

REGENTS OF THE UNIVERSITY OF MINNESOTA



ANNUAL FINANCIAL INFORMATION AND OPERATING DATA FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Report Dated: December 16, 2024

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Campuses and Enrollment

Enrollment

The University operates campuses in the Twin Cities, Duluth, Morris, Crookston, and Rochester, Minnesota.

The table below sets forth combined undergraduate, graduate, professional and non-degree enrollment information for the University by Campus and by type of degree for the last five years.

Fall Term Enrollments – by Campus

Fall Terms	Total	Twin Cities	Duluth	Morris	Crookston	Rochester
2019-20	67,024	51,327	10,858	1,499	2,768	572
2020-21	66,793	52,017	10,275	1,339	2,530	632
2021-22	66,496	52,376	9,884	1,286	2,304	646
2022-23	68,631	54,955	9,675	1,068	2,303	630
2023-24	68,366	54,890	9,350	1,020	2,518	588
2024-25	70,090	56,666	9,253	981	2,612	578

Fall Term Enrollments – by Type of Enrollment

Fall Terms	Total	Undergraduate	Graduate	Professional	Non-Degree
2019-20	67,024	44,001	12,726	4,214	6,083
2020-21	66,793	42,869	12,497	4,216	7,211
2021-22	66,496	42,212	12,537	4,243	7,504
2022-23	68,631	41,444	12,189	4,138	10,860
2023-24	68,366	41,142	11,797	4,141	11,286
2024-25	70,090	42,424	11,841	4,109	11,716

Accreditation and Degrees

All campuses of the University operate under the accreditation of the Higher Learning Commission (“HLC”) of the North Central Association of Colleges and Schools. The Crookston, Duluth, Morris and Twin Cities campuses are each accredited separately. The Rochester campus is included under the accreditation of the Twin Cities campus. The University offers a wide range of degree programs in the total set of 988 degree programs as of October 2024: 331 Bachelor’s programs, 216 Master’s programs, 103 Doctoral programs, 6 first professional, and 332 other programs (e.g., certificates).

The University also maintains several branch facilities and certain experimental facilities outside of the formal college campuses. These facilities provide a variety of continuing education courses. The table on the next page sets forth information pertaining to the degrees and certificates conferred by the University during the past five years:

Degrees Conferred

<u>Academic Year</u>	<u>Bachelors</u>	<u>Masters & Doctorates</u>	<u>Certificates</u>
2019-20	10,990	4,995	868
2020-21	11,355	4,949	658
2021-22	10,492	4,940	542
2022-23	10,296	5,109	761
2023-24	9,672	4,726	515

Freshman Applications, Acceptances and Matriculants at All Campuses

<u>Fall Terms</u>	<u>Applications</u>	<u>Acceptances</u>	<u>Acceptances %</u>	<u>Matriculants</u>	<u>Matriculants %</u>
2020-21	54,678	38,788	70.9%	8,432	21.7%
2021-22	50,449	37,407	74.1%	9,547	25.5%
2022-23	53,198	40,128	75.4%	9,367	23.3%
2023-24	55,952	42,902	76.7%	9,217	21.5%
2024-25	58,444	45,601	78.0%	9,837	21.6%

Total applications for Fall 2024 increased approximately 4.45% from the previous year and closer to previous years' levels. In Fall 2024, 69.7% of enrolled students systemwide are from Minnesota, which is the third-largest number of in-state students attending the University.

For the Fall 2020 entering class, the University of Minnesota employed several strategies to accommodate nervous students and parents at the very start of the pandemic, as well as attempting to achieve sufficient numbers of new freshmen. This became particularly acute as both non-resident and especially international students were not confirming and enrolling given travel restrictions or concerns. One strategy was to offer more acceptances overall and to extend confirmation deadlines.

Reductions in applications for the incoming Fall 2021 freshman class were primarily from non-resident/non-reciprocity states domestically and from international applicants. Applications from in-state students as well as from reciprocity states (Wisconsin, North Dakota and South Dakota) increased 12% over the previous year.

