrage limitations, rebate of certain excess investment earnings to the federal government and restrictions on the amount of issuance costs financed with the proceeds of the Bonds. Failure by the Authority and/or the Borrower to comply with such covenants could cause interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance of the Bonds.

Enforceability of Remedies

The remedies available to Bondholders upon an Event of Default under the Indenture or the Loan Agreement are in many respects dependent upon judicial action, which is subject to discretion or delay. Under existing law and judicial decisions, including specifically the Bankruptcy Code, the remedies specified in the Indenture and the Loan Agreement may not be readily available or may be limited. A court may decide not to order specific performance.

The various legal opinions to be delivered concurrently with the original delivery of the Bonds will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws or legal or equitable principles affecting creditors' rights.

State and Federal Legislation

Legislation has been proposed in the past, and may be proposed again in the future, to eliminate the tax-exempt status of bonds issued to finance educational facilities or to limit the use of tax-exempt bonds, or to prevent certain holders of tax-exempt bonds from realizing the full benefit of the tax exemption of interest on such bonds. Any such limitation could reduce the ability of the Borrower to finance its future capital needs. The effect on the Borrower of proposed laws and regulations and of future changes in federal and state laws and policies cannot be fully or accurately determined at this time.

Cybersecurity Risk

In the course of its operations, the Borrower collects and stores personally identifiable information, including, but not limited to, social security numbers, educational records and financial information. The Borrower also develops, maintains and/or stores, as applicable, intellectual property such as research data.

Like all institutions of higher education, the Borrower could be subject to cyber intrusion through hacking, malware and/or email scams. Cyber intrusion could lead to (i) data breaches requiring breach notification, (ii) denial of service (e.g., network, system, application or data), (iii) loss of intellectual property and data, (iv) harm to the Borrower's brand or reputation, (v) life/health safety impacts and/or (vi) financial loss. The Borrower takes steps to prevent, detect and respond to cyber intrusion. Further, the Borrower maintains cyber insurance coverage to protect against data breaches and other cyber events. However, because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently or may be disguised or difficult to detect, or designed to remain dormant until a triggered event, the Borrower may be unable to anticipate these techniques or implement adequate preventative measures. In addition, no assurance can be given that the insurance coverages maintained by the Borrower would be sufficient to cover all losses and liability resulting from data breaches or other cyber events.

COVID-19 Related Matters

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "COVID-19 Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and the Commonwealth of Pennsylvania. In March, 2020, the President of the United States declared the outbreak of COVID-19 Pandemic in the United States a national emergency. Also in March, 2020, pursuant to section 7301(c) of the Emergency Management Services Code, 35 Pa. C.S. § 7301(c), the Governor of the Commonwealth (the "Governor") proclaimed the existence of a disaster emergency throughout Pennsylvania as a result of the COVID-19 pandemic, and has since issued, amended and rescinded various executive orders, proclamations and regulations having the force and effect of law, for the purpose of mitigating the spread of the disease. Additionally, the Secretary of Health of the Commonwealth (the "Secretary") has since ordered, modified and rescinded, general control measures, including, but not limited to, closure, isolation, and quarantine, to the same end. These orders, which have frequently applied to different areas of Pennsylvania (often on a county-by-county basis, depending on the local prevalence of the disease), and the disease itself, have significantly and adversely affected the personal and economic life of the people and businesses of Pennsylvania, including those in the Borrower's geographical area and the region surrounding it.

While most Pennsylvania COVID-19 mitigation measures were lifted on May 31, 2021 (the main exceptions involving, masking), the pertinent regulations have changed significantly over the past year, sometimes being tightened and sometimes loosened, sometimes with little warning, and could change further at any time. The Delta variant, which the Centers for Disease Control and Prevention reported on July 22, 2021 to account for over 80% of new cases in the United States, is causing increasing concern. At this time, however, the Borrower cannot know to what degree, if any, the Delta variant or other SARS-CoV-2 variants will bring about further restrictions or economic dislocation that might affect the operations or financial condition of the Borrower, and therefore the security for the Bonds.

The COVID-19 Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. There can be no assurances regarding the extent to which the COVID-19 Pandemic will impact the national and Commonwealth economies and, accordingly, how it may adversely impact the finances and operations of the Borrower. While any impact of the COVID-19 Pandemic on colleges and universities is currently uncertain, the Borrower is monitoring the situation and will address such impact as necessary. For further discussion see "COVID-19 Matters" in Appendix A.

Potential purchasers of the Bonds should be aware that information set forth herein (particularly the tabular information set forth in Appendix A and Appendix B attached hereto, much of which is inherently historical in nature) may therefore be materially outdated or no longer applicable shortly after issuance of the Bonds; and such purchasers should bear this in mind when assessing future trends on the basis of that information.

Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on Commonwealth websites, including but not limited to the Governor's office (http://www.pa.gov/), the Pennsylvania Department of Health (http://www.health.pa.gov/). *The Borrower has not incorporated by reference the information on such websites and the Borrower does not assume any responsibility for the accuracy of the information on such websites.*

Other Risk Factors

In the future, the following factors, among others, may adversely affect the operations of the Borrower to an extent that cannot be determined at this time:

(1) Loss of accreditation for the Borrower or key academic programs.

(2) Employee strikes and other adverse labor actions that could result in a substantial reduction in revenues without corresponding decreases in costs.

(3) Litigation resulting in required payments by the Borrower which exceed insurance coverages.

(4) Increased costs and decreased availability of public liability or other types of insurance.

(5) Changes in the demand for higher education in general or for programs offered by the Borrower in particular.

(6) Cost and availability of energy.

(7) High interest rates, which could strain cash flow or prevent borrowing for needed capital expenditures.

(8) A decrease in student loan funds or other aid that permits many students the opportunity to pursue higher education.

(9) An increase in the costs of health care benefits, retirement plans, or other benefit packages offered by the Borrower to its employees.

(10) Withdrawal of any current exemptions from local real estate taxes, business privilege taxes and similar impositions.

(11) A downgrade in the Borrower's bond rating or rating outlook to a level which prevents the Borrower from being able to borrow at affordable rates in the future.

(12) Losses in investments held by the Borrower.

(13) Reduced future Borrower net tuition revenue as a result of a need to increase tuition discounting to attract students.

(14) Increased competition from other institutions of higher learning which may offer similar academic programs or may recruit similar students, and that may result in reduced enrollments and reduced Borrower revenues.

(15) Reduced ability to attract future capital campaign contributions, that may limit future projects and/or the ability to address deferred maintenance and/or reduced ability to attract future annual fund contributions that may negatively impact the ability to afford annual operating expenses and which may negatively affect operating performance.

(16) Reduced availability of qualified faculty to teach the programs offered by the Borrower or to secure adequate clinical assignments for health science related studies.

(17) Legislation and regulation by governmental authorities, including developments affecting tax-exempt status of educational institutions like the Borrower and changes in immigration laws limiting the Borrower's ability to admit foreign students or hire foreign faculty and administrators.

(18) Natural disasters or effects of any climate change which might damage the Borrower's facilities, interrupt service to its facilities or otherwise impair the operation of the Borrower's facilities.

(19) An inability to retain students, resulting in enrollment losses and reduced revenues, which may be due to reduced financial aid available to students from the Borrower or from Federal or state sources.

(20) Future deficits as a result of increased future expenses and/or reduced revenues.

(21) Any failure to successfully implement future new programs, negatively affecting operating performance.

NO PERSONAL RECOURSE

No covenant or agreement contained in the Indenture, the Bonds or the Loan Agreement shall be deemed to be the covenant or agreement of any member, director, officer, attorney, agent or employee of the Borrower, the Authority or the Program Sponsor in an individual capacity. No recourse shall be had for the payment of any claim based thereon against any member, director, officer, agent, attorney or employee of the Borrower, the Authority or the Program Sponsor past, present or future, or their successors or assigns, as such, either directly or through the Borrower, the Authority or the Program Sponsor, or any successor corporations, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise.

LITIGATION

As of the date hereof, there is no litigation of any nature pending or, to the Authority's knowledge, as to the Authority, or the Borrower's knowledge, threatened against the Authority or the Borrower to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or the application of the proceeds thereof as herein described, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Authority taken with respect to the issuance or sale thereof, the pledge or application of any monies or security for the Bonds or the existence or powers of the Authority.

As of the date hereof, to the knowledge of the Borrower, there is no litigation pending or threatened against the Borrower wherein an unfavorable decision would adversely affect the ability of the Borrower to carry out its obligations under the Indenture or the Loan Agreement, or would have a material adverse impact on the financial position or operations of the Borrower.

CONTINUING DISCLOSURE

On or before the date of issuance of the Bonds, the Borrower will enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") with The Bank of New York Mellon Trust Company, N.A. (the "Dissemination Agent") in substantially the form set forth in Appendix C hereto. Pursuant to the Continuing Disclosure Agreement, the Borrower will agree to provide certain continuing disclosure for the benefit of the holders of the Bonds pursuant to Securities and Exchange Commission Rule 15c2-12 (the "Rule"). The provisions of the Continuing Disclosure Agreement will be for the benefit of the beneficial owners of the Bonds, and each beneficial owner will be a beneficiary of the provisions of the Continuing Disclosure Agreement with the right to enforce such provisions directly against the Borrower. However, breach of the provisions of the Continuing Disclosure Agreement will not be considered an Event of Default under the Indenture or the Loan Agreement and none of the rights and remedies provided under the Indenture or the Loan Agreement upon an Event of Default (other than specific performance) will be available to the beneficial owners in the event of such breach. Unless otherwise required by law, no beneficial owner is entitled to damages for the Borrower's noncompliance with its obligations under the Continuing Disclosure Agreement.

TAX MATTERS

Federal Tax Exemption

In the opinion of Ballard Spahr LLP, Bond Counsel, interest on the Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Bonds, assuming the accuracy of the certifications of the Authority and the Borrower and continuing compliance by the Authority and the Borrower with the requirements of the Internal Revenue Code of 1986, as amended (the *"Code"*). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel expresses no opinion regarding other federal tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Original Issue Discount. The Bonds maturing on April 1, 2050 were offered at a discount ("original issue discount") equal generally to the difference between the public offering price and the principal amount. For federal income tax purposes, original issue discount on a Bond accrues periodically over the term of the Bond as interest with the same tax exemption and alternative minimum tax status as regular interest. The accrual of original issue discount increases the holder's tax basis in the Bond for determining taxable gain or loss upon sale or redemption prior to maturity. Holders should consult their tax advisers for an explanation of the accrual rules.

Original Issue Premium. The Bonds maturing on April 1, 2046 were offered at a premium ("original issue premium") over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a Bond through reductions in the holder's tax basis for the Bond for determining taxable gain or loss upon sale or redemption prior to maturity. Amortization of premium does not create a deductible expense or loss. Holders should consult their tax advisers for an explanation of the amortization rules.

State Tax Exemption

Interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax, under the laws of the Commonwealth of Pennsylvania as enacted and construed on the date of initial delivery of the Bonds. Bond Counsel will express no opinion regarding other state or local tax consequences arising with respect to the Bonds, including whether interest on the Bonds is exempt from taxation under the laws of any jurisdiction other than the Commonwealth of Pennsylvania.

General

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 proposed or pending legislation, regulatory initiatives or litigation.

The foregoing is only a general summary of certain provisions of the Code as enacted and in effect on the date hereof and does not purport to be complete; holders of the Bonds should consult their own tax advisors as to the effects, if any, of the Code in their particular circumstances.

See APPENDIX D hereto for the proposed Form of Bond Counsel Opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approval of Ballard Spahr LLP, Philadelphia, Pennsylvania, Bond Counsel. A signed copy of their opinion, dated and premised on facts existing and law in effect as of the date of original issuance and delivery of the Bonds, will be delivered to the Trustee at the time of such original issuance.

Certain legal matters will be passed upon by Shahade and Shahade, Johnstown, Pennsylvania, as counsel to the Authority; by Dennis M. McGlynn Law Office, Johnstown, Pennsylvania, as counsel to the Borrower; and by Eckert Seamans Cherin & Mellott, LLC, Pittsburgh, Pennsylvania, as counsel to the Underwriter.

RATING

S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P" or the "Rating Service"), has assigned its municipal bond rating of "BBB" to the Bonds, accompanied by a Stable Outlook, based on the creditworthiness of the Borrower.

Certain information and materials not included in this Official Statement was furnished to the Rating Service. Generally, such Rating Service bases its ratings on information and materials so furnished and on investigations, studies and assumptions by such Rating Service. The rating and outlook assigned to the Bonds reflects only the views of such Rating Service at the time such rating was issued, and an explanation of the significance of such rating and outlook may be obtained only from such Rating Service. Such rating and outlook are not a recommendation to buy, sell or hold the Bonds. There is no assurance that any such rating or outlook will continue for any given period of time or that they will not be lowered or withdrawn entirely by such Rating Service if, in its judgment, circumstances so warrant. Any such downward revision of such rating or outlook or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at an aggregate purchase price of $13,132,315.50 (which includes a net original issue premium of $187,365.50). The purchase contract by and among the Underwriter, the Authority and the Borrower (the "Purchase Contract") provides that the Underwriter will purchase all of the Bonds, if any Bonds are purchased, and contains the agreement of the Borrower to indemnify the Underwriter and the Authority against losses, claims, damages and liabilities to third parties arising out of any materially incorrect or incomplete statements of information contained in this Official Statement pertaining to the Borrower or the Project.

The Underwriter has entered into an agreement with its affiliate, Vining-Sparks IBG, LLC, for the distribution of certain municipal securities offerings at the original issue price. Pursuant to that distribution agreement, Vining-Sparks may purchase Bonds from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that Vining-Sparks sells.

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The financial statements of the Borrower as of and for the fiscal years ended June 30, 2021 and June 30, 2020 are included in Appendix B hereto and have been audited by Baker Tilly US, LLP, as stated in their report appearing therein.

OTHER MATTERS

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety. The offering of the Bonds is made only by means of this entire Official Statement. The Appendices are integral parts of this Official Statement and should be read in their entirety together with the other sections of this Official Statement.

The foregoing references to and summaries or descriptions of provisions of the Bonds, the Project, the Loan Agreement and the Indenture, and all references to other materials not stated to be quoted in full, are only brief outlines of some of the provisions thereof and do not purport to summarize or describe all of the provisions thereof. Copies of the Loan Agreement and the Indenture may be obtained from the Underwriter as set forth herein under "INTRODUCTORY STATEMENT."

The information set forth in this Official Statement, and in the Appendices hereto, should not be construed as representing all of the conditions affecting the Authority, the Borrower, or the Bonds.

Statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as such and not as representations of facts. All projections, estimates and other statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes" and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties which could affect the financial condition and results of operations of the Borrower include, among other things, changes in economic conditions and various other events, conditions and circumstances, many of which are beyond the control of the Borrower. Such forward-looking statements speak only as of the date of this Official Statement. The Borrower disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Borrower's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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The distribution of this Official Statement has been duly authorized by the Authority and the Borrower. The Authority has not assisted in the preparation of this Official Statement, except for the statements pertaining to the Authority under the captions "THE AUTHORITY" and "LITIGATION" herein and, except as aforesaid, the Authority is not responsible for any statements made in this Official Statement. Except for the execution and delivery of documents required to effect the issuance of the Bonds, the Authority has not otherwise assisted in the public offer, sale or distribution of the Bonds. Accordingly, except as aforesaid, the Authority assumes no responsibility for the disclosures set forth in this Official Statement.

CAMBRIA COUNTY GENERAL
FINANCING AUTHORITY

By: /s/ Warren M. Myers
Chairperson

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APPENDIX A

INFORMATION CONCERNING SAINT FRANCIS UNIVERSITY

SAINT FRANCIS UNIVERSITY

Introduction and History

Saint Francis University ("Saint Francis" or the "University") is a private, Catholic, Franciscan sponsored, co-educational institution offering undergraduate and graduate education, located in the Borough of Loretto, Cambria County, Pennsylvania, located approximately 80 miles east of Pittsburgh and 185 miles northwest of Washington, D.C. The University is incorporated under the laws of the Commonwealth of Pennsylvania as a nonprofit corporation and is qualified under Section 501(c)(3) as a tax-exempt educational institution. The University was originally chartered in 1847 as a boys' academy, but soon thereafter was authorized to confer college degrees. The University was founded (originally as a College) by six Franciscan Brothers of the Third Order Regular of Saint Francis who came to Pennsylvania from Roundstone, Ireland at the invitation of the Bishop of Pittsburgh. The University became co-educational in 1948, and achieved university status in 2001. It is the oldest Franciscan university in the United States.

Enrollment at the University for the 2021-22 academic year is 2,112 students, of whom 1,440 are traditional undergraduate students. 214 students attend classes in the Continuing Education division. There are 458 graduate students at the University who attend classes both on the main campus as well as off-site locations. Full-time equivalent enrollment is 1,900. In addition to its main campus, the University offers courses in Altoona and Johnstown.

Location and Facilities

Saint Francis University – Loretto, Pennsylvania Campus

The University occupies a 600-acre campus (of which 200 acres support University activities). The University's physical facilities include 31 buildings, a nine-hole golf course and a water treatment plant near campus.

