

# Strategic Financial Risk Profile

Presentation to the Audit Committee  
September 12, 2013



UNIVERSITY OF MINNESOTA

**Driven to Discover<sup>SM</sup>**

# Categories of Strategic Financial Risk

- Maintaining Key Financial Relationships
- Financing the Mission
- Financing Operations
- Financing Capital Assets
- Emerging Trends

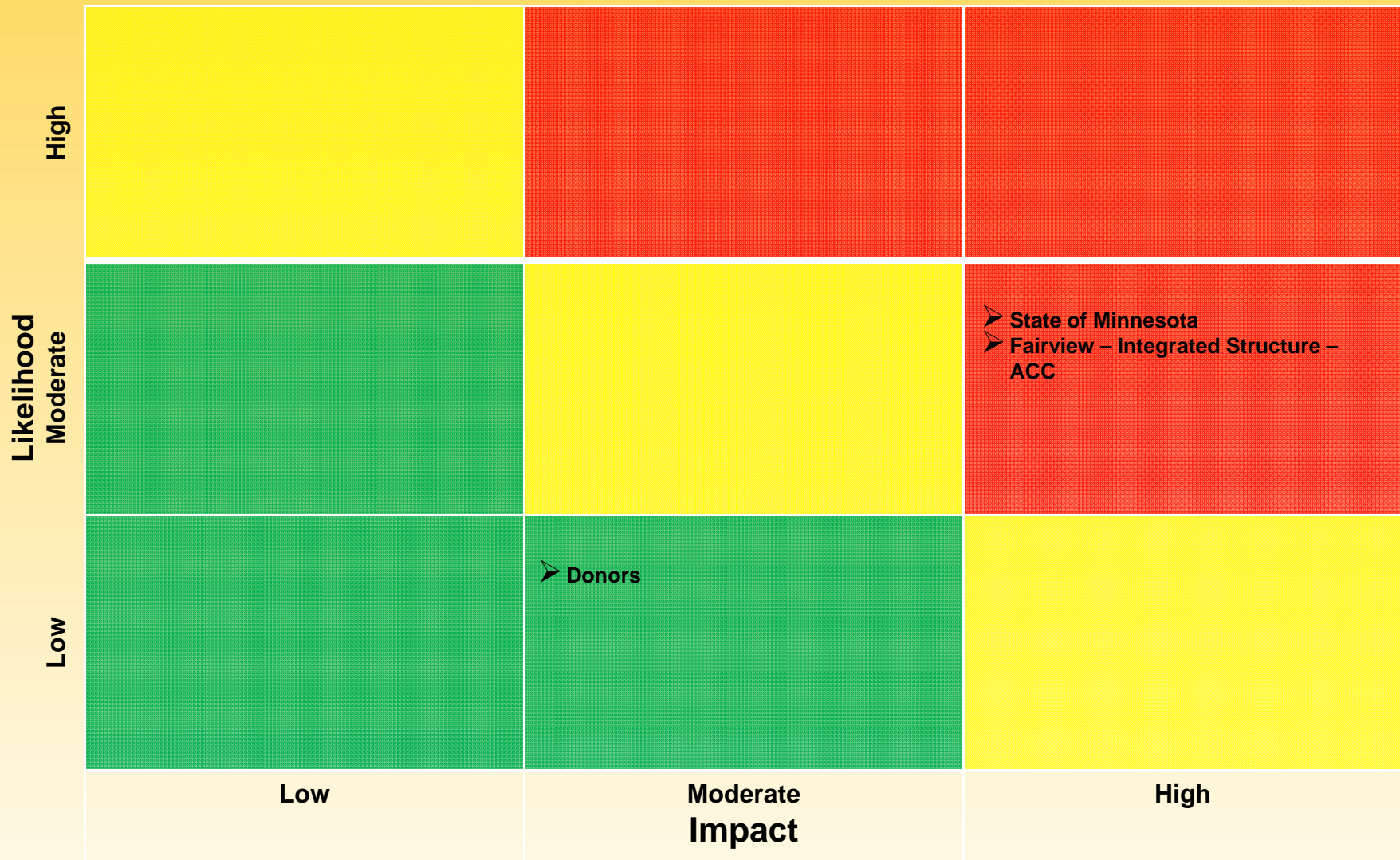
# Strategic Financial Risk Profile

Likelihood	High	<ul style="list-style-type: none"> <li><input type="checkbox"/> Facility conditions</li> <li><input type="checkbox"/> Keeping capital assets relevant / up-to-date given the rate of change in research facility</li> </ul>	<ul style="list-style-type: none"> <li>☆ Sustainability of professional schools' business models</li> <li>☆ Federal research funding</li> <li>☆ Financing graduate education</li> <li>❖ Teaching and learning in the digital age</li> </ul>	
	Moderate	<ul style="list-style-type: none"> <li>☆ Research competitiveness and productivity</li> <li>☆ Generating new revenue streams</li> <li>☆ Role &amp; Sustainability of Auxiliary Operations</li> <li>☆ Enrollment fluctuations</li> <li>○ Technology &amp; data infrastructure</li> <li>○ Doing business globally</li> </ul>	<ul style="list-style-type: none"> <li>➤ State of Minnesota</li> <li>➤ Fairview – Integrated Structure – ACC</li> <li>☆ Undergraduate Tuition – Cost of Attendance</li> <li>☆ Financial Aid</li> <li>☆ Medical School business model</li> <li>☆ Long term financial model for fundraising</li> <li>☆ Instructional efficiency</li> <li>☆ Endowment &amp; Investment Management</li> <li>○ Compensation</li> <li>○ Health care / benefits costs</li> <li>○ Administrative efficiency, operational excellence, cost containment</li> <li><input type="checkbox"/> IRS “private use” compliance</li> </ul>	
	Low	<ul style="list-style-type: none"> <li>➤ Donors</li> <li>○ Utility costs</li> <li><input type="checkbox"/> Debt capacity</li> <li><input type="checkbox"/> Debt rating</li> <li>❖ Public-private partnerships</li> </ul>		
		Low	Moderate Impact	High

➤ Maintaining Key Financial Relationships	☆ Financing the Mission	○ Financing Operations	☐ Financing Capital Assets	❖ Emerging Trends
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# Strategic Financial Risk Profile