The University did not have an issue in attracting and enrolling high ability students. Freshman applicants for Fall 2022 and Fall 2021 admission were not required to submit an ACT or SAT test score. This temporary policy change was made in response to the challenge of scheduling standardized tests due to the COVID-19 pandemic and to ensure every student had the opportunity to submit a complete application this year. Excluding the students who opted out of using an ACT score for admission, the average ACT for the Twin Cities campus for Fall 2022 is 29.0 as compared to 30.0 from Fall 2021 and 28.3 from Fall 2020.

The University has continued to see highly qualified applicant pool but the number of applications from Minnesota residents has decreased slightly. Total in-state students, systemwide, is 69.7% in Fall 2024 compared to its higher lever of 70.1% in Fall 2022. Total undergraduate in-state students, systemwide, is 72.2% in Fall 2024 compared to 73.4% in Fall 2022.

The University has reciprocity agreements with the States of North Dakota, Wisconsin, and the province of Manitoba, Canada. Residents of any of these states or such province may qualify for reciprocity tuition rates, which are lower than non-resident tuition rates and, in some cases, comparable to resident rates. The South Dakota Board of Regents ended the prior reciprocity agreement between Minnesota and South Dakota, as a result, beginning in the fall 2025, all new incoming students from South Dakota will be assessed non-resident rates.

The number and proportion of non-resident, non-reciprocity undergraduate students on the Twin Cities campus has decreased from 5,891 (19.5%) in Fall 2014 to 5,352 (16.8%) in Fall 2024. In Fall 2014, we were still increasing our NRNR year over year, which peaked in Fall 2017 (at 20.3%) and decreased significantly during the pandemic. Fall

2024 marked the second year since the pandemic where the number of non-resident, non-reciprocity students again increased. The University has expanded its national recruiting profile and plans to continue its efforts to draw students from outside of the Midwest. Current strategy is to incrementally increase the gap between resident and non-resident tuition rates over time while being sensitive to national recruitment goals and retention of current non-resident students. The University expects that it will continue to be able to meet its established enrollment and tuition revenue targets.

Academic and Other Employees

Academic. As of November 2024, the academic staff of the University paid from all fund sources included 12,681 individuals. Of these individuals, 2,705 are faculty that are tenured or are working toward being tenured (and are therefore in probationary status), and 2,221 are faculty with clinical, visiting, adjunct, temporary or non-tenure track appointments. Also included in the academic staff are approximately 7,755 individuals in academic/administrative and professional positions.

Other Employees. As of November 2024, the University employed 24,797 other full-time and part-time employees, of which 14,631 were students and 10,166 were civil service or members of one of seven collective bargaining units with which the University has entered into or currently is negotiating employment contracts.

Financial Operations

The University's consolidated Statements of Net Position and consolidated Statements of Revenues, Expenses and Changes in Net Position are included in the University's 2024 Annual Financial Report. (See "2024 Annual Financial Report", pages 21 and 23).

Operating Revenues

Operating revenues result from exchange activities that contribute to the University's mission of research and discovery; teaching and learning; and outreach and public service. Exchange activities are transactions in which the amount received approximates the fair market value of the goods or services given up. The University considers student tuition and fees (net of scholarship allowances), most grants and contracts, interest on student loans (included in other operating revenues), and sales and services of auxiliary and educational activities (net of scholarship allowances) to be exchange transactions.

Student Tuition and Fees, Net of Scholarship Allowances. The University collects tuition and fees from its students in return for its instructional and other services. As a state assisted institution, the University is committed to providing educational opportunities to the people of the state through a combination of affordable tuition rates and available student aid. The tables below reflect the annual tuition rates on all campuses for FY2025 and FY2024.

The Board of Regents approved the FY2025 tuition rates on June, 2024, reflecting a general increase of 4.5% in resident undergraduate for the Twin Cities and Rochester campuses and a 1.5% increase for resident undergraduates on the Crookston, Duluth and Morris campuses. At the same time, the Board of Regents approved a general increase of 5.5% in non-resident undergraduate for the Twin Cities and a 1.5% for non-resident undergraduate on all other campuses.