Eleven student residences, including Christian Hall (shown below), an apartment building and townhouse complex, the recently renovated Schwab Hall housing the School of Business, a state of the art science building, student center, classroom and administrative buildings, athletics center, dining hall, library, chapel, friary and maintenance buildings are located on the campus.

Christian Hall Student Residence

In 2009 the University completed the DiSepio Institute for Rural Health and Wellness Building (shown below). This state-of-the-art facility includes a faculty practice in Physical and Occupational Therapy, the student health center, a human performance laboratory, a fitness center, conference rooms and class rooms.

DiSepio Institute for Rural Health and Wellness

The University constructed a $23 million Science Center in 2013 (shown below).

University Science Building (2013)

The University completed a $7.7 million renovation and addition to Schwab Hall, the new home for the School of Business, funded almost entirely from gifts. Outdoor athletic and recreation facilities include turf football, soccer and softball fields, as well as soccer and football practice fields.

Schwab Hall
School of Business
(2016)

The University completed a $4 million 10,000 square foot addition to Sullivan Hall that houses an innovative experiential learning commons. The facility serves as a collaborative space where health sciences majors such as nursing, physician assist, occupational therapy and physical therapy can not only learn, but learn to work together in simulated healthcare situations.

Experiential Learning Commons (2019)

University Branch Campus – Ambialet, France

The University offers a study abroad program on its campus in Ambialet, France, located in the southwestern area of the country. The site is perched on a hilltop overlooking the Tarn River and the village of Ambialet.

Accreditation and Memberships

Saint Francis is accredited by the Middle States Commission on Higher Education. The University was reaffirmed for accreditation by the commission on June 23, 2016. The next evaluation visit will be during the 2024-2025 academic year.

In addition, many of the University's academic departments hold regional and national accreditations for its programs.

- Chemistry – The Chemistry program has been approved by the American Chemical Society to offer ACS certified degrees through June 30, 2027.

- Education – Pennsylvania Department of Education (PDE). The teacher preparation and certification programs offered at Saint Francis University at the undergraduate and graduate level are approved by the Pennsylvania Department of Education (PDE), 333 Market Street, Harrisburg, PA, 17126; (717)783-6788. PDE approved preparation programs are designed to prepare and certify educators to teach or serve in the schools of the Commonwealth. *Major Review of all education programs took place in 2020, and all programs were approved for 7 years. No appeals or provisions. Exp. 2027.*

- Environmental Engineering – The Engineering Accreditation Commission (EAC) of the Accreditation Board for Engineering and Technology (ABET) reaffirmed accreditation until the next review on September 30, 2025.

- General Engineering – The Engineering Accreditation Commission (EAC) of the Accreditation Board for Engineering and Technology (ABET) granted initial accreditation for the program retroactively from October 1, 2019 until the next review on September 30, 2025.

- Exercise Physiology – Commission on Accreditation of Allied Health Education Programs (CAAHEP) awarded initial accreditation to the Saint Francis University Exercise Physiology program on January 16, 2014. Renewed accreditation March 15, 2019, expiring on January 31, 2029.

- Human Resource Management – Society for Human Resource Management (SHRM). The Society for Human Resource Management (SHRM) confirms that curriculum taught at Saint Francis University Master of Human Resource Management aligns with the recommended requirements for HR degree programs as outlined in the SHRM HR Curriculum Guidebook and Templates. *Inception March 2009. Effective through December 2023.*

- Nursing – BSN Program: The most recent CCNE visit was in March of 2021. There were no compliance issues. The CCNE Board will vote on our continuing accreditation in November of 2021. We will remain under full CCNE accreditation. The BSN program has full approval by the State Board of Nursing.

- Nursing – MSN Program: The MSNL/E Program had an initial site visit from the CCNE in March, 2018, and was granted accreditation by the CCNE in October of 2018. The most recent CCNE visit was in March of 2021. There were no compliance issues. We remain under full CCNE accreditation. The CCNE Board will vote on our continued accreditation in November of 2021.

- Nursing - MSN FNP: in March of 2019, the PA State Board of Nursing approved the MSN FNP and the Post-Master's FNP Certificate Program. The MSN FNP program falls under the accreditation of the MSN Program, so that program is considered accredited. The most recent CCNE visit was in March of 2021. There were no compliance issues. The CCNE Board will vote on our continued accreditation in November of 2021. The Post Masters FNP, while approved by the PA State Board, is not under the MSN accreditation. We could not include this with the CCNE site visit in March of 2021 because there were no student enrolled in the program.

- Occupational Therapy – Accreditation Council for Occupational Therapy Education (ACOTE) of the American Occupational Therapy Association (AOTA). The last reaccreditation visit occurred in 2014. The program was accredited for 10 years. Term is for a period of 10 years from academic year 2014/2015 to 2024/2025.

- Petroleum & Natural Gas Engineering - The Engineering Accreditation Commission (EAC) of the Accreditation Board for Engineering and Technology (ABET) granted accreditation, effective October 1, 2017, until the next review on September 30, 2025.

- Physician Assistant Services – Accreditation Review Commission on Education for the Physician Assistant (ARC-PA) continued accreditation of the Saint Francis University Master of Physician Assistant Science program (PA curriculum only) in March 2010. The Department's next accreditation review is 2026.

- Physical Therapy – The Doctor of Physical Therapy program is accredited by the Commission on Physical Therapy Education (CAPTE). The last reaccreditation visit occurred in 2015. The program is accredited for 10 years. Self-study Report and On-site Review in 2025.

- Physical Therapy Residency Programs –

    - **Orthopedic Physical Therapy Residency Program:** Credentialed by the American Physical Therapy Association as a post-professional residency program for physical therapists in orthopedic physical therapy. APTA may be contacted at 1111 North Fairfax Street, Alexandria, VA 22314; (703)684-2782; http://www.abptrfe.org. Term runs August 31, 2016 through August 31, 2026.

    - **Sports Physical Therapy Residency Program:** Credentialed by the American Physical Therapy Association as a clinical residency program for physical therapists in sports physical therapy. APTA may be contacted at 1111 North Fairfax Street, Alexandria, VA 22314; (703)684-2782; http://www.abptrfe.org. Term runs April 30, 2016 through April 30, 2026.

    - **Pediatric Physical Therapy Residency Program:** Credentialed by the American Physical Therapy Association as a post-professional residency program for physical therapists in pediatric physical therapy. APTA may be contacted at 1111 North Fairfax

Street, Alexandria, VA 22314; (703)684-2782; http://www.abptrfe.org. Term runs March 2020 through January 31, 2030.

- School of Business – International Accreditation Council for Collegiate Business Education (IACBE)

    - **Business Programs (named):** The University has received accreditation for its business programs through the International Accreditation Council for Business Education (IACBE) located at 11374 Strange Line Road in Lenexa, Kansas, USA. The business programs in the following degrees at the listed locations are accredited by the IACBE:

        - Master of Business Administration
        - Master of Human Resource Management
        - Bachelor of Science in Accounting
        - Bachelor of Science in Accounting, Entrepreneurship Concentration
        - Bachelor of Science in Economics
        - Bachelor of Science in Economics, Entrepreneurship Concentration
        - Bachelor of Science in Finance
        - Bachelor of Science in Finance, Entrepreneurship Concentration
        - Bachelor of Science in Management
        - Bachelor of Science in Management, Entrepreneurship Concentration
        - Bachelor of Science in Management, Healthcare Management Concentration
        - Bachelor of Science in Management Information Systems
        - Bachelor of Science in Management Information Systems, Entrepreneurship Concentration
        - Bachelor of Science in Marketing
        - Bachelor of Science in Marketing, Entrepreneurship Concentration

      Accreditation is valid for a maximum of seven years, through April 2024.

- Social Work – Council on Social Work Education (CSWE) reaffirmed the baccalaureate social work program at Saint Francis University through June 2025.

Core Values and Guiding Principles

Goals of Franciscan Higher Education

Franciscan Character
Humble and Generous Attitude Toward Learning
Community of Faith and Prayer
Respect for the Uniqueness of individual Persons
Service to the Poor and Needy
Solidarity and Reconciliation
Reverence for All Life and Care of Creation
Spirit of Simplicity and Joy

Vision

Saint Francis is a Catholic university of choice for undergraduate and graduate students, nationally recognized for its Franciscan mission and goals, its academic excellence and its vibrant student life co-curriculum. The University places particular emphasis on developing individuals who will lead or serve with character and values in their chosen professions and communities.

Mission

As the oldest Franciscan institution of higher learning in the United States, Saint Francis University draws inspiration from our Catholic tradition and expresses the lived example of Saint Francis of Assisi in the modern world. Saint Francis University promotes an inclusive learning community and a lifelong path to virtue, truth, and compassion. Within a culture that seeks understanding through innovation and collaboration, we champion both the inherent dignity of the individual person and the common good.

Educational Philosophy

Saint Francis is committed to transmitting the knowledge, culture, and values of the past, not as historical curiosities, but as vital factors in facing the realities of life in the 21st century. The University confronts students with the full force of developments taking place in all aspects of modern life, challenging them to draw on the experiences of their predecessors while helping them to chart a realistic course for the future- their own and that of society.

Governance

The governance of the University is vested in the Board of Trustees. The bylaws of the University provide for the Board of Trustees to set the number of members of the Board. Currently the Board consists of 24 members. Board members are elected by the Board of Trustees for a term of four years and may serve no more than three consecutive terms. At least 20% of the members of the Board must be members of the Province of the Most Sacred Heart of Jesus of the Third Order Regular Franciscans. Members of the Board serve without pay or other compensation.

The Board meets three times a year. The Executive Committee, which can act on behalf of the Board, consists of the Chair of the Board, the President of the University and the Chairs of the various standing committees. Standing committees, such as Finance and Operations, often meet in between full board meetings.

Certain members of the Board of Directors of Saint Francis University may provide other services to the University, or may serve on the boards of, or in other capacities with, or may have an ownership interest in, other organizations with which the University transacts business.

Board Members (As of September, 2021)

Trustee	Committee Responsibilities
Rev. Jude Ventiquattro, T.O.R. ’70	Student Affairs; Trustees, Evaluations & Nominations
Rev. Patrick Whittle, T.O.R.	Executive; Academic Affairs, Chair; Trustees, Evaluations & Nominations
Rev. Vincent Yeager, T.O.R.	Development & Government Relations; Enrollment & Marketing; Student Affairs

Principal Officers

The University is administered on a day-to-day basis by the President and other officers of the University. The President, who is a member of the Board of Trustees, ex officio, directs the general affairs of the University and is responsible to the Board as executive head of the University. The President is appointed and serves at the pleasure of the Board of Trustees. The other administrative officers are appointed by and serve at the pleasure of the President. The principal administrative officers of the University are as follows:

Reverend Malachi Van Tassell, T.O.R., Ph.D., C.P.A., ***President.*** Father Malachi Van Tassell became the 32nd President of Saint Francis University in May, 2014. He holds a Ph.D. in higher education leadership, a master's degree in taxation, and an undergraduate degree in accounting and Spanish. As a certified public accountant, he worked for Coopers & Lybrand in Phoenix, AZ and then Arthur Andersen in Albuquerque, NM as a tax accountant prior to entering the seminary to become a Franciscan priest. Before becoming President, he served as the Provincial Econome (Treasurer) and Vicar Provincial of the Franciscan Friars, Sacred Heart Province. Fr. Malachi was also a member of the accounting faculty of Saint Francis University for 11 years. Fr. Malachi currently is a former member of the board of trustees of his undergraduate alma mater, Franciscan University (OH).

Mr. Robert Crusciel, ***Vice President for Advancement.*** Mr. Crusciel rejoined Saint Francis University in December 2010 after serving the previous three years as director of major gifts for the College of Health and Human Development at Penn State University. He previously served Saint Francis as an enrollment officer, director of alumni relations, and major gifts officer. He received both his B.S. and M.Ed. from Saint Francis University.

Ms. Erin McCloskey, ***Vice President for Marketing and University Communications***.
Ms. McCloskey joined Saint Francis University in 1998 in the Office of Admissions and has served in several leadership roles. A majority of her experience has been in the Undergraduate Admissions, Financial Aid, and Marketing areas. In 2005 she was named as the chief enrollment officer for the university. Since that time, she had led various units related to recruitment and retention. In 2020 she was named the Assistant Vice President of Relationships for Marketing and Recruiting and most recently was promoted to the Vice President for Communications & Marketing to lead the University's strategic marketing efforts. Ms. McCloskey received her Bachelor’s degree from Gettysburg College and her Master’s from Saint Francis University.

Dr. Frank Montecalvo, Ed.D., ***Vice President for Student Development & Innovative Partnerships*****.** Dr. Montecalvo joined Saint Francis University in November of 2007. Before joining the University, he was Provost and Dean of Faculty at Huntingdon College. Dr. Montecalvo oversees Athletics, Career Services, Adult Degree and Continuing Studies, Counseling, the Center for Student Engagement, Campus Ministry, Residence Life, Dorothy Day Center, Multicultural Affairs, and Judicial Affairs. Dr. Montecalvo received his Bachelor of Arts in Administration of Justice, Master of Arts in Human Resource Management with an Emphasis in Leadership from Salve Regina University, and his Doctor of Education in Educational Leadership & Policy Studies from the University of Vermont.

Dr. Karan Hinman Powell, ***Vice President for Academic Affairs.*** Dr. Powell, joined Saint Francis University in June 2018. Dr. Powell serves in this position as a member of the Registry, bringing with her nearly 40 years of transformational leadership in higher education, online learning, leadership development, organizational performance enhancement and transformation in a variety of settings including education, non-profit, business, church and government. Prior to joining Saint Francis, Dr. Powell retired as president of the American Public University System (APUS) where she progressively served from 2002 to 2017 as a Trustee, Dean of the School of Business and Graduate Studies, Academic Dean and Provost prior to being named President. Prior to APUS, she served as executive faculty in the Georgetown University School of Business and as an administrator and faculty member in their School of Continuing Studies; and as adjunct faculty at George Mason University, University of Maryland University College, and University of Phoenix. President of Powell & Associates and Chief Learning Officer of American Management Systems Dr. Powell has led international teams in corporate settings, assisted with mergers and acquisitions, been an executive and management coach to a variety of corporations small and large. Dr. Powell brings years of work in ministry in a variety of settings (campus, parish, and prison ministries as well as national work) focusing on adult faith development. Her education includes a Ph.D. in Education from George Mason University focusing on organization development and learning, a Master of Divinity Loyola University Chicago, and a Bachelor of Science in Business Education from Western Illinois University. She has participated in higher education leadership development programs including Harvard University, University of California at Berkeley, and Higher Education Resources Services (HERS) at Wellesley.

Mr. Jeffrey Savino, ***Vice President for Finance and Administration*****.** Mr. Savino assumed his duties as the Vice President for Finance and Administration for the University in January, 2014. Mr. Savino possesses 23 years of progressive fiscal responsibility and experience in higher education and corporate finance. Mr. Savino's experience also includes finance, budget development and planning. Prior to joining the University, he served as the Controller at Juniata College in Huntingdon, Pennsylvania. Mr. Savino holds a bachelor's degree in accounting from Pennsylvania State University and is a Certified Management Accountant (CMA).

Undergraduate Academic Programs

Shields School of Business
Accounting
Business Analytics
Communications
Criminal Justice
Economics
Finance
Global Business Management
Management
Management Information Systems
Marketing

School of Health Sciences and Education
Early Childhood Education
Exercise Physiology
Interdisciplinary Health Care Studies
Nursing, BSN
Nursing, RN-BSN
Occupational Therapy
Physical Therapy
Physician Assistant Sciences
Psychology
Public Health
Social Work
Special Education K-12

School of STEAM
Aquarium and Zoo Science
Biology
Biochemistry
Chemistry
Computer Science
Cybersecurity
Engineering 3-2
English
Environmental Engineering
General Engineering
History
Mathematics
Medical Laboratory Science
Petroleum and Natural Gas Engineering
Political Science
Spanish
Women's Studies

Graduate Academic Programs

Master of Arts in Strategic Leadership
Master of Business Administration
Master of Human Resource Management
Master of Education
Master of Science in Cancer Care
Master of Health Science

Graduate Academic Programs (continued)

Master of Medical Science
Master of Science in Nursing
Master of Occupational Therapy
Master of Physician Assistant Sciences
Master of Public Health
Master of Special Education
Doctor of Physical Therapy

Francis Worldwide School of Continuing Studies (online)

Associate of Science, Criminal Justice
Associate of Science, Business Administration
Associate of Science, Early Childhood Education (PK-4)
Bachelor of Art, Early Childhood Education (PK-4)
Bachelor of Art, Public Health
Bachelor of Science, Accounting
Bachelor of Science, Behavioral Science
Bachelor of Science, Computer Systems Management
Bachelor of Science, Criminal Justice
Bachelor of Science, Early Childhood Education (PK-4)
Bachelor of Science, Healthcare Management
Bachelor of Science, Interdisciplinary Health Care Studies
Bachelor of Science, Management
Bachelor of Science, Organizational Leadership
Nursing, RN-BSN
Nursing, RN-BSN-MSN
Education Certification Programs

- Early Childhood Education (PK-4)
- Secondary, Biology (7-12)
- Secondary, Chemistry (7-12)
- Secondary, English (7-12)
- Secondary, Mathematics (7-12)
- Secondary, Social Studies (7-12)
- Secondary, Spanish (PK-12)
- Principal Certificate
- Reading Specialist Certificate
- Special Education (PK-12) Certificate
- Special Education Supervisory Certificate
- Superintendent/IU Executive Director

Post-baccalaureate Certificates (SFU)

- Business (post-secondary)
- Accounting
- Computer Systems Management
- Management
- Cybersecurity
- Cybersecurity Strategy
- Human Resource Management Practice
- Sports Management

Endorsement Programs

- Autism Spectrum Disorder
- Mathematics Coach Endorsement

Faculty and Staff Profile

The University currently employs 115 full-time and 105 part-time faculty. The part-time faculty are utilized primarily in the Continuing Education and Graduate programs. Of the 115 full-time faculty, 55 are tenured. The full-time student to faculty ratio is 16:1. In addition, the University employs 152 full-time and 9 part-time professional staff and 158 full-time and 6 part-time support staff. A collective bargaining unit or other labor union does not represent the University's faculty or staff. The University believes the relations among faculty and staff to be excellent.

