

# **University of Minnesota Fiscal Year 2013 Annual Financial Report**

**Board of Regents  
Finance Committee  
December 12, 2013**



UNIVERSITY OF MINNESOTA  
**Driven to Discover<sup>SM</sup>**

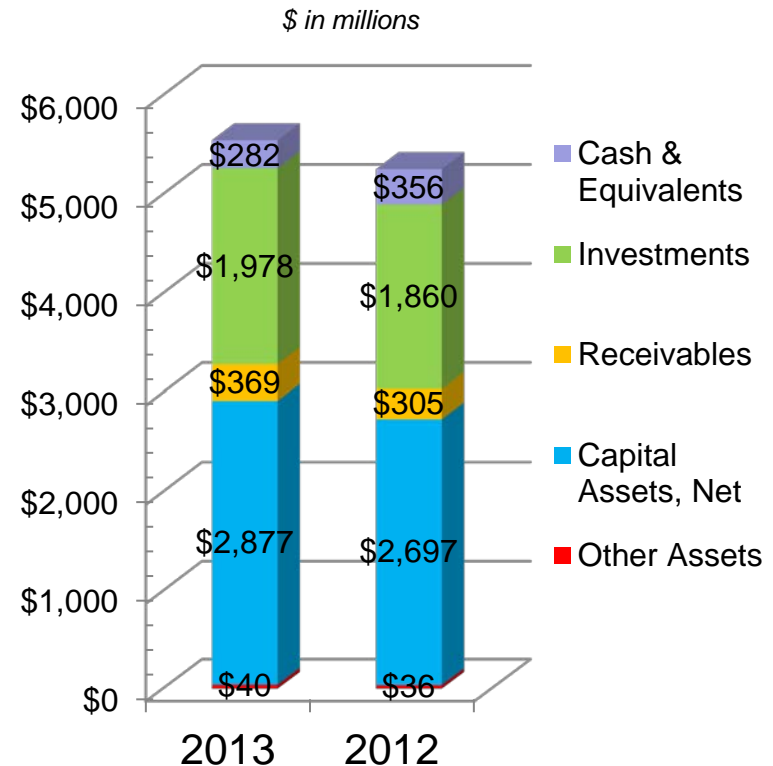
# FY 2013 Highlights

- Net position increased by \$189.8 million.
- Total revenues increased while operating expenses were up slightly.
- FY 2013 cash flow decreased by \$11 million from FY 2012, to (\$74.5) million.
- Adoption of GASB standards resulted in minor changes to the financial statements.
- Deloitte issued an unqualified opinion on the audited financial statements.



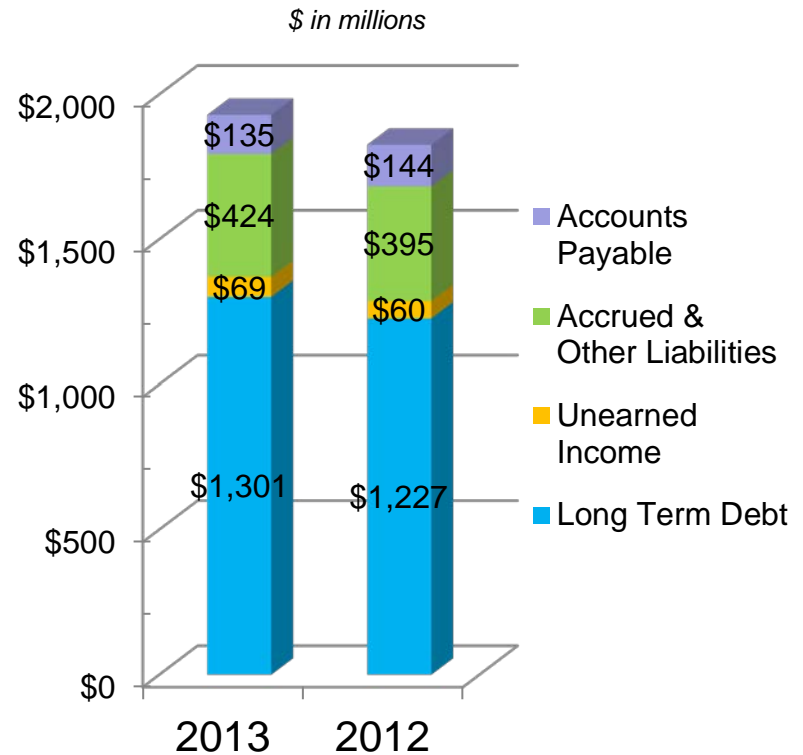
# Balance Sheet (Net Position) – Overview of Assets 2013 versus 2012

- Total University assets increased by \$292 million (5.6%).
- Cash & equivalents decrease of \$74 million represents a decrease in unspent bond proceeds.
- Investments increased \$119 million due to increases in CEF market value and investment income.
- Capital assets, net increased \$180 million due to increased spending on construction projects, specifically the Physics and Nanotech building project.