Resident Student Tuition

	FY2025	FY2024	\$ increase / (decrease)	% increase / (decrease)
Twin Cities Undergraduate	\$ 15,148	\$ 14,496	\$ 652	4.5%
Duluth Undergraduate	12,958	12,766	192	1.5%
Morris Undergraduate	13,126	12,932	194	1.5%
Crookston Undergraduate	11,648	11,478	170	1.5%
Rochester Undergraduate	13,854	13,256	598	4.5%
Graduate Programs	19,980	19,116	864	4.5%
Dentistry (1st year students)	61,567	58,083	3,484	6.0%
Law (1st year students)	48,528	46,656	1,872	4.0%
Medicine (1st year students)	44,556	42,861	1,695	4.0%
Pharmacy	28,968	27,864	1,104	4.0%
Veterinary Medicine	33,516	32,076	1,440	4.5%
MBA Day (1st year students)	45,600	43,680	1,920	4.4%

Non-Resident Student Tuition

	FY2025	FY2024	\$ increase / (decrease)	% increase / (decrease)
Twin Cities Undergraduate	\$ 36,296	\$ 34,410	\$ 1,886	5.5%
Duluth Undergraduate	18,484	18,210	274	1.5%
Morris Undergraduate	15,314	15,082	232	1.5%
Crookston Undergraduate	11,648	11,478	170	1.5%
Rochester Undergraduate	13,854	13,256	598	4.5%
Graduate Programs	31,212	29,580	1,632	5.5%
Dentistry (1st year students)	113,630	107,197	6,433	6.0%
Law (1st year students)	58,344	56,088	2,256	4.0%
Medicine (1st year students)	67,470	64,257	3,213	5.0%
Pharmacy	33,456	32,000	1,456	4.6%
Veterinary Medicine	62,298	59,616	2,682	4.5%
MBA Day (1st year students)	59,040	55,920	3,120	5.6%

Grants and Contracts. The University is part of an elite “billion-dollar research club,” a 29-member group of US research universities with over \$1 billion in research expenditures as of the 2022 National Science Foundation Higher Education Research and Development (NSF HERD) Survey. The University receives funds from federal, state and other government sources as well as private industry for both sponsored and non-sponsored projects in the form of grants and contracts that provide for reimbursement of costs incurred. Generally, these funds are given to support medical, technical and agricultural research and education, with most of the funds going to health sciences and technology. The University received \$1.058 billion in external research awarding in FY2024. That award level was the University’s third largest ever, down 8.0% from FY2021, which was the largest award level in the University’s history. FY2021 included a \$152 million award that was a National Institute of Health (“NIH”) pass-through award for a COVID-19 clinical trial.

For FY2024, the highest percentage of annual research award amounts was received from the NIH with approximately 32% of the total amount received. Although the grantors have made significant annual awards to the University, they are under no legal obligation to make such awards and no assurances can be given that such awards will continue.

To be classified as an operating grant or contract the grantor must be a direct recipient of the goods or service provided, and the fair market value of the goods or services provided by the University must approximate the amounts received in exchange.

The amount of the University's research and sponsored grants and contracts awarded for the last five fiscal years, are shown below:

Grants and Contracts
(\$ in millions)

Source of Funding		2020	2021	2022	2023	2024
Federal	NIH	\$ 303.8	\$ 355.3	\$ 359.2	\$ 435.0	\$ 355.6
Federal	NSF	85.6	82.5	64.7	84.4	83.2
Federal	Other federal	145.9	165.7	194.0	158.6	189.4
Private	Business & industry	81.6	255.5	92.6	131.4	93.3
Private	Other private	78.7	107.1	119.4	114.3	106.4
Private	Universities & Colleges	68.0	74.8	84.9	101.2	88.0
State & local	State & local	<u>112.4</u>	<u>107.5</u>	<u>135.5</u>	<u>100.3</u>	<u>142.1</u>
Total		\$ 875.9	\$1,148.4	\$1,050.2	\$ 1,125.2	\$1,058.0
% increase (decrease) from previous year		1.5%	31.1%	(8.6%)	7.1%	(6.0%)

Auxiliary Enterprises, Net of Scholarship Allowances. The University receives revenues from its operation of bookstores, housing and parking facilities, transportation, food and health services, telecommunications and other auxiliary enterprise services, as well as from the operation of its intercollegiate athletic programs.