Student Profile

The following table displays undergraduate applications, acceptances, enrollments, and graduate enrollments for the years shown:

Admissions and Enrollment

Undergraduate Applications	**Fall 2017**	**Fall 2018**	**Fall 2019**	**Fall 2020**	**Fall 2021**
Freshman	1,714	1,750	1,909	1,839	2,096
Transfers	93	89	106	193	94
Total Applications	**1,807**	**1,839**	**2,015**	**2,032**	**2,190**
Acceptances					
Freshman Selectivity	1,315	1,297	1,373	1,461	1,708
Selectivity	76.7%	74.1%	71.9%	79.4%	81.5%
Transfers	46	54	41	89	76
Total Acceptances	**1,361**	**1,351**	**1,414**	**1,550**	**1,784**
New Enrollments					
Freshman	376	351	403	330	394
Transfers	33	41	41	42	43
Total Enrollments	**409**	**392**	**444**	**372**	**437**

Total Enrollment

Headcount					
Undergraduate – Traditional	1,468	1,391	1,376	1,392	1440
Undergraduate – Cont. Education	232	332	282	265	214
Graduate	550	508	540	490	458
Total Headcount	**2,250**	**2,231**	**2,198**	**2,147**	**2,112**
FTE Enrollment					
Undergraduate – Traditional	1,449	1,383	1,369	1,385	1,427
Undergraduate – Cont. Education	138	207	165	170	127
Graduate	376	381	387	395	346
Total FTE Enrollment	**1,963**	**1,971**	**1,921**	**1,950**	**1,900**

SAT Scores

The following table shows average SAT scores for enrolled first year students:

Year	Combined
2017	1084
2018	1145
2019	1134
2020	1120
2021	1140

Residential Life Profile

Saint Francis is predominantly a residential campus with approximately 79.4% of the University's students living in one of the University's student residences. To receive Saint Francis University institutional aid, students must live on campus.

The following table indicates the number of students living on campus during the fall semesters for the academic years shown below:

	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021
Total Students Living on Campus	1,188	1,128	1,141	1,085	1,144
Full-Time Undergraduate Students	1,448	1,378	1,373	1,456	1,440
% Living on Campus	**82.0%**	**81.9%**	**83.1%**	**74.5%**	**79.4%**

Tuition and Fees

The following table sets forth the tuition and room and board charges at the University for the academic years indicated below:

Full-Time Undergraduate:	2017-18	2018-19	2019-20	2020-21	2021-22
Tuition and Mandatory Fees	$34,956	$36,410	$37,570	$38,728	$39,502
Room and Board	$11,928	$12,290	$12,348	$12,472	$12,598
Total	**$46,884**	**$48,700**	**$49,918**	**$51,200**	**$52,100**
Graduate – Per Credit Hour (Average)	**$829**	**$845**	**$843**	**$843**	**$843**

Private University Competition

The following table lists (in order of tuition cost, highest to lowest) the regional private colleges and universities that, in the view of the University, primarily competed with the University for qualified students for the 2021-22 academic year. The cost information is for students residing on campus (without discounts):

Institution	Tuition & Fees	Room & Board	Total	Location
Allegheny College	$52,530	$13,420	$65,950	Meadville, PA
Washington & Jefferson College	$50,192	$13,272	$63,464	Washington, PA
Duquesne University	$43,526	$14,144	$57,670	Pittsburgh, PA
Saint Francis University	**$39,502**	**$12,598**	**$52,100**	**Loretto, PA**
Saint Vincent College	$39,189	$12,242	$51,431	Latrobe, PA
Gannon University	$34,043	$15,030	$49,073	Erie, PA

Source: respective institution websites

Immaculate Conception Chapel

Summary Financial Information

For the fiscal years ended June 30, 2017 through 2021, the financial information presented below has been derived from the audited financial statements of the University. In the opinion of the administration of the University, there has been no material adverse change in the financial condition of the University since June 30, 2021, the most recent date for which audited financial statements are published.

Saint Francis University
Consolidated Statements of Financial Position
For Years Ended June 30, 2017 – 2021

	2017	2018	2019	2020	2021
ASSETS					
Cash and cash equivalents	$ 1,215,659	$ 1,168,927	$ 1,278,757	$ 2,873,103	$ 5,653,728
Accounts receivable	2,308,394	2,413,235	3,013,691	2,696,200	2,887,552
Unconditional promises to give	809,158	1,487,388	1,334,947	1,781,535	368,362
Inventory	246,049	264,047	252,007	285,689	255,011
Prepaid expenses and other	955,923	1,135,186	904,943	949,413	1,074,970
Deferred financing costs	-	-	-	-	
Investments	48,672,376	50,298,794	51,793,305	51,537,560	63,611,835
Restricted Investments	-	-	-	-	
Student loans receivable	1,211,946	1,198,251	1,079,687	966,830	849,394
Bond project fund		2,055,001	804,609	-	2,780,836
Sinking fund	2,393,639	2,799,855	2,816,779	2,801,321	
Beneficial interest in remainder trust	52,072	54,721	56,485	56,857	77,876
Cash restricted for purchase of property and equipment	233,196	469,533	897,240	1,336,891	2,095,584
Right of use assets					1,090,932
Plant assets, net	69,958,900	68,125,986	70,868,281	70,656,556	70,670,333
TOTAL ASSETS	$ 128,057,312	$ 131,470,924	$ 135,100,731	$ 135,941,955	$ 151,416,413
LIABILITIES					
Accounts payable	$ 1,487,498	$ 1,318,153	$ 1,512,256	$ 1,004,589	$ 1,138,504
Line of credit	-	1,250,000	-	-	-
Construction accounts payable	98,730	729,084	1,624,204	603,016	1,209,261
Accrued payroll and related liabilities	3,834,925	3,921,729	3,503,096	3,053,243	2,780,365
Deferred revenue	4,344,060	4,147,101	3,806,076	3,489,597	3,043,558
Other accrued liabilities	150,966	130,459	145,765	142,100	139,204
Student deposits and prepayments	507,185	413,199	465,891	1,318,465	337,012
Bonds payable	21,750,697	26,858,990	26,105,968	25,320,208	24,514,449
Notes payable	1,944,673	1,521,461	3,753,811	5,143,498	5,200,410
Operating lease obligations					1,090,932
Obligations under capital leases	40,221	33,093	130,859	96,014	98,728
Annuities payable	95,022	88,295	78,751	78,895	54,470
Advance from federal government for student loans	1,153,951	1,071,096	1,060,553	892,771	792,853
TOTAL LIABILITIES	$ 35,407,928	$ 41,482,660	$ 42,187,230	$ 41,142,396	$ 40,399,746
Net Assets					
Unrestricted \ Without donor restrictions	29,122,637	44,855,130	44,668,178	44,859,713	49,695,636
Temporarily restricted	37,707,979	-	-	-	
Permanently restricted \ With donor restrictions	25,818,768	45,133,134	48,245,323	49,939,846	61,321,061
TOTAL NET ASSETS	$ 92,649,384	$ 89,988,264	$ 92,913,501	$ 94,799,559	$ 111,016,697
TOTAL LIABILITIES AND NET ASSETS	$ 128,057,312	$ 131,470,924	$ 135,100,731	$ 135,941,955	$ 151,416,443

Saint Francis University
Consolidated Statements of Activities
For Years Ended June 30, 2017 – 2021

	2017	2018	2019	2020	2021
UNRESTRICTED REVENUES, GAINS, AND OTHER SUPPORT					
Tuition and fees	$ 65,793,234	$ 67,377,107	$ 67,136,327	$ 69,007,170	$ 71,115,131
Less: student aid	(26,771,045)	(27,578,676)	(27,902,085)	(29,422,388)	(31,316,494)
Net tuition and fees	39,022,189	39,798,431	39,234,242	39,584,782	39,798,637
Federal grants and contracts	1,549,723	1,589,142	1,280,679	1,989,468	1,764,787
State and local grants	910,813	1,042,016	1,376,503	963,018	1,009,999
Private gifts, grants and bequests	2,328,107	2,575,033	2,161,059	1,974,477	1,184,600
Interest and dividends, net	117,063	265,753	290,391	298,596	175,477
Other income	3,808,216	3,450,752	3,060,054	2,369,482	2,214,141
Auxiliary enterprises net	14,515,474	14,315,181	14,062,712	11,300,940	12,694,541
Transfer from nonoperating		815,824	815,824	768,077	719,757
Net assets released from restrictions	2,643,634	2,489,659	3,359,556	4,029,588	6,785,128
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	64,895,219	66,341,791	65,641,020	63,278,428	66,347,067
UNRESTRICTED EXPENSES AND OTHER DEDUCTIONS					
Educational and general:					
Instructional	25,263,594	25,317,390	24,212,012	22,253,577	22,174,793
Research and public service	1,936,572	2,180,515	2,410,067	2,353,145	2,310,174
Academic support	2,031,512	1,998,901	1,916,876	1,795,410	1,837,087
Student services	16,241,663	16,526,893	16,194,168	14,144,577	13,360,778
Student Aid				602,915	735,140
Institutional support	12,185,743	12,116,146	11,344,337	11,650,345	12,808,733
Auxiliary enterprises	9,991,666	10,084,513	10,284,593	9,513,395	10,078,091
TOTAL OPERATING EXPENSES	67,650,750	68,224,358	66,362,053	62,313,364	63,304,796
INCOME (LOSS) FROM OPERATIONS	(2,755,531)	(1,882,567)	(721,033)	965,064	3,042,271
TOTAL NON-OPERATING INCOME (LOSS)	978,659	(3,712,590)	534,081	(773,529)	1,793,652
CHANGES IN UNRESTRICTED NET ASSETS \ WITHOUT DONOR RESTRICTIONS	(1,776,872)	(5,595,157)	(186,952)	191,535	4,835,923
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS	2,738,355				
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS \ WITH DONOR RESTRICTIONS	445,788	2,934,037	3,112,189	1,694,523	11,381,185
NET ASSETS, BEGINNING	91,242,113	92,649,384	89,988,264	92,913,501	94,799,559
NET ASSETS, ENDING	$ 92,649,384	$ 89,988,264	$ 92,913,501	$ 94,799,559	$ 111,016,667

Fiscal Year 2022 Budget

The University's budget for fiscal year 2022 is shown below.

REVENUE AND EXPENDITURE SUMMARY REPORT
FOR YEARS ENDED JUNE 30, 2020-2021
(in thousands $000)

	BUDGET YEAR END 6/30/21	ACTUAL YEAR END 6/30/21	VAR Fav/(Unfav) 6/30/21	BUDGET YEAR END 6/30/22
REVENUES:				
Educational & General	$ 77,686	$ 80,149	$ 2,463	$ 82,677
Auxiliary Enterprises	14,886	14,431	(455)	16,358
TOTAL REVENUE	$ 92,572	$ 94,580	$ 2,008	$ 99,035
EXPENDITURES:				
Educational & General	$ 78,599	$ 78,641	$ (42)	$ 84,607
Auxiliary Enterprises	8,675	7,951	724	8,899
TOTAL EXPENDITURES	$ 87,274	$ 86,592	$ 682	$ 93,506
EXCESS/(DEFICIT) OF REV. OVER EXP.	$ 5,298	$ 7,988	$ 2,690	$ 5,529
OTHER EXPENSES				
Interest Expense	$ 1,223	$ 1,165	$ 58	$ 1,224
Transfer to Operations to Fund Depreciation	(720)	(720)	0	(720)
Depreciation Expense	4,775	4,756	19	4,775
TOTAL OTHER EXPENSES	$ 5,278	$ 5,201	$ 77	$ 5,279
INCREASE/(DECREASE) IN FUND BALANCE AFTER DEPRECIATION	$ 20	$ 2,787	$ 2,767	$ 250

Budget deficit for 2019: ($485,000)
Budget surplus for 2020: $1,226,000
2022 Budget contains approximately $275,000 in contingency funds.

COVID-19 Matters

- The University resumed face-to-face instruction in June 2020 for health science students
- Students returned to the University for face-to-face instruction and residential living for the fall of 2020 and remained for the entire academic year
- University facilitated over 27,000 vaccine doses to the area community and staff and students in partnership with a local pharmacy in spring 2021
- Students returned to the University for face-to-face instruction and residential living for the fall of 2021
- Saint Francis University offers courses in the following formats
    - Traditional face-to-face
    - Web-Enhanced, meaning some elements of online learning are included, mostly facilitated through our course management system, Canvas; if a student has to miss class they can remain on track
    - Hybrid, meaning more structured class time is offered online such as coming to class in person on Mondays and Wednesdays but online on Fridays, course has deliberate online activities
    - Online, meaning all coursework is offered online
- A summary of Government pandemic assistance is shown in the table below.

Federal Relief Funding Summary

Cares Act (HEERF I)		Uses of Funds		Amount	Budget Relief
Total Allocation	$1,409,610				
Emergency Grants	$704,805	Emergency grants		$704,805	No
Institutional	$704,805	Institutional-Expenses	COVID Expenses	$317,493	No
		Institutional-Capital items	COVID Capital	$0	No
		Institutional-Lost revenue	Lost revenue	$387,312	Yes, FY21

CRRSAA (HEERF II)		Uses of Funds		Amount	Budget Relief
Total Allocation	$2,214,219				
Emergency Grants	$704,805	Emergency grants		$704,805	No
Institutional	$1,509,414	Institutional-Expenses	COVID Expenses	$697,112	No
		Institutional-Capital items	COVID Capital	$216,153	Yes, FY21
		Institutional-Lost revenue	Lost revenue	$596,149	Yes, FY21 & 22

ARP (HEERF III)		Uses of Funds		Amount	Budget Relief
Total Allocation	$3,956,447				
Emergency Grants	$2,004,086	Emergency grants		$2,004,086	No
Institutional	$1,952,361	Institutional-Expenses	COVID Expenses		No
		Institutional-Capital items	COVID Capital		Maybe
		Institutional-Lost revenue	Lost revenue		Yes, FY22

Management Discussion

History

The University, rooted in the tradition of the Franciscan Friars, Third Order Regular of the Most Sacred Heart of Jesus, has evolved throughout the years from a boy's school founded in 1847 to the current co-educational university with four distinct schools.

Physical Infrastructure & Related Financial Discipline

The University has been able to consistently improve and add to its physical infrastructure by a commitment to fiscal responsibility and successful fundraising, utilizing a combination of internal resources, donor gifts and a modest amount of debt. Approximately $60.1 million of major project construction and renovations have occurred since 2011 with only $26.5 million of related additional debt issuance during the same period. Over the past ten years, net property, plant & equipment grew from $44.8 to $70.7 million while debt only increased from $11.1 to $29.8 million.

Academic Excellence

The University is recognized for each of its niche programs located in the University's three distinct schools of a.) The School of Science, Technology, Engineering, Arts, & Mathematics, b.) The Shields School of Business, c.) The School of Health Sciences and Education. The most populated school is the School of Health Sciences with 50% of undergraduates and 76% of graduate students, as of Fall of 2021. The University is the first Franciscan university in the United States and one of the first to offer the Physician Assistant program. For six out of the past ten years, the University's Nursing graduates have achieved a 100% pass rate on board exams and the University's Physician Assistant and Occupational Therapy graduates have enjoyed a 100% pass rate on professional licensing exams in two out of the last four years. The University consistently receives positive rankings in various national publications. The University recently announced that it has moved into the top 25 listing of the "Best Regional Universities" in the northern U.S. The Best Regional University survey compares universities that offer a robust selection of both master's level programs and undergraduate education.

Enrollment

Fall 2021 newly enrolled undergraduates, at 394 reflects an increase of 64 students from Fall 2020 The University's Fall 2021 matriculation rate also improved at 23.1% vs. 22.6% in Fall of 2020. The University has adopted enrollment strategies to focus on targeted applications, which the University believes has influenced its solid undergraduate matriculation rate. For Fall 2021, 79% of students were residents and 21% commuters. The Fall 2021 freshman to sophomore retention measured 84.5%. Undergraduate students in Fall of 2021 populated the University's three schools as follows: The School of Science, Technology, Engineering, Arts, & Mathematics at 26%, The Shields School of Business at 24%, and The School of Health Sciences and Education at 50%. 76% of Fall 2021 graduate students populated the School of Health Sciences and Education, with the remaining 24% in The Shields School of Business.