## Maintaining Key Financial Relationships



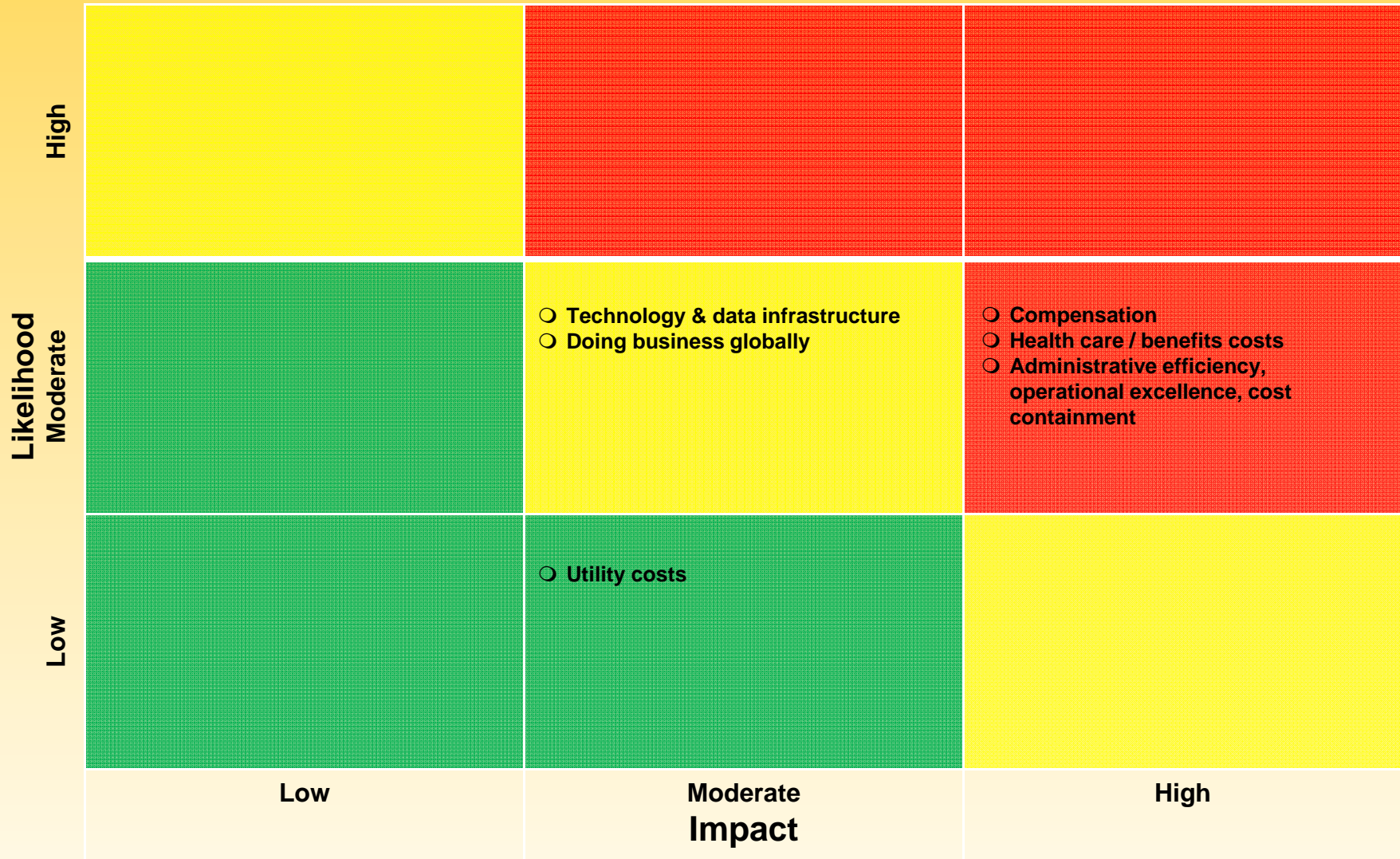
# Strategic Financial Risk Profile

## Financing the Mission

Likelihood	High			<ul style="list-style-type: none"> <li>☆ Sustainability of professional