Sales and Services of Educational Activities, Net of Scholarship Allowances. Various departments of the University provide services or products to the public or to agencies of the state as part of the process of educating and providing experience to students. The College of Food, Agricultural and Natural Resource Sciences, the College of Veterinary Medicine and the School of Dentistry are significant examples of University units that generate revenues through the provision of services or the production of goods, but other University units also generate revenues in this manner. Royalty income is also included in this revenue category.

Other Operating Revenues. The primary sources of other operating revenues are miscellaneous revenues and settlements and interest on student loans.

Operating Expenses

Operating expenses represent the costs incurred by the University in the delivery of its primary mission services of research and discovery, teaching and learning, and outreach and public service. Operating expenses are displayed functionally within the consolidated statements of revenues, expenses, and changes in net position, but natural classifications can also be found in Note 14 of the University's 2024 Annual Financial Report.

Nonoperating Revenues (Expenses)

Nonoperating revenues and expenses represent nonexchange activities. The primary sources of revenues are federal and state appropriations, gifts, capital grants, federal and state financial aid grants (such as Pell and Supplemental Educational Opportunity Grants), gains or losses on the sale of capital assets, and other nonexchange grants and contracts. Although the University relies upon these revenue sources to fund the cost of operations, the grantor or donor is not the direct recipient of the goods or services delivered under the grant or gift terms. Insurance recovery proceeds and legal settlements are also classified as nonoperating revenues.

Federal Appropriations. The University, as a land grant institution, receives appropriations from the federal government. These funds, which primarily support agricultural research and education, must be applied for on an

annual basis. Although they have represented a consistent source of funding in the past, there are no guarantees the appropriations will be continued in future governmental budgets.

State Appropriations. The University receives substantial support from the state. Although the Legislature has made significant annual appropriations to the University, the Legislature is under no legal obligation to appropriate funds to the University to enable the University to pay the principal of or interest on its debt with two exceptions. See “*Other Revenues – Capital Appropriations*” herein.

Future levels of state support are dependent upon the ability and willingness of the Legislature to make and fund appropriations to the University, taking into consideration the availability of financial resources and other potential uses of such resources.

The State operates on a biennial budget basis, with each biennium ending on June 30 of an odd numbered year. The University submits its biennial general operations legislative request in October of the year preceding the new biennium. The resulting biennial state appropriation is incorporated into the University’s budgeting process when enacted.

Legislative appropriations are allotted by Minnesota Management and Budget (“MMB”) to the University and to other state agencies to which such appropriations are made. Such allotments have the effect of timing the disbursements of funds over monthly periods during the state’s fiscal year.

Revenue forecasts are revised during and after the legislative sessions to reflect legislative actions that have a direct impact on state revenues and changes in economic conditions that may materially affect the results of previous revenue forecasts. If, during the course of the fiscal year, the Commissioner of MMB (the “Commissioner”) discovers that probable revenues will be less than anticipated, the Commissioner, with the approval of the Governor, will potentially access funds available in the State’s “budget reserve,” and beyond that is required to reduce allotments as necessary to balance expenditures and revenues forecast for the then current biennium. Such reductions to a previously enacted appropriation are referred to, for State budget purposes and herein, as “unallotments” and may be either nonrecurring (a one-time appropriation reduction not reducing the recurring base) or recurring (a reduction to the appropriation base). The Governor also has the authority to request legislative actions to provide additional sources of revenue, but such requests do not relieve the Commissioner of the obligation to reduce allotments.