Results from Operations
Following full accrual deficits in 2016 and 2017, The University realized that changes would need to be made to remain competitive and profitable going forward. An academic restructuring plan and university wide budget adjustments endorsed by the campus community and embraced by the University's trustees, were developed and implemented over the next 24 months. By 2019 the operating loss had been cut by almost 75% from peak levels. Following a very strong freshman enrollment year, 2020 results produced a surplus even in the beginning of the Covid-19 pandemic. 2021 results produced the largest surplus in fifteen years despite the continuing COVID-19 pandemic. The current academic year of 2021-22 saw the second highest freshman enrollment in the past 6 years. Building on new enrollment practices and initiatives the University is hopeful of this trend continuing.

At June 30, 2021 the University's cash & investments totaled $69.3 million, equal to 2.32x of outstanding debt. The University's debt structure is overall level with its maximum annual debt service having measured only 2.39% of operating expenses in fiscal 2021. The University has grown its unrestricted net assets by 60% to $49.7million since 2016. The fiscal 2022 operating budget is poised to have a small surplus on a full accrual basis, including approximately $4.8 million of depreciation expense (see page A-[18]).

Conclusion
The University is committed to management agility and a cost structure which will continue to provide recognized programs and campus facilities to meet the needs of all constituents, all the while mindful of sound financial disciplines as it approaches its 175th year.

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APPENDIX B

AUDITED FINANCIAL STATEMENTS OF SAINT FRANCIS UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

Saint Francis University

Consolidated Financial Statements
and Supplementary Information

June 30, 2021 and 2020

Independent Auditors' Report

To the Board of Trustees of
Saint Francis University and Affiliate

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Saint Francis University and Affiliate, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Saint Francis University and Affiliate as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying financial responsibility supplemental schedule on page 32, as required by Title 34 CFR Section 668.172, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Baker Tilly US, LLP

State College, Pennsylvania
October 22, 2021

Saint Francis University

Consolidated Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 5,653,728	$ 2,873,103
Accounts receivable:		
Students, net	1,423,723	1,841,199
Government agencies	417,065	259,293
Other	1,046,764	595,708
Unconditional promises to give	368,362	1,781,535
Inventory	255,011	285,689
Prepaid expenses and other	1,074,970	949,413
Investments	63,611,835	51,537,560
Student loans receivable	849,394	966,830
Debt service reserve fund	2,780,836	2,801,321
Beneficial interest in remainder trust	77,876	56,857
Cash restricted for purchase of property and equipment	2,095,584	1,336,891
Right-of-use assets	1,090,932	-
Plant assets, net	70,670,333	70,656,556
Total assets	$ 151,416,413	$ 135,941,955
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 1,138,504	$ 1,004,589
Construction accounts payable	1,209,261	603,016
Accrued payroll and related liabilities	2,780,365	3,053,243
Refundable advances	326,897	337,524
Deferred summer tuition	2,716,661	3,152,073
Other accrued liabilities	139,204	142,100
Student deposits and prepayments	337,012	1,318,465
Bonds payable	24,514,449	25,320,208
Notes payable	5,200,410	5,143,498
Operating lease obligations	1,090,932	-
Finance lease obligations	98,728	96,014
Annuities payable	54,470	78,895
Advance from federal government for student loans	792,853	892,771
Total liabilities	40,399,746	41,142,396
Net Assets		
Without donor restrictions	49,695,636	44,859,713
With donor restrictions	61,321,031	49,939,846
Total net assets	111,016,667	94,799,559
Total liabilities and net assets	$ 151,416,413	$ 135,941,955

See notes to consolidated financial statements

Saint Francis University

Consolidated Statement of Activities
Year Ended June 30, 2021
(With Comparative Totals for 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating Revenues				
Tuition and fees, net	$ 39,798,637	$ -	$ 39,798,637	$ 39,584,782
Federal grants and contracts	1,764,787	2,470,718	4,235,505	2,653,061
State and local grants	1,009,999	-	1,009,999	963,018
Private gifts, grants and bequests	1,184,600	4,840,997	6,025,597	6,539,480
Interest and dividends, net	175,477	385,776	561,253	947,971
Other income	2,214,141	-	2,214,141	2,369,482
Auxiliary enterprises, net	12,694,541	-	12,694,541	11,300,940
Transfer from nonoperating to fund depreciation	719,757	-	719,757	768,077
Net assets released from restrictions:				
Satisfaction of program restrictions	4,657,755	(4,657,755)	-	-
Appropriation from donor endowment	2,127,373	(2,127,373)	-	-
Total operating revenues	66,347,067	912,363	67,259,430	65,126,811
Operating Expenses				
Educational and general:				
Program expenses:				
Instructional	22,174,793	-	22,174,793	22,253,577
Research and public service	2,310,174	-	2,310,174	2,353,145
Academic support	1,837,087	-	1,837,087	1,795,410
Student services	13,360,778	-	13,360,778	14,144,577
Student aid	735,140	-	735,140	602,915
Institutional support	12,808,733	-	12,808,733	11,650,345
Total educational and general	53,226,705	-	53,226,705	52,799,969
Auxiliary enterprises	10,078,091	-	10,078,091	9,513,395
Total operating expenses	63,304,796	-	63,304,796	62,313,364
Change in net assets from operating activities	3,042,271	912,363	3,954,634	2,813,447
Nonoperating Activities				
Realized and unrealized gain (loss) on investments	2,513,409	10,447,803	12,961,212	(159,684)
Transfer to operations to fund depreciation	(719,757)	-	(719,757)	(768,077)
Change in value of split-interest agreements	-	21,019	21,019	372
Change in net assets from nonoperating activities	1,793,652	10,468,822	12,262,474	(927,389)
Change in net assets	4,835,923	11,381,185	16,217,108	1,886,058
Net Assets, Beginning	44,859,713	49,939,846	94,799,559	92,913,501
Net Assets, Ending	$ 49,695,636	$ 61,321,031	$ 111,016,667	$ 94,799,559

See notes to consolidated financial statements

Saint Francis University

Consolidated Statement of Activities
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Tuition and fees, net	$ 39,584,782	$ -	$ 39,584,782
Federal grants and contracts	1,989,468	663,593	2,653,061
State and local grants	963,018	-	963,018
Private gifts, grants and bequests	1,974,477	4,565,003	6,539,480
Interest and dividends, net	298,596	649,375	947,971
Other income	2,369,482	-	2,369,482
Auxiliary enterprises, net	11,300,940	-	11,300,940
Transfer from nonoperating to fund depreciation	768,077	-	768,077
Net assets released from restrictions:			
Satisfaction of program restrictions	2,679,077	(2,679,077)	-
Appropriation from donor endowment	1,350,511	(1,350,511)	-
Total operating revenues	63,278,428	1,848,383	65,126,811
Operating Expenses			
Educational and general:			
Program expenses:			
Instructional	22,253,577	-	22,253,577
Research and public service	2,353,145	-	2,353,145
Academic support	1,795,410	-	1,795,410
Student services	14,144,577	-	14,144,577
Student aid	602,915	-	602,915
Institutional support	11,650,345	-	11,650,345
Total educational and general	52,799,969	-	52,799,969
Auxiliary enterprises	9,513,395	-	9,513,395
Total operating expenses	62,313,364	-	62,313,364
Change in net assets from operating activities	965,064	1,848,383	2,813,447
Nonoperating Activities			
Realized and unrealized loss on investments	(5,452)	(154,232)	(159,684)
Transfer to operations to fund depreciation	(768,077)	-	(768,077)
Change in value of split-interest agreements	-	372	372
Change in net assets from nonoperating activities	(773,529)	(153,860)	(927,389)
Change in net assets	191,535	1,694,523	1,886,058
Net Assets, Beginning	44,668,178	48,245,323	92,913,501
Net Assets, Ending	$ 44,859,713	$ 49,939,846	$ 94,799,559

See notes to consolidated financial statements

Saint Francis University

Consolidated Statement of Functional Expenses
Year Ended June 30, 2021

	Program Expenses								
	Instructional	Research and Public Service	Academic Support	Student Services	Student Aid	Institutional Support	Auxiliary Enterprises	Facilities, Operations and Maintenance	Total
Operating Expenses									
Compensation:									
Salaries and wages	$ 13,430,844	$ 1,190,420	$ 445,614	$ 5,474,756	$ -	$ 3,264,358	$ 1,888,445	$ 1,837,086	$ 27,531,523
Benefits	3,321,241	359,655	121,171	1,484,285	-	2,649,658	1,096,829	814,815	9,847,654
Professional services	278,483	-	-	311,230	-	3,786,929	1,545,112	125,678	6,047,432
Other	579,348	135,649	368,330	1,950,415	-	1,503,091	828,309	44,258	5,409,400
Depreciation and amortization	1,092,281	109,415	81,348	704,904	-	193,811	2,063,276	511,452	4,756,487
Supplies, equipment maintenance and repairs	493,660	103,739	3,894	483,632	-	296,440	331,828	621,022	2,334,215
Utilities	7,957	2,345	-	42,019	-	180,522	623,588	797,030	1,653,461
Food	-	-	-	-	-	-	1,354,333	-	1,354,333
Travel, conferences, recruitment, meals and lodging	72,423	46,731	-	970,536	-	104,188	15,534	325	1,209,737
Interest on indebtedness	-	-	-	52,971	-	3,314	69,662	1,038,523	1,164,470
Student Emergency Assistance Fund (HEERF)	-	-	-	-	735,140	-	-	-	735,140
Insurance	716	-	-	102,226	-	-	254,115	297,278	654,335
Marketing and advertising	10,693	-	-	110,208	-	478,648	7,060	-	606,609
	19,287,646	1,947,954	1,020,357	11,687,182	735,140	12,460,959	10,078,091	6,087,467	63,304,796
Allocation of facilities, operations and maintenance	2,887,147	362,220	816,730	1,673,596	-	347,774	-	(6,087,467)	-
Total operating expenses	$ 22,174,793	$ 2,310,174	$ 1,837,087	$ 13,360,778	$ 735,140	$ 12,808,733	$ 10,078,091	$ -	$ 63,304,796

See notes to consolidated financial statements

Saint Francis University

Consolidated Statement of Functional Expenses
Year Ended June 30, 2020

	Program Expenses								
	Instructional	Research and Public Service	Academic Support	Student Services	Student Aid	Institutional Support	Auxiliary Enterprises	Facilities, Operations and Maintenance	Total
Operating Expenses									
Compensation:									
Salaries and wages	$ 13,042,138	$ 1,064,760	$ 429,195	$ 5,468,148	$ -	$ 3,859,918	$ 1,772,980	$ 1,866,374	$ 27,503,513
Benefits	3,270,516	308,876	117,059	1,520,076	-	2,995,762	1,002,697	799,405	10,014,391
Other	218,620	155,850	346,714	1,866,581	-	1,503,597	649,460	175,685	4,916,507
Depreciation and amortization	1,250,874	105,857	69,174	659,487	-	226,104	1,888,462	521,475	4,721,433
Professional services	253,310	28,881	-	517,216	-	1,780,117	1,613,934	154,459	4,347,917
Travel, conferences, recruitment, meals and lodging	268,558	257,993	123	1,773,282	-	176,018	11,662	4,737	2,492,373
Supplies, equipment maintenance and repairs	721,383	60,242	4,514	384,225	-	296,609	309,050	457,772	2,233,795
Utilities	15,512	3,340	251	55,316	-	124,597	664,225	874,135	1,737,376
Food	-	-	-	-	-	-	1,288,996	-	1,288,996
Interest on indebtedness	-	-	-	38,080	-	53,301	73,150	984,502	1,149,033
Insurance	1,003	-	-	108,875	-	-	232,611	335,068	677,557
Marketing and advertising	283,659	-	93	56,012	-	281,626	6,168	-	627,558
Student Emergency Assistance Fund (HEERF)	-	-	-	-	602,915	-	-	-	602,915
	19,325,573	1,985,799	967,123	12,447,298	602,915	11,297,649	9,513,395	6,173,612	62,313,364
Allocation of facilities, operations and maintenance	2,928,004	367,346	828,287	1,697,279	-	352,696	-	(6,173,612)	-
Total operating expenses	$ 22,253,577	$ 2,353,145	$ 1,795,410	$ 14,144,577	$ 602,915	$ 11,650,345	$ 9,513,395	$ -	$ 62,313,364

See notes to consolidated financial statements

Saint Francis University

Consolidated Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities		
Change in net assets	$ 16,217,108	$ 1,886,058
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	4,745,728	4,710,673
(Gain) loss on disposal of plant assets	(42,449)	394,413
Realized and unrealized (gain) loss on investments	(12,961,212)	159,684
Private gifts restricted for long-term investment	(2,611,188)	(588,201)
Private gifts restricted for purchase of property and equipment	(758,693)	(439,651)
Change in value of split-interest agreements	(21,019)	(372)
Changes in assets and liabilities:		
Accounts receivable	(191,352)	317,491
Unconditional promises to give	4,024,361	141,613
Inventory	30,678	(33,682)
Prepaid expenses and other	(125,557)	(44,470)
Accounts payable	133,915	(507,667)
Accrued payroll and related liabilities	(272,878)	(449,853)
Refundable advances	(446,039)	(316,479)
Other accrued liabilities	(2,896)	(3,665)
Student deposits and prepayments	(981,453)	852,574
Net cash provided by operating activities	6,737,054	6,078,466
Cash Flows From Investing Activities		
Proceeds from sales of investments	20,632,837	16,401,844
Purchases of investments	(24,007,304)	(17,811,674)
Capital grants received	-	223,218
Purchases of plant assets	(2,999,478)	(3,772,432)
Purchase of property and equipment with restricted contributions	(758,693)	(457,271)
Proceeds from the sale of plant assets	-	11,176
Payments on student loans receivable	117,436	112,857
Net cash used in investing activities	(7,015,202)	(5,292,282)
Cash Flows From Financing Activities		
Payments on bonds and loans payable and finance leases	(1,098,773)	(1,350,158)
Proceeds from contributions restricted for long-term investments	4,240,919	685,824
Proceeds from contributions restricted for purchase of property and equipment	758,693	439,651
Decrease in debt service reserve fund assets	20,485	15,458
Decrease in bond project fund	-	804,609
(Payments) proceeds of annuity obligations	(24,425)	144
Net repayments to federal government for student loans	(99,918)	(167,782)
Net cash provided by in financing activities	3,796,981	427,746
Net change in cash and cash equivalents and restricted cash and cash equivalents	3,518,833	1,213,930
Cash and Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	7,011,315	5,797,385
Cash and Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 10,530,148	$ 7,011,315
Reconciliation of Cash and Cash Equivalents and Restricted Cash and Cash Equivalents to Consolidated Statements of Financial Position		
Cash and cash equivalents	$ 5,653,728	$ 2,873,103
Cash and cash equivalents restricted for purchase of property and equipment	2,095,584	1,336,891
Cash and cash equivalents included in debt service reserve fund	2,780,836	2,801,321
Total cash and cash equivalents and restricted cash and cash equivalents	$ 10,530,148	$ 7,011,315
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	$ 1,168,444	$ 1,152,391
Supplemental Disclosure of Noncash Investing and Financing Activities		
Plant assets in accounts payable	$ 1,209,261	$ 603,016
Asset acquired under finance lease	$ 38,399	$ -
Asset acquired under operating lease	$ 1,090,932	$ -
Assets acquired with notes payable	$ 325,000	$ 1,930,000

See notes to consolidated financial statements

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Saint Francis University (the College) is a not-for-profit educational institution located in Loretto, Pennsylvania. The College awards grants-in-aid and scholarships from its net assets with and without donor restrictions to individuals who meet the College's academic standards. The amounts of such awards are determined primarily based upon the academic performance of each applicant. Additional financial aid is provided to students from federal and state programs in which the College participates and from monies contributed to the College by alumni and friends.

DiSepio Institute for Rural Health and Wellness (DIRHW), a separate not-for-profit organization, is a related entity which requires consolidation under Financial Accounting Standards Board (FASB) guidance. DIRHW offers a series of health promotion and rehabilitation services to the College and surrounding community, particularly those who have limited resources and are underserved. DIRHW staff and members of the College's health and behavioral sciences departments pursue clinical research, engage in clinical teaching and offer clinical services to members of the College and local communities.

Principles of Consolidation

The consolidated financial statements include the accounts of the College and DIRHW (collectively, the University). The activities of DIRHW have been consolidated in these financial statements due to the College having a controlling interest in DIRHW through a majority voting interest in the Board. All significant intercompany balances and transactions have been eliminated in consolidation.

The University evaluated subsequent events for recognition or disclosure through October 22, 2021, the date the consolidated financial statements were available to be issued (see Note 20).

Basis of Presentation

The consolidated financial statements of the University have been prepared in conformity with accounting principles generally accepted in the United States of America, including accounting standards as they relate to financial statements of not-for-profit organizations. The FASB guidance requires the reporting of total assets, liabilities and net assets in a statement of financial position; reporting the change in net assets in a statement of activities; and reporting the sources and uses of cash and cash equivalents in a statement of cash flows.