schools' business models</li> <li>☆ Federal research funding</li> <li>☆ Financing graduate education</li> </ul>
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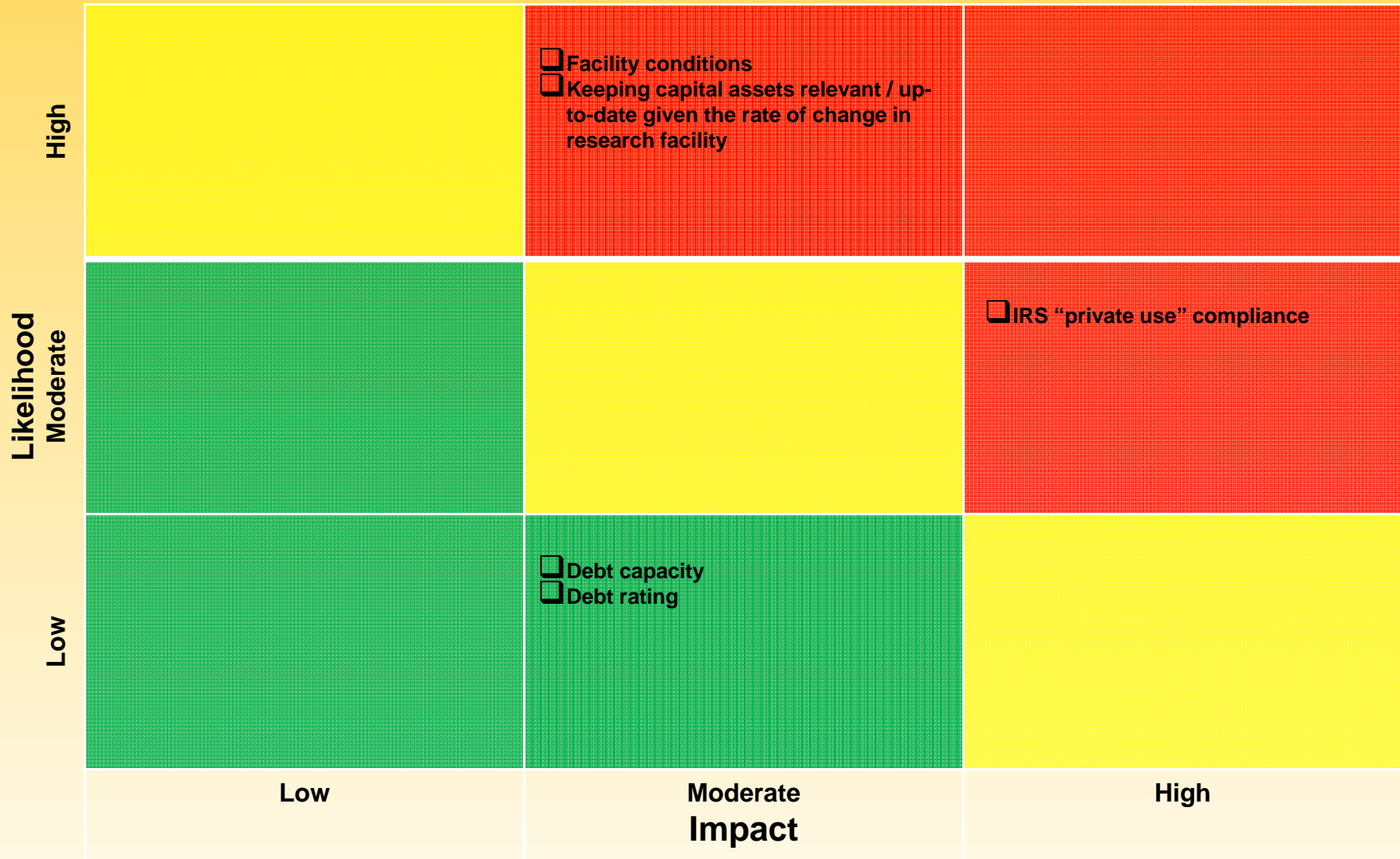
# Strategic Financial Risk Profile