The table below reflects a summary of the University’s final appropriation from the State for the 2022-2023 and 2024-2025 biennia.

State Appropriations

	2022-2023 Biennium		2024-2025 Biennium	
	FY2022	FY2023	FY2024	FY2025
Beginning General Fund Appropriations*	\$ 671,256	\$ 689,256	\$ 620,818 ⁽¹⁾	\$ 672,294
Net increase for the current fiscal year	<u>18,000</u>	<u>0</u>	<u>51,476</u>	<u>0</u>
FY General Fund Appropriations*	<u>\$ 689,256</u>	<u>\$ 689,256</u>	<u>\$ 672,294</u>	<u>\$ 672,294</u>
% increase (decrease) from prior year	<u>2.7%</u>	<u>0.0%</u>	<u>8.3%</u>	<u>0.0%</u>

* This amount includes both the operation and maintenance and special appropriations only.

⁽¹⁾ The recurring general fund state special appropriations in the amount of \$68.4 million and other minor adjustments have been excluded from the 2024-2025 Biennium numbers and they will continue to be excluded after this Biennium.

On October 15, 2022, the University submitted its initial FY2024-2025 biennial budget request to the State. The budget framework for the next biennium included a continued plan to increase efficiencies, reorganize, and restructure organizations, and reduce scope in targeted areas. Continuing the University's approach from the last biennium, this biennial budget request focused on appropriately maintaining University core mission strengths and supporting the most pressing needs of students. The total requested for the core mission support was \$45.0 million recurring in FY2024 and an additional \$45.0 million recurring in FY2025. An additional \$30.0 million recurring beginning in FY2024 was requested for a new Minnesota Resident Scholarship designed to attract and retain resident undergraduates to each campus, and \$5.0 million recurring beginning in FY2024 was requested to fund more public safety staff and begin implementation of a state-of-the-art security system for all five campuses, both of which are essential to transforming public safety capabilities and ultimately keeping students, staff, faculty, and visitors as safe as possible.

After public testimony on the University's request before the Senate and House Higher Education Finance committees in the early months of 2023, further discussion resulted in a second/additional request being forwarded for the FY2024-2025 biennium. The most significant addition was a \$24.0 million recurring request in FY2024 to address a projected actual vs. budget tuition revenue shortfall developing for FY2023. An unanticipated reduction in student retention across most of the University's colleges and campuses resulted in this projected variance, and because the revenue was needed to cover recurring costs in FY2023, without replacement, significant expenditure reductions would be necessary. In response to legislative actions and inquiries, the University also submitted a \$13.5 million recurring request for FY2024 to implement a resident undergraduate tuition rate freeze on all campuses, and a \$4.5 million request in support of a proposed state financial aid program for Native American Students: the American Indian Scholars Program.

At the conclusion of the 2023 legislative session, the Governor signed into law the Higher Education Bill with the following recurring appropriations for the University:

- \$50.0 million in core mission support beginning in FY2024
- \$1.0 million for safety and security beginning in FY2024
- \$366,000 for unemployment insurance aid (not requested by the University but the result of other changes in state law that would add an estimated increase in annual costs to the University)
- \$110,000 for menstrual products (not requested by the University but a legislative proposal to ensure access to products across all campuses)

In addition, the Higher Education Bill included a recurring \$4.0 million appropriation to the Minnesota Office of Higher Education for annual transfer to the University in support of the new American Indian Scholars Program, a financial aid program for Native American Students.

No incremental increases were approved for the University's general fund appropriation moving into FY2025.

While not part of the University's recurring base appropriation that carries into future years, the state also provided several nonrecurring general fund appropriations for the biennium: \$4.0 million in each year for safety and security enhancements on all campuses, \$264,000 in FY2024 for equipment installation associated with the new menstrual products funding, \$2.0 million in each year for research programming at the Natural Resources Research Institute, and \$10.0 million in FY2024 for the Medical School's expansion to the CentraCare Campus in St. Cloud, Minnesota.