Net assets and revenues, gains, expenses and losses are classified as without donor restrictions or with donor restrictions based on the existence or absence of donor-imposed restrictions as follows.

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Trustees.

Net Assets With Donor Restrictions - Net assets whose use by the University is subject to donor-imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time are reported as net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, these net assets with donor restrictions are reclassified to net assets without restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Additionally, funds received as gifts and bequests which have been accepted with the donor stipulation that the principal be maintained intact in perpetuity are reported as net assets with donor restrictions.

Accounts Receivable, Students

Accounts receivable, students are reported at net realizable value. Accounts receivable, students are not collateralized. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful accounts is estimated based on the University's historical losses and periodic review of individual accounts.

Promises to Give

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk adjusted interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue. An allowance is made for uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors past collection experience and other relevant factors.

Conditional promises to give are promises for which donor-imposed conditions specify future and uncertain events whose occurrence or failure to occur release the donors from the obligation to transfer assets in the future. If and when such conditions have been substantially met, these promises cease to be conditional and revenues are recorded, as appropriate.

Donor-Restricted Gifts

All contributions are considered to be available without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as gifts with donor restrictions that increase that net asset classification. When a donor restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Capital Gifts to Acquire or Construct Long-Lived Assets

Capital gifts to acquire or construct long-lived assets are recorded as a donor-restricted gift until the related asset is placed in service, at which time the capital gift is released from net assets with donor restrictions to net assets without donor restrictions and subsequently amortized into operations over the estimated useful life of the acquired or constructed asset. This depreciation, which amounted to $719,757 and $768,077 in 2021 and 2020, respectively, is recorded as a reclassification between the nonoperating and operating sections of the change in net assets without donor restrictions in the consolidated statements of activities.

Investments

Equity securities with readily determinable fair values and debt securities are valued at fair value based on quoted market prices. Adjustments to reflect increases or decreases in market value, referred to as unrealized gains and losses, are reported in the consolidated statements of activities.

The cost of investments received as gifts is recorded at their fair value as determined upon receipt. The cost of investments sold is determined by use of the specific identification method.

All realized and unrealized gains and losses arising from the sale or appreciation (depreciation) in fair value of investments and all income from investments, are reported as changes in net assets without donor restrictions unless their use is restricted by explicit donor-imposed stipulations, or by law.

Alternative investments, representing ownership in private equity funds are valued at the net asset value (NAV) equivalent of the underlying holdings.

The University's principal financial instruments subject to credit risk are its investments. The investments are managed by professional advisors subject to the University's investment policy. The degree and concentration of credit risk varies by type of investment. The fair values reported in the consolidated statements of financial position are exposed to various risks, including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the accompanying consolidated financial statements could change materially in the near term.

Plant Assets

Plant assets are stated at cost, if purchased, or fair value at the date of gift, if donated, less accumulated depreciation, computed on a straight-line basis over their estimated useful lives: buildings (12-62 years); land improvements (20-40 years); furniture and equipment (2-10 years); vehicles (5 years). Library books are stated at cost and are depreciated on a straight-line basis over an estimated useful life of 7 years. Maintenance and repairs are charged to expense as incurred; replacements and betterments are capitalized.

Advance From Federal Government for Student Loans

The University is a participant in the Federal Perkins Loan program, a program which makes student loans available to eligible participants. This program is funded by both the federal government and the University, with the portion estimated to be allocable to the federal government recorded as a liability in the consolidated statements of financial position, and the portion allocable to the University included in net assets without donor restrictions.

Revenue Recognition

Tuition and fees revenue is recognized in the fiscal year in which the academic programs are delivered. Sales and services of auxiliary enterprises revenue, which consists of room and board and related services, is recognized when the related service is provided or performed. Tuition and fees and auxiliary enterprise contracts are considered to have a duration of less than one year.

Transaction prices for tuition, fees, room and board are determined based on the approved University tuition and fees schedules. Institutional financial aid and discounts provided by the University are reflected as a reduction of tuition and fees revenue with the exception of specifically identified auxiliary and athletic awards, which are reflected as a reduction in auxiliary revenue. The University awards grants-in-aid and scholarships to individuals who meet the University's academic standards. The amounts of such awards are based upon merit, the financial needs and/or athletic sport participation of each applicant.

Amounts are due for tuition, fees, room and board at the beginning of each semester. In accordance with the University's refund policies, full time undergraduate students may receive a full or partial refund until 60 percent of the semester has expired.

Deferred summer tuition for billed services not yet performed totaled $2,716,661 at June 30, 2021 and consists primarily of amounts related to 2021 summer sessions. This amount will be recognized as revenue in fiscal 2022 as academic services are provided. In 2020, the University's deferred summer tuition consisted only of billed services not yet performed of $3,152,073. This amount was recognized in full as revenue in 2021.

Student deposits and prepayments totaled $337,012 at June 30, 2021 and represents deposits for tuition, fees and room and board and trips from currently enrolled students for the 2021-22 academic year and these will be recognized as revenue in fiscal 2022 as the performance obligation is satisfied. At June 30, 2020, the University's student deposits and prepayments were $1,318,465. This amount was recognized in full as revenue in 2021.

Tuition and Fees, Net

Tuition and fees are presented net of grants-in-aid, scholarships, discounts and fellowships.

A discount to tuition and fees results when the University reduces the obligation of a student by granting financial aid. The following details the gross and net amounts of tuition and fees for the years ended June 30:

	2021	2020
Tuition and fees	$ 71,115,131	$ 69,007,170
Less scholarship allowances	(31,316,494)	(29,422,388)
Tuition and fees, net	$ 39,798,637	$ 39,584,782

Auxiliary Enterprises, Net

Auxiliary enterprises are presented net of grants-in-aid, discounts, scholarships and fellowships.

A discount to auxiliary enterprises results when the University reduces the obligation of a student by granting financial aid. The following details the gross and net amounts of auxiliary enterprises for the years ended June 30:

	2021	2020
Auxiliary enterprises	$ 14,431,373	$ 12,811,305
Less scholarship allowances	(1,736,832)	(1,510,365)
Auxiliary enterprises, net	$ 12,694,541	$ 11,300,940

Contributions and Grants

All contributions are considered to be available for use without restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions. When a donor restriction expires, donor-restricted net assets are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a discount rate which approximates current market rates. Amortization of the discount is included in contribution revenue.

Conditional promises to give are promises for which donor-imposed conditions specify future and uncertain events whose occurrence or failure to occur release the donors from the obligation to transfer assets in the future. If and when such conditions have been substantially met, these promises cease to be conditional, and revenues are recorded, as appropriate.

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. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position.

Nonoperating Activities

For the purpose of the consolidated statements of activities, the University considers its change in net assets without donor restrictions to be operational changes, except for changes related to gains or losses on investments, transfers to operations to fund depreciation, capital grants and change in the value of split-interest agreements.

Advertising Costs

Advertising costs are expensed as incurred and amounted to approximately $1,839,000 in 2021 and $1,146,000 in 2020.

Fund-Raising Costs

Fund-raising costs are expensed as incurred and amounted to approximately $1,048,000 in 2021 and $1,112,000 in 2020 and are included in institutional support in the consolidated statements of activities.

Cash Equivalents and Restricted Cash Equivalents

For the purposes of the consolidated statements of cash flows, the University considered all highly liquid investments with original maturities of three months or less (excluding certain short-term instruments which are classified as investments) to be cash equivalents.

Functional Expenses

The University allocates depreciation, interest and plant operations and maintenance costs to program and supporting activities. Depreciation is allocated based upon the purpose, program and location of each asset. Interest is allocated based upon the project or asset purpose of each loan. Plant operations and maintenance costs are allocated based upon square footages of all nonauxiliary facilities' primary uses.

Leases

The University has entered into a variety of operating and finance leases for student housing facilities, office/classroom space, copiers and other equipment. The obligations associated with these leases have been recognized as a liability in the consolidated statements of financial position based on future lease payments, discounted by the incremental borrowing rate.

Lease terms may include options to extend or terminate certain leases. The value of a lease is reflected in the valuation if it is reasonably certain an option to extend or terminate will be exercised.

The University has certain leases that are for periods of 12 months or less. Leases with an initial term of 12 months or less are not recorded on the consolidated statements of financial position since the University has elected the practical expedient to exclude these leases from operating right-of-use asset and lease liabilities. Short-term lease expenses are recognized on a straight-line basis over the lease term as an operating expense.

Income Taxes

The College and DIRHW are not-for-profit organizations as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the IRC.

The University accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management determined there were no tax uncertainties that met the recognition threshold in fiscal 2021 and 2020.

The University's policy is to recognize interest related to unrecognized tax benefits in interest expense and penalties in operating expenses.

Title IV Requirements

The University participates in Government Student Financial Assistance Programs (Title IV) administered by the U.S. Department of Education (ED) for the payment of student tuitions. Substantial portions of the revenue and collection of ending accounts receivable as of June 30, 2021 and 2020 are dependent upon the University's continued participation in the Title IV programs.

Institutions participating in the Title IV programs are also required by ED to demonstrate financial responsibility. ED determines an institution's financial responsibility through the calculation of a composite score based upon certain financial ratios as defined in the regulations. Institutions receiving a composite score of 1.5 or greater are considered fully financially responsible. Institutions receiving a composite score between 1.0 and 1.4 are subject to additional monitoring and institutions receiving a score below 1.0 are required to submit financial guarantees in order to continue participation in the Title IV programs.

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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2020 consolidated financial statements have been reclassified for comparative purposes to conform to the 2021 presentation.

New Accounting Standard Adopted

Effective July 1, 2020, the University adopted the FASB Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842) (as amended)*. Topic 842 was issued to increase transparency and comparability among entities by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. Under the provisions of Topic 842, a lessee is required to recognize a right-of-use asset and lease liability, initially measured at the present value of the remaining lease payments, in the statement of financial position. In addition, lessees are required to provide qualitative and quantitative disclosures that enable users to understand more about the nature of the leasing activities.

The University elected the option to apply the transition requirements at the effective date of July 1, 2020, which allows the effects of initially applying Topic 842 to be recognized as a cumulative effect adjustment to net assets without donor restrictions in the period of adoption. Consequently, the consolidated financial statements and disclosures required under Topic 842 have not been updated as of and for year ended June 30, 2020. The University also elected the package of practical expedients, which permits the University to not reassess prior conclusions about lease identification, classification and initial direct costs. In addition, the University elected the short-term lease recognition exemption for all leases that qualify under Topic 842.

The most significant effects of the adoption of Topic 842 on the University's consolidated financial statements relate to the recognition of new right-of-use assets and operating lease obligations on its consolidated statements of financial position for operating leases and providing significant new disclosures about leasing activities. Upon adoption, the University recognized operating lease obligations of approximately $1,091,000 based on the present value of the remaining minimum rental payments as determined in accordance with Topic 842 for leases that had historically been accounted for as operating leases under Topic 840. The University recognized the corresponding operating right-of-use assets based on the operating lease obligations. The accounting for existing capital leases, now referred to as finance leases, remain substantially unchanged.

During March 2019, the FASB issued ASU No. 2019-03, *Non-Profit Entities (Topic 958): Updating the Definition of Collections (Topic 958)*. ASU No. 2019-03 modifies the definition of the term collections and requires that a collection-holding entity disclose its policy for the use of proceeds from collection items that are deaccessioned (that is, removed from a collection). If a collection-holding entity has a policy that allows proceeds from deaccessioned collection items to be used for direct care, it should disclose its definition of direct care. The University adopted this guidance as of July 1, 2020 on a prospective basis and this adoption had no material impact on its consolidated results of operations, financial position or cash flows or disclosures.

During August 2018, the FASB issued ASU No. 2018-13, *Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. ASU No. 2018-13 modifies the disclosure requirements for fair value measurements in Topic 820, *Fair Value Measurement*. The amendments are based on concepts in the FASB's Concepts Statement, *Conceptual Framework for Financial Reporting—Chapter 8: Notes to Financial Statements*, which the Board finalized on August 28, 2018. The University adopted this guidance as of July 1, 2020 and was applied retrospectively to all periods presented.

New Accounting Standards Not Yet Adopted

During September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU No. 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. ASU No. 2020-07 is effective for the University for the fiscal year ending June 30, 2022. The University is currently assessing the effect that ASU No. 2020-07 will have on its consolidated financial statements.

2. Accounts Receivable, Students

Accounts receivable, students represent amounts due for tuition, fees and room and board from currently enrolled and former students. The University extends unsecured credit to students and parents of dependent students in connection with their studies. Some of those students are no longer enrolled in the University.

Accounts receivable, students consist of the following at June 30:

	2021	2020
Accounts receivable	$ 1,837,223	$ 2,186,299
Allowance for doubtful accounts	(413,500)	(345,100)
Net	$ 1,423,723	$ 1,841,199

3. Unconditional Promises to Give

Unconditional promises to give at June 30 are as follows:

	2021	2020
In one year or less	$ 191,667	$ 850,950
Between one year and five years	232,075	1,208,550
Allowance for doubtful collections	(40,929)	(197,948)
Discount	(14,451)	(80,017)
Unconditional promises to give, net	$ 368,362	$ 1,781,535

The net present value of these cash flows was determined by using risk adjusted discount rates between 0.29 percent and 2.73 percent to account for the time value of money for 2021 and 2020.

Management believes the University's allowance for doubtful collections at June 30, 2021 and 2020 is adequate based upon information currently known. However, events impacting donors can occur in subsequent years that may cause a material change in the allowance for doubtful collections.

4. Fair Value Measurements, Investments and Other Financial Instruments

The University measures its investments and beneficial interest in remainder trust at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework that the authoritative guidance established for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1 - Fair value is based on unadjusted quoted prices in active markets that are accessible to the University for identical assets or liabilities. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the same term of the asset or liability through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets, and other observable inputs.

Level 3 - Fair value is based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows and other similar techniques.

The following tables present the financial instruments measured at fair value as of June 30, 2021 and 2020 by caption on the consolidated statements of financial position by the valuation hierarchy defined above:

	2021			
	Level 1	**Level 2**	**Level 3**	**Total Fair Value**
Investments:				
Cash and cash equivalents	$ 3,661,100	$ -	$ -	$ 3,661,100
Equity mutual funds:				
Large-cap	7,861,385	-	-	7,861,385
International	9,186,050	-	-	9,186,050
Fixed income mutual funds:				
Core fixed income	3,752,888	-	-	3,752,888
Real return	2,350,830	-	-	2,350,830
Short-term	5,524,707	-	-	5,524,707
Inflation protected	1,020,725	-	-	1,020,725
International	2,569,630	-	-	2,569,630
Equity securities:				
Large-cap	13,869,114	-	-	13,869,114
Small-cap	5,966,664	-	-	5,966,664
Bonds:				
U.S. government	-	1,278,853	-	1,278,853
Asset backed	-	1,593,637	-	1,593,637
U.S. corporate	-	2,074,832	-	2,074,832
Total investments by valuation hierarchy	$ 55,763,093	$ 4,947,322	$ -	60,710,415
Alternative investments reported at net asset value				2,763,112
Cash surrender value of life insurance at contract value				138,308
Total investments				$ 63,611,835

	2020			
	Level 1	Level 2	Level 3	Total Fair Value
Investments:				
Cash and cash equivalents	$ 3,281,261	$ -	$ -	$ 3,281,261
Equity mutual funds:				
Large-cap	6,278,550	-	-	6,278,550
International	6,749,287	-	-	6,749,287
Fixed income mutual funds:				
Core fixed income	3,922,423	-	-	3,922,423
Real return	2,246,532	-	-	2,246,532
Short-term	4,387,764	-	-	4,387,764
International	2,367,667	-	-	2,367,667
Equity securities:				
Large-cap	11,279,175	-	-	11,279,175
Small-cap	4,833,667	-	-	4,833,667
Bonds:				
U.S. government	-	945,509	-	945,509
Asset backed	-	1,535,685	-	1,535,685
U.S. corporate	-	2,403,143	-	2,403,143
Total investments by valuation hierarchy	$ 45,346,326	$ 4,884,337	-	50,230,663
Alternative investments reported at net asset value				1,170,729
Cash surrender value of life insurance at contract value				136,168
Total investments				$ 51,537,560

Valuation Methodologies

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at June 30, 2021 and 2020.

Cash and cash equivalents: The carrying amounts approximate fair value because of the short maturity of those financial instruments.

Investments: Mutual funds and equity securities in the investment portfolio are measured at fair value using quoted market prices for identical assets, which are considered Level 1 inputs. Bond obligations are valued based on quoted prices of similar assets, with similar terms, in actively traded markets and are measured using Level 2 inputs.