## Financing Operations



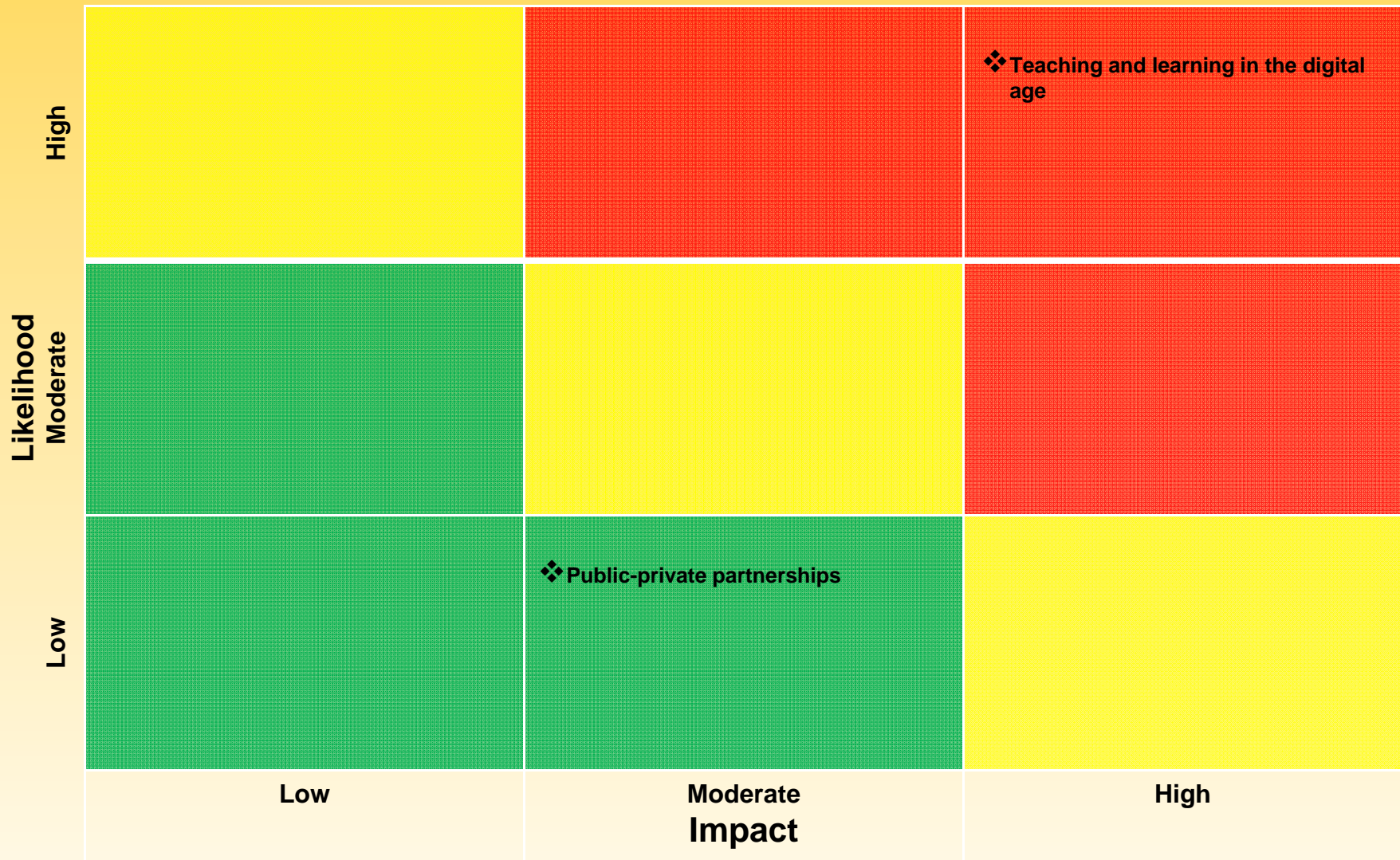
# Strategic Financial Risk Profile

## Financing Capital Assets



# Strategic Financial Risk Profile

## Emerging Trends





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