The request and final bill are summarized in the table below:

State Appropriation Request
(\$ in thousands)

	Request FY2024	Final Bill FY2024	Request FY2025	Final Bill FY2025
Core Mission Support	\$ 45,000	\$ 50,000	\$ 45,000	\$ 0
Minnesota Resident Scholarship	30,000	0	0	0
Systemwide Safety and Security	5,000	1,000	0	0
American Indian Scholars	4,500	4,032*	0	0
Tuition Shortfall	24,000	0	0	0
Tuition Freeze	13,500	0	13,500	0
Other**	<u>0</u>	<u>476</u>	<u>0</u>	<u>0</u>
Total Biennial Request	\$ 122,000	\$ 55,508	\$ 58,500	\$ 0

* *Appropriated to the Minnesota Office of Higher Education for annual transfer to the University of Minnesota.*

** *Two items not requested by the University: \$366,000 for Unemployment Insurance Aid and \$110,000 for Menstrual Products.*

Grants. The University is awarded various grants and contracts from governmental and private sources for which the granting agency does not receive a direct, quid pro quo benefit in return. The largest sources of these funds are Pell and Supplemental Educational Opportunity Grants, student aid program revenues, student financial aid from the Minnesota Office of Higher Education, and amounts from the Minnesota Department of Health for medical education and research costs and the UMP for academic support.

Gifts. This category represents gifts received from the three recognized University foundations for other than capital or endowment purposes.

Investment Income, Net. This category includes interest income, net realized gains and losses and adjustments to market value as well as endowment income. Amounts reported as investment income include income earned from all of the University's internal investment pools, as well as income earned on investments related to indebtedness. The University has been the beneficiary of endowment support from both the private and public sectors. In 1862, the federal government, through the Morrill Act, conveyed to the State a "land grant" for the support of the University. In the intervening years, proceeds from the sale of these lands (classified as Additions to Permanent Endowments) and the income generated from investment of the proceeds (classified as Investment Income) have been deposited in the Permanent University Fund, which now constitutes the basic public endowment of the University. Earnings on Permanent University Fund proceeds can be used to support endowed chairs, research activities, and undergraduate scholarships. In addition to this public sector endowment, the University has been the recipient of gifts and bequests that are typically consolidated for investment purposes into the University's Consolidated Endowment Fund. The majority of the University's endowment funds are managed by several outside professional investment managers under policies authorized by the Board of Regents.

Other Nonoperating Revenues. This category primarily represents legal settlements and insurance proceeds.

Interest on Capital Asset-Related Debt. This category reflects the cost of interest expense on capital asset-related debt.

Other Nonoperating Expenses. This category primarily represents the net loss on disposal of capital assets.

Other Revenues

Capital Appropriations. This category includes State appropriations for specific capital projects as designated by State law. Capital appropriations are awarded on a biennial schedule based upon State budget constraints and are paid through a cost reimbursement method whereby the University certifies expenditures on approved projects when

requesting draws. In October 2023, the Board of Regents approved the 2024 State Capital Request that includes \$500.0 million for the Higher Education Asset Preservation and Replacement (HEAPR) projects. There is no statutory or constitutional requirement for the legislature to pass a bonding bill.

Capital appropriations also includes standing appropriations under Minnesota Statutes, Sections 137.50 to 137.60, enacted by the Legislature in 2006, as amended, providing for an annual transfer to the University from an appropriation from the General Fund to pay the principal and interest on the University’s Special Purpose Revenue Refunding Bonds (State Supported Stadium Debt) Series 2015A, and appropriations under Minnesota Statutes, Sections 137.61 to 137.65, enacted by the Legislature in 2008, as amended, that established a biomedical science research facilities funding program to pay annual payments for debt service on bonds issued to finance 75 percent of the project costs for each of four biomedical science facilities. (See “Note 8 - Long Term Debt of the University’s 2024 Annual Financial Report”). There is no indication from the State at this time regarding any repeal, delay or unallotment of standing appropriations.