Alternative investments: The University measures the fair value for these alternative investments based on NAV as a practical expedient, without further adjustment, unless it is probable that the investment will be sold at a significantly different value. If not determined as of the fund's measurement date, NAV is adjusted to reflect any significant events that would materially affect the security's value. Certain attributes that impact the security's fair value may not be reflected in NAV, including, but not limited to, the investor's ability to redeem the investment at the measurement date and unfunded purchase commitments. If the University sold all or a portion of its alternative investments, it is reasonably possible that the transaction value could differ significantly from the estimated fair value at the measurement date, because of the nature of the investments, changes in market conditions and the overall economic environment. Investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the table above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

The alternative investments represent investments in private equity funds that pursue multiple strategies to diversify risks and reduce volatility. The alternative investments pursue multiple strategies as follows:

- Commonfund Capital Partners VII, L.P. is a 2019 vintage, private equity fund of funds focused on delivering long-term capital appreciation and risk-adjusted net returns through equity investments. Strategic focus areas include the following: venture capital: early stage information technology; private equity: growth equity, small/middle market and leveraged buyout; global private equity ex-US: European and other non-U.S. private equity and natural Resources: oil, natural gas, oilfield services, mining, power and other natural resources. The University has monies invested in this alternative investment for fiscal 2021 and 2020 with an unfunded commitment of $840,000 at June 30, 2021 and $1,012,500 at June 30, 2020.

- LEM Multifamily Fund V, L.P. was formed in 2020 and has a term of eight years. The fund was established to generate current income and appreciation primarily through the origination of structured equity investments in multifamily real estate properties in select markets in the United States. The University has monies invested in this alternative investment for fiscal 2021 and 2020 with an unfunded commitment of $600,000 at June 30, 2021 and $1,400,000 at June 30, 2020.

The preceding tables include cash surrender value of life insurance in the amount of $138,308 and $136,168 at June 30, 2021 and 2020, respectively, which approximates estimated fair value and which is included in investments in the consolidated statements of financial position.

There are no redemption restrictions associated with the alternative investments.

The following summarizes the composition of investment return for the years ended June 30:

	2021	2020
Interest and dividend income	$ 956,113	$ 1,409,553
Investment fees	(394,860)	(461,582)
Subtotal, operating activities	561,253	947,971
Realized gains on sale of investments	3,744,538	218,342
Unrealized gains (losses) on investments	9,216,674	(378,026)
Subtotal, nonoperating activities	12,961,212	(159,684)
Net investment return	$ 13,522,465	$ 788,287

5. Student Loans Receivable

Student loans are made with funds advanced to the University by the federal government under the Federal Perkins Loan program (the Program). The Extension Act amended Section 461 of the Higher Education Act to end the University's authority to make new Perkins Loans after June 30, 2018. The University is not required to assign the outstanding Perkins Loans to the ED or liquidate their Perkins Loan Revolving Funds due to the wind-down of the Program, however, the University may choose to liquidate at any time in the future. As of June 30, 2021, the University continues to service the Program. In the event that the University no longer participates in the Program, the amounts are refundable to the federal government. The federal government's portion of these funds at June 30, 2021 and 2020 was $792,853 and $892,771, respectively.

The University matches and contributes one-third of the amount contributed by the U.S. Government to the Program.

The prescribed practices for the Program do not provide for accrual of interest on student loans receivable or for a provision of allowance for doubtful loans. Accordingly, interest on loans is recorded as received; uncollectible loans are not recognized until the loans are canceled or written off in conformity with the Program requirements. The impact of recording interest income on a cash basis is not considered significant. In addition, the credit quality of the student is not evaluated after the initial approval and calculation of the loans. Delinquent loans and the allowance for losses on loans receivable are reviewed by management, but are not material to the overall consolidated financial statements.

6. Plant Assets, Net

The composition of plant assets was as follows at June 30:

	2021	2020
Land	$ 380,284	$ 380,284
Land improvements	11,520,230	11,210,375
Buildings	101,573,127	100,515,718
Furniture and equipment	18,537,314	17,361,908
Equipment held under finance leases	171,685	133,286
Vehicles	1,132,140	1,031,582
Library books	5,051,356	5,051,356
Collections	342,895	342,895
Construction in progress	2,928,636	1,156,273
Total	141,637,667	137,183,677
Accumulated depreciation	(70,967,334)	(66,527,121)
Plant assets, net	$ 70,670,333	$ 70,656,556

Depreciation expense was approximately $4,756,000 in 2021 and $4,721,000 in 2020.

7. Lines of Credit

The University has a $3,750,000 line of credit available from a bank which is due on demand. At June 30, 2021 and 2020, no amounts were outstanding under this line of credit. Variable interest is paid monthly at prime rate (3.25 percent at June 30, 2021). The line of credit matures June 30, 2022 and is secured by all accounts and revenues of the University.

The University also has a $3,750,000 unsecured line of credit available from a bank which is due on demand. There were no borrowings outstanding at June 30, 2021 and 2020. Variable interest is paid monthly at prime rate (3.25 percent at June 30, 2021).

8. Bonds Payable

Bonds payable at June 30, 2021 and 2020 are comprised of the following issues:

	2021	2020
Revenue Bonds, Series 2012 LL2 (issued through Pennsylvania Higher Educational Facilities Authority), due in varying annual installments through November 2023; fixed interest rate ranging from 2% to 3.25%	$ 2,465,000	$ 3,260,000
Revenue Bonds, Series 2017 PP3 (issued through Cambria County General Financing Authority),due in varying annual installments beginning November 2024 through November 2041; fixed interest rate ranging from 2.25% to 5%	21,620,000	21,620,000
	24,085,000	24,880,000
Deferred financing costs	(253,000)	(274,230)
Unamortized bond premium	682,449	714,438
Total	$ 24,514,449	$ 25,320,208

The aggregate future principal payments on bonds payable at June 30, 2021 is as follows:

Years ending June 30:	
2022	$ 820,000
2023	845,000
2024	800,000
2025	755,000
2026	760,000
Thereafter	20,105,000
Total	$ 24,085,000

As required by the loan agreements, the University has established debt service reserve funds. These funds are reflected in the consolidated statements of financial position as of June 30, 2021 and 2020. These funds are invested in cash and cash equivalents and are subject to Federal Deposit Insurance Corporation limits.

In connection with the issuance of these bonds, the University has agreed to certain financial covenants with which it must comply, including a rate covenant. The University was in compliance with these financial covenants at June 30, 2021.

9. Notes Payable

Notes payable at June 30, 2021 and 2020 are comprised of the following:

	2021	2020
Note payable to First National Bank, payable in monthly installments of $9,297, including principal and interest at 1.89%; matures May 2024; secured by vehicles	$ 316,197	$ -
Note payable to First National Bank, payable in monthly installments of $4,315, including principal and interest at 2.73%; matures April 2022; secured by the computer equipment acquired with the borrowing	42,613	92,461
Note payable to 1st Summit Bank, payable in monthly installments of $4,098, including principal and interest at 3.24%; matured May 2021	-	44,352
Note payable to First National Bank, payable in monthly installments of $736, including principal and interest at 4.23%; matures November 2023; secured by the equipment acquired by the borrowing	20,227	28,004
Note payable to Reliance Bank, payable in monthly installments of $6,234, including principal and interest at 3.75% first 24 months, 4.75% next 24 months, 5.50% last 24 months; matures April 2025; unsecured	265,903	329,073
$4,000,000 note payable to Northwest Savings Bank, interest only payments until October 1, 2024 with principal and interest payments to follow for a term of 240 months thereafter, interest at 3.84%; matures October 2044; secured by the gross revenues of the University	4,000,000	4,000,000
$725,000 note payable to First National Bank, payable in monthly installments of $9,995, including principal and interest at 4.19%; matures August 2026; secured by the equipment acquired by the borrowing	555,470	649,608
Total	$ 5,200,410	$ 5,143,498

The aggregate future principal payments on notes payable at June 30, 2021, is as follows:

Years ending June 30:	
2022	$ 320,360
2023	287,425
2024	282,620
2025	263,532
2026	255,510
Thereafter	3,790,963
Total	$ 5,200,410

Interest expense on all long-term debt was approximately $1,164,000 and $1,149,000 in 2021 and 2020, respectively.

10. Net Assets

Net assets without donor restrictions are available for the following purposes as of June 30, 2021 and 2020:

	2021	2020
Net investment in plant	$ 37,981,350	$ 38,597,136
Board-designated endowment	11,027,003	8,151,314
Undesignated	687,283	(1,888,737)
Total net assets without restrictions	$ 49,695,636	$ 44,859,713

Net assets with donor restrictions are available for the following purposes or in future periods as of June 30, 2021 and 2020:

	2021	2020
Accumulated income and gains on donor-restricted endowments (Note 11)	$ 22,828,788	$ 14,108,727
Gifts available for scholarships and other academic purposes	5,386,061	4,789,054
Gifts for capital expenditures	2,095,584	1,336,891
Unconditional promises to give	327,813	1,639,614
Total with time or purpose restrictions	30,638,246	21,874,286
Investments to be held in perpetuity by donor stipulation or by Pennsylvania law, the income from which is generally available for services and programs (Note 11)	30,485,446	27,788,549
Unconditional promises to give, endowment	40,550	141,921
Beneficial interest in remainder trust	77,876	56,857
Restricted loan fund	78,913	78,233
Total restricted in perpetuity	30,682,785	28,065,560
Total net assets with restrictions	$ 61,321,031	$ 49,939,846

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of events specified by the donors. Net assets released from restrictions consisted of the following as of June 30, 2021 and 2020, respectively:

	2021	2020
Satisfaction of program restrictions	$ 4,657,755	$ 2,679,077
Appropriation from donor endowment	2,127,373	1,350,511
Total	$ 6,785,128	$ 4,029,588

During the course of the year, net assets whose use by the University was subject to donor-imposed restrictions were fulfilled by actions of the University pursuant to those restrictions, the expiration of time, or the designation of law. These assets are shown in the consolidated statements of activities as a release of net assets from donor restrictions.

The Board of the University has several standing board policies that affect the presentation of board designations on net assets. Bequests without donor restrictions are designated for long-term investment (Board-designated endowment). The Board-designated endowment fund balance totaled $11,027,003 and $8,151,314 at June 30, 2020 and 2019, respectively.

11. Endowment Funds

The University's endowment consists of approximately 200 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the University has interpreted Pennsylvania law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classified as net assets with donor restrictions (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as either net assets with donor restrictions or net assets without donor restrictions based on the existence of donor restrictions or by law.

The University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund

(2) The purpose of the University and the donor-restricted endowment fund

(3) General economic conditions

(4) The possible effect of inflation and deflation

(5) The expected total return from income and the appreciation of investments

(6) Other resources of the University

(7) The investment policies of the University

The University has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the University must hold in perpetuity or for a donor-specified period(s) as well as Board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the performance of a median balanced fund while assuming a moderate level of investment risk. The University expects its endowment funds, over time, to provide an average rate of return of approximately 6 percent, net of fees, annually. Actual returns in any given year may vary from this amount.

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

Commonwealth of Pennsylvania Act 141 permits the University to allocate to income each year a portion of endowment return. The law allows not-for-profit organizations to spend a percentage of the market value of their endowment funds, including realized and unrealized gains. The percentage by law must be between 2 percent and 7 percent. As a result of the COVID-19 pandemic, the Commonwealth of Pennsylvania enacted Act 71 on July 23, 2020, which allows the Board of Trustees to select a spend percentage of not more than 10 percent per year. This increased percentage only applies during calendar years 2020, 2021 and 2022, or for an entity's fiscal year that ends during those calendar years.

The University's policy for fiscal years 2021 and 2020 allowed for a payout of 7 percent and 5 percent, respectively, of the three-year average balance as measured by the last six semi-annual balance points excluding the current period, which is based on market value net of investment management fees. In establishing this policy, the University considered the long-term expected return on its endowment. Accordingly, over the long term, the University expects the current spending policy to allow its endowment to grow at an average of 4.5 percent annually. This is consistent with the University's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Changes in endowment net assets for fiscal years ended June 30:

	Without Donor Restrictions	With Donor Restrictions	2021 Total
Endowment net assets, beginning of year	$ 8,151,314	$ 41,897,276	$ 50,048,590
Investment return, net	2,542,942	10,847,434	13,390,376
Contributions	598,345	2,696,897	3,295,242
Transfers into endowment	874,290	-	874,290
Appropriation of endowment assets for expenditure	(1,139,888)	(2,127,373)	(3,267,261)
Endowment net assets, end of year	$ 11,027,003	$ 53,314,234	$ 64,341,237

	Without Donor Restrictions	With Donor Restrictions	2020 Total
Endowment net assets, beginning of year	$ 8,752,495	$ 42,033,255	$ 50,785,750
Investment return, net	108,130	498,708	606,838
Contributions	7,184	715,824	723,008
Appropriation of endowment assets for expenditure	(716,495)	(1,350,511)	(2,067,006)
Endowment net assets, end of year	$ 8,151,314	$ 41,897,276	$ 50,048,590

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law. At June 30, 2021 and 2020, there were no deficiencies reported in net assets with donor restrictions. Management has interpreted state law to permit prudent spending from underwater endowments.

	Without Donor Restrictions	With Donor Restrictions		Total Funds, June 30, 2021
		Original Gift	Accumulated Gain (Losses)	
Board-designated funds	$ 11,027,003	$ -	$ -	$ 11,027,003
Donor-restricted funds	-	30,485,446	22,828,788	53,314,234
Total	$ 11,027,003	$ 30,485,446	$ 22,828,788	$ 64,341,237

	Without Donor Restrictions	With Donor Restrictions		Total Funds, June 30, 2020
		Original Gift	Accumulated Gain (Losses)	
Board-designated funds	$ 8,151,314	$ -	$ -	$ 8,151,314
Donor-restricted funds	-	27,788,549	14,108,727	41,897,276
Total	$ 8,151,314	$ 27,788,549	$ 14,108,727	$ 50,048,590

12. Pension Plan

The University sponsors a defined contribution pension plan. Pension expense was approximately $1,086,000 and $1,239,000 in 2021 and 2020, respectively.

13. Franciscan Sponsorship

The University paid full salaries to the religious faculty and staff of approximately $689,000 and $723,000 during the years ended June 30, 2021 and 2020, respectively.

14. Concentration of Credit Risk

The University maintains its cash accounts in commercial banks located in Pennsylvania. Accounts are insured by the Federal Deposit Insurance Corporation. From time to time, the bank balances will exceed this coverage.

15. Contingencies

The University participates in a Private College Consortium (the Consortium), a cooperative effort between educational institutions. The Consortium was created for the purpose of providing health and welfare benefits to participating entities; maintaining an effective employee benefit delivery structure for members; combining resources to reduce cost and to maintain and improve the quality of coverage available; and sharing information for the common good. The Consortium is governed by the Second Amended and Restated Private College & University Consortium Health and Welfare Benefits Agreement (Agreement). The Consortium and each participating entity have entered into a consulting agreement with The Reschini Group (Consultant) of Indiana, Pennsylvania for consulting and accounting services. Ameriserv Trust and Financial Services Company is the Consortium's Trustee in accordance with the Second Amended and Restated Revocable Trust Agreement (Trust Agreement). Insurance and administrative services are provided by both Highmark, Inc. (Highmark) and UPMC Health Plan (UPMC). Both are responsible for facilitating the payment of benefits for participating entities' eligible employees and their covered dependents. Agreements are renewed annually between participating entities and coverage providers. Insurance coverage for participating entities' eligible employees and their covered dependents is funded by deposit premiums into the Trust made by the participating entities, which are based on the respective entities' number of covered employees and dependents. The Consortium uses "cost plus funding", a fully insured product. Under this arrangement, the Consortium pays the claims incurred by participating entities' eligible employees and their covered dependents. The Consortium also pays the administration expenses for providing coverage. The Consortium develops deposit rates into the Trust for each participating entity on an annual basis. This calculation takes into consideration the total projected claims and administrative cost for the Consortium using the Consortium trend and both the Highmark and UPMC trends. The Consortium limits its claims exposure through the purchase of stop loss insurance, which pays 100 percent of the sum of all actual claim payments for covered health benefits made to a covered individual in a policy year that exceed $450,000, with an unlimited lifetime maximum. Stop loss coverage is provided by HM Life Insurance Company. The University's share of the Consortium's trust fund surplus was approximately $558,000 and $1,181,000 at June 30, 2021 and 2020, respectively. The University's premium payments to the Consortium amounted to approximately $4,217,000 in 2021 and $4,250,000 in 2020. Although there is a potential refund due if the University elects to terminate participation in the Consortium, management has concluded that it would not be appropriate to record this potential refund in the consolidated financial statements due to the uncertainties surrounding its realization.

The University participates in the University and College Insurance Consortium (UCIC). UCIC is a self-insurance group providing workers' compensation coverage to member educational institutions. As part of the agreement with UCIC, the University is contingently liable for possible additional workers' compensation premiums. As of June 30, 2021, management does not expect any significant contingencies.

The University owns property constructed prior to the passage of the Clean Air Act that contain encapsulated asbestos material. Current law requires that this asbestos be removed in an environmentally safe manner prior to demolition or renovation of the property. The University has not recognized the asset retirement obligation for asbestos removal in its consolidated financial statements because it currently has no plans to demolish or renovate this property and as such, cannot reasonably estimate the fair value of the obligation. If plans change with respect to the use of the property and sufficient information becomes available to estimate the liability it will be recognized at that time.

16. Liquidity and Availability of Resources

The following reflects the University's financial assets as of June 30, 2021 and 2020, reduced by amounts not available for general use within one year of that date because of contractual or donor-imposed restrictions or internal designations. Amounts available include the Board-approved appropriation from the endowment fund for the following year as well as donor-restricted amounts that are available for general expenditure in the following year.

	2021	2020
Financial assets:		
Cash and cash equivalents	$ 7,749,312	$ 4,209,994
Accounts receivable and unconditional promises to give	3,255,914	4,477,735
Investments	63,611,835	51,537,560
Financial assets at year-end	74,617,061	60,225,289
Less those unavailable for general expenditures within one year due to:		
Unconditional promises to give an accounts receivable collectible beyond one year	(232,075)	(1,208,550)
Restricted cash available for property and equipment not scheduled to be spent	(600,584)	(1,336,891)
Restricted gifts available for scholarships and other academic purposes	(5,386,061)	(4,789,054)
Board-designated endowments	(11,027,003)	(8,151,314)
Perpetual and term endowments and accumulated earnings	(53,314,234)	(41,897,276)
Add back appropriations scheduled for next year from:		
Perpetual and term endowments and accumulated earnings	2,127,373	1,325,848
Investments in Board-designated endowments	1,139,888	716,495
Financial assets available to meet cash needs for general expenditures within one year	$ 7,324,365	$ 4,884,547

The University has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Including the $11,027,003 and $8,151,314 of Board-designated investments as of June 30, 2021 and 2020, respectively, which it could use, the University had $18,351,368 and $13,035,861 available for general expenditure and unanticipated liquidity needs as of June 30, 2021 and 2020, respectively. To help manage unanticipated liquidity needs, the University has two available lines of credit each in the amount of $3,750,000 and $3,750,000, which it could draw upon (see Note 7).

17. Coronavirus (COVID-19) and Emergency Relief Funding

The Coronavirus Aid, Relief and Economics Security (CARES) Act provided budgetary relief to higher education institutions. Congress set aside approximately $14.25 billion of the $30.75 billion allotted to the Education Stabilization Fund through the Higher Education Emergency Relief Fund (HEERF). Each institution received one grant comprised of two parts. Under the legislation, no less than 50 percent of the full grant was to be used for direct emergency aid to students. The remaining portion of the full grant was to be used by institutions to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus. Institutions were given one calendar year from the date of award in their HEERF Grant Award Notification to complete the performance of their HEERF grant.

Under CARES, the University received one grant of $1,409,610 comprised of two parts. Under the legislation, no less than 50 percent of the full grant was to be used for direct emergency aid to students. The remaining portion of the full grant was to be used by institutions to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus. Institutions were given one calendar year from the date of award in their HEERF Grant Award Notification to complete the performance of their HEERF grant. Institutions may recognize the institutional portion of the grant to the extent the grant was expended on student emergency aid. The University received $704,805 of funding under CARES and recognized $602,915 of the student emergency aid as federal grants revenue and student aid expense as of June 30, 2020. The balance of $101,890 was recognized as federal grants and contracts revenue and student aid expense during the year ended June 30, 2021. The institutional portion of the grant totaling $60,678 was expended and recognized as federal grants revenue as of June 30, 2020. The balance of $644,127 was recognized as federal grants and contracts revenue during the year ended June 30, 2021. As restrictions were met in the same period, these grants were reported as changes in net assets without donor restrictions.

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) provided budgetary relief to higher education institutions. In total the CRRSAA sets aside approximately $22.9 billion of the $82 billion allotted to the Education Stabilization Fund through the Higher Education Emergency Relief Fund (HEERF II). Each institution received one grant comprised of two parts. The University received $2,214,219 of HEERF II funding on January 17, 2021 comprised of $704,805 of student relief funds and $1,509,414 of institutional support. For the year ended June 30, 2021, $633,250 of the student relief portion of the grant was expended and revenue recognized as federal grants and contracts revenue and student aid expense and $1,091,451 of the institutional portion of the grant was recognized as federal grants and contracts revenue. As restrictions were met in the same period, these grants were reported as changes in net assets without donor restrictions.

The American Rescue Plan (ARP) provided budgetary relief to higher education institutions. In total the ARP sets aside approximately $39.6 billion of the $122 allotted to the Education Stabilization Fund through the Higher Education Emergency Relief Fund (HEERF III). Under ARP, institutions received one grant comprised of two parts. Under the legislation, no less than 50 percent of the full grant is to be used for direct emergency aid to students. The remaining portion of the full grant is to be used to defray expenses associated with coronavirus, implement evidence-based practices to monitor and suppress coronavirus, and conduct direct outreach to financial aid applications about the opportunity to receive a financial aid adjustment due to a change in circumstance. The University was awarded $3,956,447 on May 24, 2021. For the year ended June 30, 2021, the University did not recognize any revenue or expense related to this grant.

18. Leases

The University has entered into the following lease arrangements:

Finance leases: the University leases exercise equipment and computers and related equipment. The leases generally have lease terms of four to five years.

Operating leases: the University leases a facility for office/classroom space, copiers and other equipment. The leases generally have initial lease terms of four to seven years.

Short-term leases: The University has certain leases that are for periods of 12 months or less. Leases with an initial term of 12 months or less are not recorded on the consolidated statements of financial position since the University has elected the practical expedient to exclude these leases from operating right-of-use asset and lease liabilities. Short-term lease expenses are recognized on a straight-line basis over the lease term as an operating expense.

The University makes certain assumptions and judgments in determining the discount rate, as most leases do not provide an implicit rate. The University uses their incremental borrowing rate, for collateralized borrowing, based on information available at the commencement date in determining the present value of lease payments. The weighted average discount rate used for the year ended June 30, 2021 was 1.89 percent. Rent expense totaled approximately $55,000 and $16,000 for the years ended June 30, 2021 and 2020, respectively.

Subsequent to the lease commencement date, the University reassesses lease classification when there is a contract modification that is accounted for as a separate contract, a change in the lease term or a change in the assessment of whether the lessee is reasonably certain to exercise an option to purchase the underlying asset or terminate the lease.

Future minimum lease payments under operating and finance leases at June 30, 2021 are as follows:

	Operating	Finance
Years ending June 30:		
2022	$ 128,004	$ 39,016
2023	196,989	39,016
2024	192,156	24,310
2025	170,991	-
2026	139,860	-
Thereafter	349,650	-
Total	1,177,650	102,342
Less amount representing interest	(86,718)	(3,614)
Present value of net minimum lease payments	$ 1,090,932	$ 98,728

19. ED Financial Responsibility

The ED revised the regulations for financial responsibility effective July 1, 2019. The regulations require the University provide additional disclosures, including a financial responsibility supplemental schedule, to assist the ED in measuring financial responsibility through the composite score of financial ratios. The financial responsibility supplemental schedule must contain all financial elements required to calculate the composite score ratios, with a cross-reference to the consolidated financial statement line or note that contains the element.

Note 6 provides information on the University's plant assets, net, but does not provide a breakout by the implementation date of July 1, 2019. The following table provides a breakdown of plant assets, net, at June 30, 2021 based on the July 1, 2019 implementation date.

Pre-implementation:	
Plant assets, net	$ 58,619,070
Post-implementation:	
Plant assets, net, with outstanding debt for original purchase	2,850,604
Plant assets, net, without outstanding debt for original purchase	6,174,416
Construction in progress	3,026,243
Total plant assets, net, without outstanding debt for original purchase	9,200,659
Total plant assets, net, at June 30, 2021	$ 70,670,333

Notes 8 and 9 provide information on the University's bonds and notes payable, but does not provide a breakout by the implementation date of July 1, 2019. The following table provides a breakdown of bonds and notes payable in addition to $98,728 of finance leases for long-term purposes, at June 30, 2021 based on the July 1, 2019 implementation date.

Pre-implementation:	
Bonds and notes payable for long-term purposes	$ 26,474,051
Post-implementation:	
Bonds and notes payable for long-term purposes	2,910,087
Total bonds and notes payable at June 30, 2021	$ 29,384,138

20. Subsequent Event

Subsequent to June 30, 2021, the University's Board of Trustees approved a resolution authorizing up to $14,500,000 in tax-exempt bonds, which will be used to refinance an existing $4,000,000 bank loan and fund various capital projects. The transaction is expected to close on November 16, 2021.

Financial Statement and Line Name or Note Location		
	Primary Reserve Ratio	
	Expendable Net Assets	
Statement of Financial Position	Net assets without donor restrictions	$ 49,695,636
Statement of Financial Position	Net assets with donor restrictions	61,321,031
Note 10	Net assets with donor restrictions - restricted in perpetuity	30,682,785
Note 10	Net assets with donor restrictions - time or purpose	30,638,246
Note 19	Plant assets - pre-implementation	58,619,070
Note 19	Plant assets - post-implementation with outstanding debt for original purchase	2,850,604
Note 19	Plant assets - post-implementation without outstanding debt for original purchase	6,174,416
Statement of Financial Position	Construction in progress	3,026,243
Statement of Financial Position	Total plant assets, net (including CIP)	70,670,333
Statement of Financial Position	Lease right-of-use assets, net	1,090,932
Statement of Financial Position - Long-term debt, net	Long-term debt for long-term purposes	
Note 19	Long-term debt for long-term purposes - pre-implementation	26,474,051
Note 19	Long-term debt for long-term purposes - post implementation	2,910,087
Statement of Financial Position	Lease right-of-use asset liability	1,090,932
	Total Expenses and Losses Without Donor Restrictions	
Statement of Activities	Total expenses without donor restrictions	$ 63,304,796
Statement of Activities - transfer to operations to fund depreciation	Nonoperating and net investment (loss)	719,757
	Equity Ratio	
	Modified Net Assets	
Statement of Financial Position	Net assets without donor restrictions	$ 49,695,636
Statement of Financial Position	Net assets with donor restrictions	61,321,031
	Modified Assets	
Statement of Financial Position	Total assets	$ 151,416,413
	Net Income Ratio	
Statement of Activities	**Change in Net Assets Without Donor Restrictions**	$ 4,835,923
	Total Revenues and Gains Without Donor Restrictions	
Statement of Activities	Total operating revenue and other additions (gains)	$ 66,347,067
Note 11	Endowment return, designated for operations	1,139,888
Statement of Activities/Note 11 - realized and unrealized gain on investments, net of endowment return, designated for operations	Nonoperating revenue and other gains	3,653,297

APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is made and entered into as of November 16, 2021, by and between SAINT FRANCIS UNIVERSITY, a Pennsylvania nonprofit corporation (the "Borrower"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, in connection with the issuance by the Cambria County General Financing Authority (the "Issuer") of its $13,010,000 Revenue Bonds (AICUP Financing Program – Saint Francis University Project) Series 2021 TT5 (the "Bonds"). The Bonds are being issued pursuant to the terms of a Trust Indenture dated as of November 1, 2021 (the "Indenture") from the Issuer to The Bank of New York Mellon Trust Company, N.A., in its capacity as trustee for the holders of the Bonds (in such capacity, together with any successor trustee, the "Trustee").

NOW THEREFORE, intending to be legally bound hereby, the parties hereto hereby covenant and agree as follows:

SECTION 1. **Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered for the benefit of the registered owners and Beneficial Owners (hereinafter defined) of the Bonds and in order to assist the Participating Underwriter (hereinafter defined) in complying with the Rule (hereinafter defined).

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

"Annual Report" shall mean any Annual Report provided by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which the New York Stock Exchange is closed.

"Commonwealth" shall mean the Commonwealth of Pennsylvania.

"Disclosure Representative" shall mean the President of the Borrower or his or her designee, or such other person as the Borrower shall designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall mean The Bank of New York Mellon Trust Company, N.A., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with its predecessor Dissemination Agent a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System maintained by the MSRB.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or source of payment for, an existing or planned debt obligation; or

(iii) 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.

"Generally Accepted Accounting Principles" means those accounting principles applicable in the preparation of financial statements of educational institutions, as promulgated by the Financial Accounting Standards Board or such other body recognized as authoritative by the American Institute of Certified Public Accountants or any successor body.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"Loan Agreement" shall mean the Loan Agreement, dated as of November 1, 2021, between the Borrower and the Issuer.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Official Statement" means the Official Statement relating to the Bonds, dated November 4, 2021.

"Participating Underwriter" shall mean Stifel, Nicolaus & Company, Incorporated, as the underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Quarterly Report" means any Quarterly Report provided by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement

"Repository" shall mean each nationally recognized municipal securities information repository for purposes of the Rule. The Securities and Exchange Commission has appointed EMMA as the sole Repository effective as of July 1, 2009.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. <u>Provisions of Annual Reports and Quarterly Reports</u>.

(a) The Borrower shall deliver, or shall provide to the Dissemination Agent and shall cause the Dissemination Agent to deliver, to each Repository: (i) commencing with the fiscal year ending June 30, 2022, an Annual Report which is consistent with the requirements of Section 4(a) of this Disclosure Agreement, not later than 60 days following approval by the Board of Trustees of the Borrower of its audited financial statements related to the end of each fiscal year of the Borrower (presently ending June 30) and in no case shall such information be delivered to each Repository later than nine months following the last day of each fiscal year; and (ii) commencing with the fiscal quarter ending December 31, 2021, a Quarterly Report which is consistent with the requirements of Section 4(b) of this Disclosure Agreement, not later than 60 days following the last day of each of the first three (3) fiscal quarters of each fiscal year (presently ending September 30, December 31 and March 31).

(b) In each case, the Annual Report or Quarterly Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the financial statements of the Borrower may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report or Quarterly Report, if submitted in accordance with the provisions of Section 4. If the fiscal year of the Borrower changes, the Borrower shall give notice of such change in the same manner as for a Listed Event under Section 5.

(c) Upon receipt of the Annual Report or Quarterly Report from the Borrower the Dissemination Agent shall be entitled to assume that the Borrower delivered it to each Repository. The Dissemination Agent shall have no responsibility for providing the Annual Report or Quarterly Report provided to it by the University to each Repository unless directed in writing to do so by the Borrower. If so directed, the Dissemination Agent shall provide such Annual Report or Quarterly Report to each Repository as expeditiously as possible, but in no event later than five (5) Business Days after receipt of such direction and information. If the Dissemination Agent receives the Annual Report or Quarterly Report from the Borrower and delivers the Annual Report or Quarterly Report to the Repository, the Dissemination Agent shall file a report with the Issuer and, if the Dissemination Agent is not the Trustee, with the Trustee (with a copy to the Borrower) to the effect that the Annual Report or Quarterly Report has been so delivered pursuant to this Disclosure Agreement and stating the date it was delivered. If the Borrower delivers the Annual Report or Quarterly Report directly to the Repository, it shall provide a report to the same effect to the Issuer, the Dissemination Agent and, if the Dissemination Agent is not the Trustee, to the Trustee.

(d) If the Borrower fails either to (i) provide the Annual Report or Quarterly Report to the Dissemination Agent in a timely manner and condition sufficient for the Dissemination Agent to deliver the Annual Report or Quarterly Report in compliance with Section 3(a), or (ii) report to the Dissemination Agent that it has on its own so delivered the Annual Report or Quarterly Report , the Dissemination Agent shall, in a timely manner, send a notice to the Repository (and copies thereof to the Issuer and the Borrower) in substantially the form attached hereto as Exhibit A.

SECTION 4. Content of Annual Reports and Quarterly Reports.

(a) The Annual Reports shall contain or include by reference the following:

(i) The financial statements of the Borrower for the prior fiscal year prepared in accordance with Generally Accepted Accounting Principles. If such financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain preliminary financial statements in a format similar to the financial statements contained in the Official Statement, and the final financial statements shall be filed in the same manner as the Annual Report when they become available, but no later than nine months following the last day of the Borrower's prior fiscal year.

(ii) Operating data and financial information regarding the Borrower for the prior fiscal year of the same type as included in Appendix A to the Official Statement under the headings "Admissions and Enrollment," "Total Enrollment," and "Tuition and Fees".

(b) The Quarterly Report for a fiscal quarter shall contain or include by reference, as of and for the year-to-date period ending on the last day of such fiscal quarter, the following:

(i) Unaudited internally prepared assets and liabilities information (to include accounts receivable, investments, cash & cash equivalents, plant assets, deferred revenue, and bonds and notes payable or similar categories) as of the last day of such fiscal quarter.

(ii) Unaudited internally prepared year-to-date operating performance data (to include educational and general revenues, auxiliary revenues, educational and general expenses, auxiliary expenses, interest expense and depreciation expense or similar categories) through the last day of such fiscal quarter.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Borrower is an "obligated person" (as defined by the Rule), which have been filed with the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Borrower shall clearly identify each such other document so included by reference.

SECTION 5. <u>Reporting of Significant Events</u>.

(a) Pursuant to the provisions of this Section 5, the Borrower shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds (each, a "Listed Event") in a timely manner not in excess of ten business days after the occurrence of the Listed Event:

(i) principal and interest payment delinquencies;

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

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

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

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

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

(vii) modifications to rights of registered owners and Beneficial Owners, if material;

(viii) bond calls (other than mandatory sinking fund redemption), if material, and tender offers;

(ix) defeasances;

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

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the Borrower;

(xiii) the consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, 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 Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Borrower, any of which affects holders of the Bonds, 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 Borrower, any of which reflect financial difficulties.

(b) Whenever the Borrower obtains knowledge of the occurrence of a Listed Event, the Borrower shall promptly prepare a notice describing the Listed Event and notify the Dissemination Agent, if any, and the Issuer in writing, and either report or instruct the Dissemination Agent to report, the occurrence to the Repository, or to the MSRB. Promptly upon receipt of such notice, the Dissemination Agent shall file it with the Repository, or with the MSRB, as instructed in writing by the Borrower, with a copy to the Issuer and, if the Dissemination Agent is not the Trustee, with the Trustee.