Capital Grants and Gifts, and Additions to Permanent Endowments. The University receives various grants and gifts from both governmental and private sources that are restricted for either the purchase or renovation of capital assets. Funds received from donors to increase the principal of a permanent endowment established before the creation of the foundations (new endowments must be established through one of the University foundations) are also reflected in this category.

Outstanding Indebtedness

For outstanding long-term indebtedness, see Note 8 of the University’s 2024 Annual Financial Report.

Endowment and Other Investments

Total endowment and other investments, including those in the Group Income Pool, Temporary Investment Pool, Permanent University Fund, other gifts combined in the Consolidated Endowment Fund, and Separately Invested Funds as of June 30 of the five fiscal years indicated are shown at market value in the following table.

	<u>Endowment and Other Investments*</u> (\$ in thousands)				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Market Value	\$2,153,906	\$3,081,997	\$3,558,893	\$3,731,329	\$3,859,676

* Includes \$353,686,000 and \$288,258,000 of restricted investments for fiscal year 2023 and 2024, respectively.

Cash and Cash Equivalents

Cash and cash equivalents is defined as cash and short-term, highly liquid investments, with original maturities of 90 days or less, with respect to which there is little or no market risk. Restricted cash and cash equivalents represent unspent bond proceeds that are externally restricted for the construction or purchase of buildings or other capital assets. Unrestricted and restricted cash and cash equivalents as of June 30 of the five fiscal years indicated are shown in the table on the next page.

Cash and Cash Equivalents
(\$ in thousands)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Unrestricted	\$ 659,943	\$ 663,912	\$ 742,260	\$ 544,510	\$ 492,082
Restricted	<u>14,829</u>	<u>24,015</u>	<u>76,787</u>	<u>139,970</u>	<u>132,166</u>
Total	<u>\$ 674,772</u>	<u>\$ 687,927</u>	<u>\$ 819,047</u>	<u>\$ 684,480</u>	<u>\$ 624,248</u>

For more information related to Cash and Investments, see Note 2. of the University's 2024 Annual Financial Report.

Reporting Entity

The financial reporting entity for the University includes the financial results of the five campuses and, as required under GASB Statement No. 61, The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No 14 and No. 34 (“GASB 61”), its legally separate component units. The component units are included in the University's reporting entity because of the significance of their operational or financial relationships with the University or its other component units.

Blended Component Units

RUMINCO, Ltd. RUMINCO, Ltd. is a wholly owned single parent captive insurance company. Although it is legally separate from the University, it is reported as if it were part of the University because its sole purpose is to administer medical malpractice, general liability, directors' and officers' liability, and automobile liability on behalf of the University.

2407 University Investment, LLC. On October 20, 2022, the University purchased United Properties Investment LLC's 51 percent ownership of 2407 University Investment, LLC. As of that date, the joint venture of 2407 University Investment, LLC became a wholly owned company of the University and the results are presented on a blended basis in the financial statements. The company owns and operates a hotel and acts as a lessor of a restaurant on property adjacent to the Twin Cities campus.

Discretely Presented Component Units

University of Minnesota Foundation. The University of Minnesota Foundation (“UMF”) is a legally separate, tax-exempt organization, dedicated to raising and managing private gifts to benefit the University. As of June 30, 2024, net assets of the UMF totaled \$4,351,707,000 of which \$252,843,000 was without donor restrictions and \$4,098,864,000 was with donor restriction. During the fiscal year ended June 30, 2024, the UMF distributed approximately \$319,069,000 to the University. Such distributions are primarily recorded as private gifts. The market value as of June 30, 2024, of the investments managed by the UMF was \$4,513,863.

University of Minnesota Physicians. University of Minnesota Physicians (“UMP”) is a legally separate, tax-exempt clinical practice organization for the faculty of the University's Medical School. As of June 30, 2024 and June 30, 2023, the net assets of UMP, all unrestricted, were approximately \$75,335,000 and \$108,782,000, respectively. During the fiscal years ended June 30, 2024 and June 30, 2023, UMP distributed approximately \$95,924,000 and \$107,369,000, respectively, to the University.