SECTION 6. Termination of Reporting Obligation. The Borrower's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Borrower's obligations under the Loan Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Borrower and the Borrower shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Borrower shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5.

SECTION 7. Dissemination Agent. The initial Dissemination Agent shall be The Bank of New York Mellon Trust Company, N.A. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report, including, without limitation, any Annual Report, prepared by the Borrower pursuant to this Disclosure Agreement. The Borrower may, from time to time, appoint or engage a new Dissemination Agent, and may discharge any such Dissemination Agent, upon the appointment of a successor Dissemination Agent which shall be evidenced and be effective upon such successor Dissemination Agent's execution and delivery to the Issuer and the existing Dissemination Agent of a Form of Acceptance of Dissemination Agent's Duties substantially in the form attached hereto as Exhibit B. The Borrower also may assume the obligations of the Dissemination Agent hereunder itself, upon 15 days written notice to the Trustee and the Dissemination Agent, provided that during any period in which the Borrower is performing the obligations of the Dissemination Agent hereunder, references herein to "Dissemination Agent" shall be deemed to refer to the Borrower. The Borrower shall be responsible for all fees and associated expenses of the Dissemination Agent.

SECTION 8. **<u>The Issuer</u>.** The Issuer shall not have any responsibility or liability in connection with the Borrower's compliance with the Rule, its filing or other obligations under this Disclosure Agreement, or in connection with the contents of any such filings. The Borrower covenants and agrees to indemnify and save the Issuer, and its members, officers, employees and agents, harmless against any loss, expense (including reasonable attorneys' fees) or liability arising out of (i) any breach by the Borrower of its obligations under this Disclosure Agreement, or (ii) any Annual Report or notices or other information provided under this Disclosure Agreement or any omissions therefrom.

SECTION 9. **<u>Amendment; Waiver</u>.** Notwithstanding any other provision of this Disclosure Agreement, the Borrower and the Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, provided that no amendment shall subject the Issuer to any additional obligations or liabilities, and, provided further, that unless otherwise permitted by the Rule, the following conditions are satisfied:

(a) The amendment or waiver may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds (including, but not limited to, affiliations, mergers, acquisitions, divestitures or dispositions affecting the Borrower), or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of a nationally recognized disclosure counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the registered owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of registered owners, or (ii) does not, in the opinion of a nationally recognized bond counsel, materially adversely affect the interests of the registered owners or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Borrower shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. **<u>Additional Information</u>.** Nothing in this Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Borrower shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. **<u>Default</u>.** In the event of a failure of the Borrower to comply with any provision of this Disclosure Agreement, the Issuer or the Dissemination Agent may, or at the written request of the Participating Underwriter or the registered owners of at least 25 % of the aggregate principal amount of outstanding Bonds and the provision of indemnification satisfactory to it, the Dissemination Agent shall, or any registered owner or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Borrower to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture or the Loan Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. **<u>Duties, Immunities and Liabilities of Dissemination Agent</u>.** Article X of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture and applicable to the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no further duties or responsibilities shall be implied. The Dissemination Agent shall not have any liability under, nor duty to inquire into the terms and provisions of, any agreement or instructions, other than as outlined in this Disclosure Agreement. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. The Dissemination Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document. The Dissemination Agent shall not be liable for any action taken or omitted by it in good faith unless a court of competent jurisdiction determines that the Dissemination Agent's negligent or willful misconduct was the primary cause of any loss to the Borrower. The Dissemination Agent shall not incur any liability for following the instructions herein contained or expressly provided for, or written instructions given by the Borrower. In the administration of this Disclosure Agreement, the Dissemination Agent may execute any of its powers and perform its duties hereunder directly or through agents or attorneys and may consult with counsel, accountants and other skilled persons to be selected and retained by it. The Dissemination Agent shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons. The Dissemination Agent may resign and be discharged from its duties or obligations hereunder by giving notice in writing of such resignation specifying a date when such resignation shall take effect. Any corporation or association into which the Dissemination Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Dissemination Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Dissemination Agent in its individual capacity may be sold or otherwise transferred, shall be the Dissemination Agent under this Disclosure Agreement without further act. The Borrower covenants and agrees to hold the Dissemination Agent and its directors, officers, agents and employees (collectively, the "Indemnitees") harmless from and against any and all liabilities, losses, damages, fines, suits, actions, demands, penalties, costs and expenses, including out-of-pocket, incidental expenses, legal fees and expenses, the allocated costs and expenses of in-house counsel and legal staff and the costs and expenses of defending or preparing to defend against any claim ("Losses") that may be imposed on, incurred by, or asserted against, the Indemnitees or any of them for following any instruction or other direction upon which the Dissemination Agent is authorized to rely pursuant to the terms of this Disclosure Agreement. In addition to and not in limitation of the immediately preceding sentence, the Borrower also covenants and agrees to indemnify and hold the Indemnitees and each of them harmless from and against any and all Losses that may be imposed on, incurred by, or asserted against the Indemnitees or any of them in connection with or arising out of the Dissemination Agent's performance under this Disclosure Agreement provided the Dissemination Agent has not acted with gross negligence or engaged in willful misconduct. Anything in this Disclosure Agreement to the contrary notwithstanding, in no event shall the Dissemination

Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Dissemination Agent has been advised of such loss or damage and regardless of the form of action. The obligations of the Borrower under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 13. **Notices.** Any notices or communications to or between the parties to this Disclosure Agreement shall be deemed sufficiently given if sent by registered or certified United States mail, return receipt requested, postage prepaid, by overnight delivery service providing positive tracking or by telecopier with a duplicate hard copy sent by overnight delivery service providing positive tracking as follows:

To the Borrower:

Saint Francis University
117 Evergreen Drive
Loretto, PA 15940
Attention: Vice President for Finance and Administration
Telephone Number: 814-472-3261

To the Dissemination Agent:

The Bank of New York Mellon Trust Company, N.A.
Global Corporate Trust
1735 Market Street, 9th Floor AIM No. 193-0950
Philadelphia, PA 19103
Attention: Maranda Myers
Telecopier Number: 412-234-7991

To the Issuer:

Cambria County General Financing Authority
650 Industrial Park Road
Ebensburg, PA 15931
Attn: Chairman

Any party may, by written notice to the other parties, designate a different address or telecopier number to which subsequent notices or communications should be sent.

SECTION 14. **Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Borrower, the Dissemination Agent, the Issuer, the Participating Underwriter, and registered owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. **Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which will be regarded as an original, and all of which will constitute one and the same document.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement on the date first above written.

SAINT FRANCIS UNIVERSITY

By:____

Title: President

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Dissemination Agent

By:____

Title: Authorized Signatory

This execution page is part of the Continuing Disclosure Agreement dated as of November 16, 2021 between Saint Francis University and The Bank of New York Mellon Trust Company, N.A., respecting the Cambria County General Financing Authority Revenue Bonds (AICUP Financing Program Saint Francis University Project) Series 2021 TT5.

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT OR QUARTERLY REPORT

Name of Issuer:	Cambria County General Financing Authority
Name of Borrower:	Saint Francis University
Name of Bond Issue:	$13,010,000 Revenue Bonds (AICUP Financing Program – Saint Francis University Project) Series 2021 TT5
CUSIP:	132034 AV1 132034 AW9
Date of Issuance:	November 16, 2021

NOTICE IS HEREBY GIVEN that the Borrower has not provided an [Annual Report] [Quarterly Report] with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated as of November 16, 2021. The Borrower expects to provide the [Annual Report] [Quarterly Report] on or about _____________.

Dated: ___________________________

cc: Saint Francis University
Cambria County General Financing Authority

EXHIBIT B

FORM OF ACCEPTANCE OF DISSEMINATION AGENT'S DUTIES

__________________________ hereby accepts and assumes all of the duties and obligations as Dissemination Agent under that certain Continuing Disclosure Agreement, dated as of November 16, 2021, by and between Saint Francis University and The Bank of New York Mellon Trust Company, N.A., relating to the Cambria County General Financing Authority Revenue Bonds (AICUP Financing Program – Saint Francis University Project) Series 2021 TT5.

[NAME OF SUCCESSOR
DISSEMINATION AGENT]

By:____
Authorized Officer

Dated: ________________________

cc: Cambria County General Financing Authority
Saint Francis University

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APPENDIX D

FORM OF PROPOSED OPINION OF BOND COUNSEL

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[PROPOSED FORM OF BOND COUNSEL OPINION]

November 16, 2021

Cambria County General Financing Authority
650 Industrial Park Road
Ebensburg, PA 15931

The Bank of New York Mellon Trust Company,
N.A., as Trustee
500 Ross Street, 12th Floor
Pittsburgh, PA 15262

Stifel, Nicolaus & Company, Incorporated
651 Holiday Drive, Suite 110
Pittsburgh, PA 15220

Re: $13,010,000 Cambria County General Financing Authority Revenue Bonds (AICUP Financing Program – Saint Francis University Project), Series 2021 TT5

Ladies and Gentlemen:

We have acted as Bond Counsel to the Cambria County General Financing Authority (the "Issuer") in connection with the issuance of $13,010,000 aggregate principal amount of its Revenue Bonds (AICUP Financing Program – Saint Francis University Project), Series 2021 TT5 (the "Bonds"). The Bonds are issued under and pursuant to the provisions of the Pennsylvania Municipality Authorities Act, 53 PA.C.S.A. §5601 *et seq*., as amended (the "Act") and a Trust Indenture (the "Indenture"), dated as of November 1, 2021 between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

The Bonds are being issued pursuant to a financing program sponsored by the Association of Independent Colleges and Universities of Pennsylvania to provide funds to be loaned to Saint Francis University (the "University") to finance certain costs of a project (the "Project") consisting of: (i) the payment (or reimbursement to the University) of all or a portion of the costs of the construction, equipping and/or renovation of the following improvements located or to be located on the University's campus: (a) the admissions center, (b) Connors Family Fine Arts Center, (c) a chilled water project, (d) the library air handling unit, (e) the renovations and expansion of Sullivan Hall, (f) a sky bridge connecting certain campus buildings, and (g) other miscellaneous campus improvement projects; (ii) the refinancing of the University's taxable loan in the original principal amount of $4,000,000; and (iii) the payment of certain costs of issuing the Bonds.

The Issuer and the University have entered into a Loan Agreement dated as of November 1, 2021 (the "Loan Agreement") providing for the loan of the proceeds of the Bonds to the University to pay certain costs of the Project. Under the Loan Agreement, the University is unconditionally obligated to make loan payments in the amounts and at the times necessary to pay, when due, the principal or redemption price of and interest on the Bonds. The Issuer has assigned certain of its interests under the Loan Agreement, including its right to receive payments thereunder in respect of the Bonds, to the Trustee for the benefit of the holders of the Bonds.

The University has represented in the Loan Agreement that it is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), is not a "private foundation" within the meaning of Section 509(a) of the Code, and is exempt from federal income tax under Section 501(a) of the Code (except as to unrelated business income). The University has covenanted that it will maintain its status as a 501(c)(3) organization under the Code and will take whatever actions are necessary to continue to be organized and operated in a manner which will preserve and maintain its status as an organization which is described in Section 501(c)(3) of the Code and exempt from federal income taxes under Section 501(a) of the Code (except as to unrelated business income).

The Code sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to remain excludable from the gross income of the owners of the Bonds for federal income tax purposes. In the Indenture and the Loan Agreement, the Issuer and the University have respectively covenanted to comply with such requirements. Noncompliance with such requirements may cause the interest on the Bonds to be includible in the gross income of the owners of the Bonds for federal income tax purposes, retroactive to the date of issue of the Bonds or as of some later date. Under the Loan Agreement, the University has covenanted that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103(a) of the Code. For the purposes of the opinions set forth below, we have assumed that the Issuer and the University will comply with the covenants set forth in the Indenture and the Loan Agreement relating to the tax-exempt status of the Bonds.

An officer of the Issuer responsible for issuing the Bonds and an authorized officer of the University have each executed a certificate stating the reasonable expectations of the Issuer and the University on the date of issue of the Bonds as to future events that are material for the purposes of Section 148 of the Code pertaining to arbitrage bonds. Also, the Issuer will cause to be filed with the Internal Revenue Service a report of the issuance of the Bonds as required by Section 149(e) of the Code as a condition of the exclusion from gross income of the interest on the Bonds for federal income tax purposes.

In our capacity as Bond Counsel we have examined such documents, records of the Issuer and other instruments as we deemed necessary to enable us to express the opinions set forth below, including original counterparts or certified copies of the Indenture, the Loan Agreement and the other documents listed in the Closing Index in respect of the Bonds filed with the Trustee. We also have examined an executed Bond and assume that all other Bonds have been similarly executed and have been authenticated by the Trustee. In rendering the opinions set forth below, we have relied upon the opinion, dated the date hereof, of Dennis McGlynn, Esquire, counsel to the University, as to the matters set forth in such opinion, without independent investigation of such matters.

Based on the foregoing, it is our opinion that:

1. The Issuer is a body corporate and politic validly existing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), with full power and authority under the Act to

undertake the financing of the Project, to execute, deliver and perform its obligations under the Loan Agreement and the Indenture, and to issue and sell the Bonds.

2. The Loan Agreement and the Indenture have been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, except as the rights created thereunder and the enforcement thereof may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights generally.

3. The issuance and sale of the Bonds have been duly authorized by the Issuer and, on the assumption as to execution and authentication stated above, such Bonds have been duly executed and delivered by the Issuer and authenticated by the Trustee, and are legal, valid and binding limited obligations of the Issuer entitled to the benefit and security of the Indenture, except as the rights created thereunder and enforcement thereof may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights generally.

4. Assuming the accuracy of the certifications of the Issuer and the University and their continuing compliance with the requirements of the Code, interest on the Bonds is excludable from gross income for purposes of federal income taxation under existing laws as enacted and construed on the date hereof. Interest on the Bonds is not an item of specific tax preference for purposes of alternative minimum tax imposed on individuals. We express no opinion regarding other federal tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

5. Under the laws of the Commonwealth as presently enacted and construed, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax.

We have not been engaged to express and do not express any opinion herein with respect to the adequacy of the security for the Bonds or the sources of payment for the Bonds or with respect to the accuracy or completeness of any offering document or other information pertaining to the offering for sale of the Bonds or as to any other matter not set forth herein.

We call your attention to the fact that the Bonds are limited obligations of the Issuer payable only out of payments to be made by the University pursuant to the Loan Agreement and certain other moneys available therefor, and that the Bonds do not pledge the general credit of the Issuer or the credit or taxing power of the County of Cambria, the Commonwealth or any political subdivision thereof. The Issuer has no taxing power.

Very truly yours,

THE ASSOCIATION OF INDEPENDENT COLLEGES AND UNIVERSITIES OF PENNSYLVANIA*

Albright College
Allegheny College
Alvernia College
Arcadia University
Bryn Athyn College
Bryn Mawr College
Bucknell University
Cabrini University
Cairn University
Carlow University
Carnegie Mellon University
Cedar Crest College
Chatham University
Chestnut Hill College
Clarks Summit University
Delaware Valley University
DeSales University
Dickinson College
Drexel University
Duquesne University
Eastern University
Elizabethtown College
Franklin & Marshall College
Gannon University
Geisenger Commonwealth School of Medicine
Geneva College
Gettysburg College
Gratz College
Grove City College
Gwynedd Mercy University
Harcum College
Harrisburg University of Science and Technology
Haverford College
Holy Family University
Immaculata University
Jefferson (Philadelphia University + Thomas Jefferson University
Johnson College
Juniata College
Keystone College
King's College
LaRoche College
LaSalle University
Lackawanna College
Lafayette College
Lake Erie College of Osteopathic Medicine
Lancaster Bible College
Lebanon Valley College
Lehigh University
Lycoming College
Manor College
Marywood University
Mercyhurst University
Messiah College
Misericordia University
Moore College of Art & Design
Moravian College
Mount Aloysius College
Muhlenberg College
Neumann University
Peirce College
Pennsylvania Academy of the Fine Arts
Pennsylvania College of Art & Design
Pennsylvania College of Health Sciences
Pennsylvania Institute of Technology
Philadelphia College of Osteopathic Medicine
Point Park University
Robert Morris University
Rosemont College
Saint Francis University
Saint Joseph's University
Saint Vincent College
Salus University
Seton Hill University
Summit University of Pennsylvania
Susquehanna University
Swarthmore College
Thiel College
University of Pennsylvania
University of the Sciences
The University of Scranton
The University of the Arts
Ursinus College
Valley Forge Military College
Villanova University
Washington & Jefferson College
Waynesburg University
Westminster College
Widener University
Wilkes University
Wilmington University
Wilson College
The Wistar Institute
York College of Pennsylvania

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* Neither AICUP nor any AICUP member, other than any AICUP member in its individual capacity as the borrower of proceeds of a particular series of bonds issued in this financing program, has any liability for the repayment of any such series of bonds, or the loan of bond proceeds to the borrower.

SAINT FRANCIS UNIVERSITY
FOUNDED 1847