Insurance

Minnesota Statute Section 3.736, Tort Claims, establishes certain limits of governmental liability and provides that procurement of insurance shall act as a waiver of such limits of governmental liability to the extent that valid and collectible insurance exceeds such limits and covers the claim. The limitation on the total liability of the University or its employees acting within the scope of their employment for any tort claim is the greater of that specified in Minnesota Statute Section 3.736 or the applicable insurance noted below.

RUMINCO, Ltd., a wholly owned subsidiary of the University, was organized for the purpose of providing the University's general and professional liability (including medical professional liability) insurance. Subsequently, automobile liability, Non-Profit Organizational Liability ("NPOL"), Cyber Liability and property Deductible coverage were added to the insurances provided through RUMINCO. RUMINCO's insurance limits as of June 30, 2024 are as follows:

Commercial General & Professional Liability Coverage – for bodily injury, property damage, and professional liability. Limits are \$1,000,000 each claim; \$3,000,000 each occurrence with a \$5,000,000 annual aggregate. This is a claims made policy covering incidents occurring after December 30, 1986, the retroactive date of this policy, for natural disaster, emergency security situation, and political crisis evacuation service indemnity. This has a \$500,000 annual aggregate.

Business Auto Liability Coverage – for combined bodily injury and property damage. Limits are \$500,000 each person; \$1,500,000 each occurrence with an annual aggregate of \$5,000,000.

Excess Automobile Liability Declarations – for combined bodily injury and property damage occurring outside Minnesota State jurisdiction. Limits are \$500,000 each person and \$1,000,000 annual aggregate.

Non-Profit Organization Liability Coverage – for civil claim against the insured for loss arising from wrongful acts, false arrest, libel or slander, wrongful entry or eviction, assault and battery, and negligent or intentional infliction of emotional distress. Limits are \$500,000 each claim and \$1,500,000 each occurrence. The annual aggregate for the entire policy is \$3,000,000.

Cyber Liability – for network security failure such as data breaches, malware, ransomware attacks and business account, and email compromises. The policy will also respond to liability claims and ancillary expenses of an attack or breach. The limit is \$5,000,000.

Property Deductible – covering deductibles associated with claims coverable under the extant property policy.

The University's property insurance is placed through FM Global Insurance Company ("FM"). FM provides a limit of \$2,000,000,000 per occurrence and insures property and business interruption values of approximately \$17,000,000,000.

The University's investment in RUMINCO, Ltd. is consolidated within the University's financial statements. The financial statements of RUMINCO, Ltd., reported the total outstanding liability of \$7,649,000 as of June 30, 2024 and \$6,177,000 as of June 30, 2023. As of June 30, 2024 and June 30, 2023, the value of RUMINCO, Ltd.'s total assets as reported in its management financial statements was \$81,487,000 and \$71,744,000, respectively, with \$73,838,000 and \$65,567,000, respectively, being its shareholder's equity.

Reported liabilities as of June 30, 2024 are shown in the table below.

Reported Liabilities
(\$000s)

	<u>Liability</u> <u>6/30/2023</u>	<u>New Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Other</u> <u>Adjustments</u> *	<u>Liability</u> <u>6/30/2024</u>
RUMINCO, Ltd.	\$ 11,836	\$ 5,580,	\$ (4,178)	\$ (1,503)	\$ 11,735
Workers' compensation	9,287	4,321	(4,321)	(365)	8,922
UPlan medical	25,956	354,462	(353,732)	1,000	27,686
UPlan dental	838	22,280	(22,223)	107	1,002
Graduate assistant health plan	5,214	33,620	(33,620)	126	5,340
Student health plan	5,539	--	--	42	5,581
Medical residents and fellows	1,032	--	--	24	1,056

**Other Adjustments" reflect reserve changes on prior years' claims and changes in estimated IBNR (Incurred But Not Reported) claims.*