# Balance Sheet (Net Position) – Overview of Liabilities 2013 versus 2012

- Total University liabilities increased by \$102 million (5.6%).
- Increase in accrued & other liabilities of \$28 million is due to the gradual amortization of the OPEB liability.
- Long-term debt increased \$74 million due to issuance of 2013A / 2013B GO bonds, offset by refundings and debt service payments.

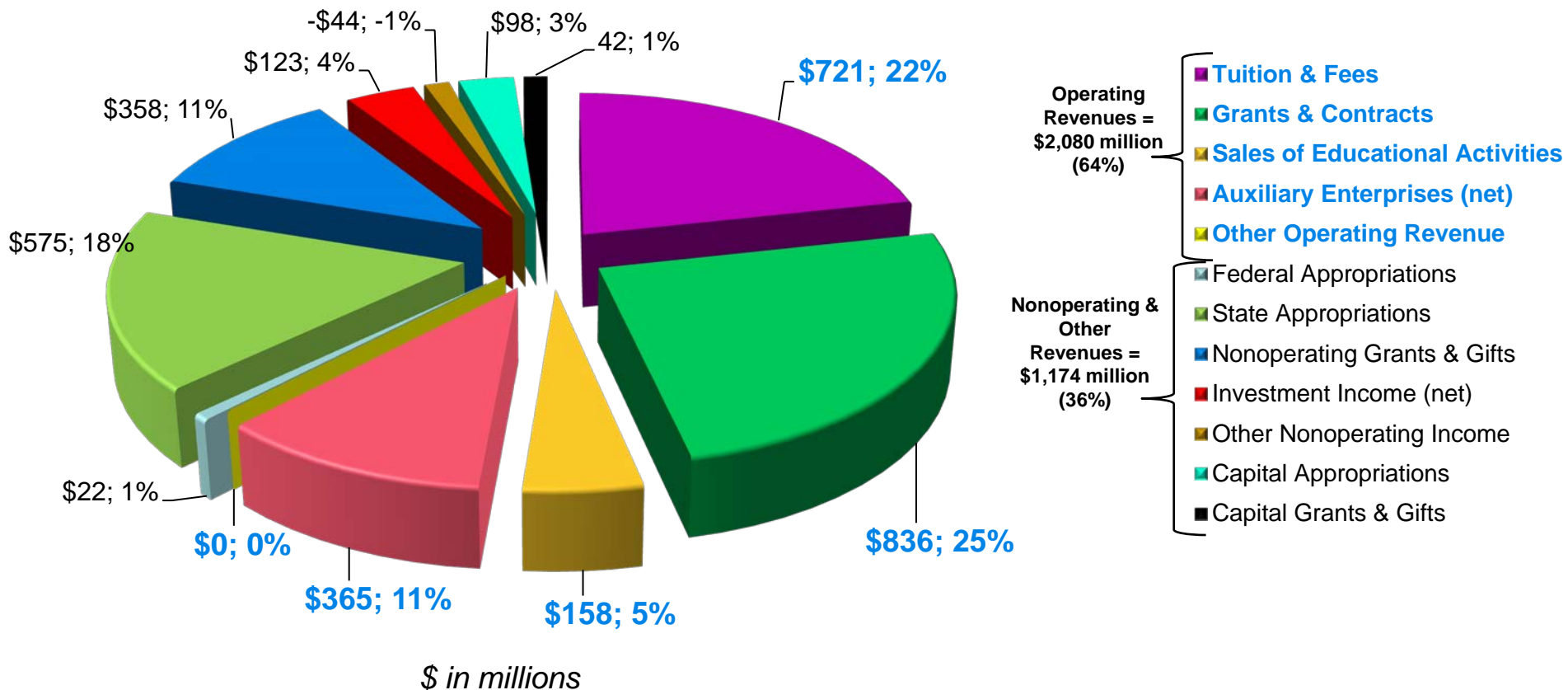


# Overview of Revenues, Expenses, and Changes in Net Position

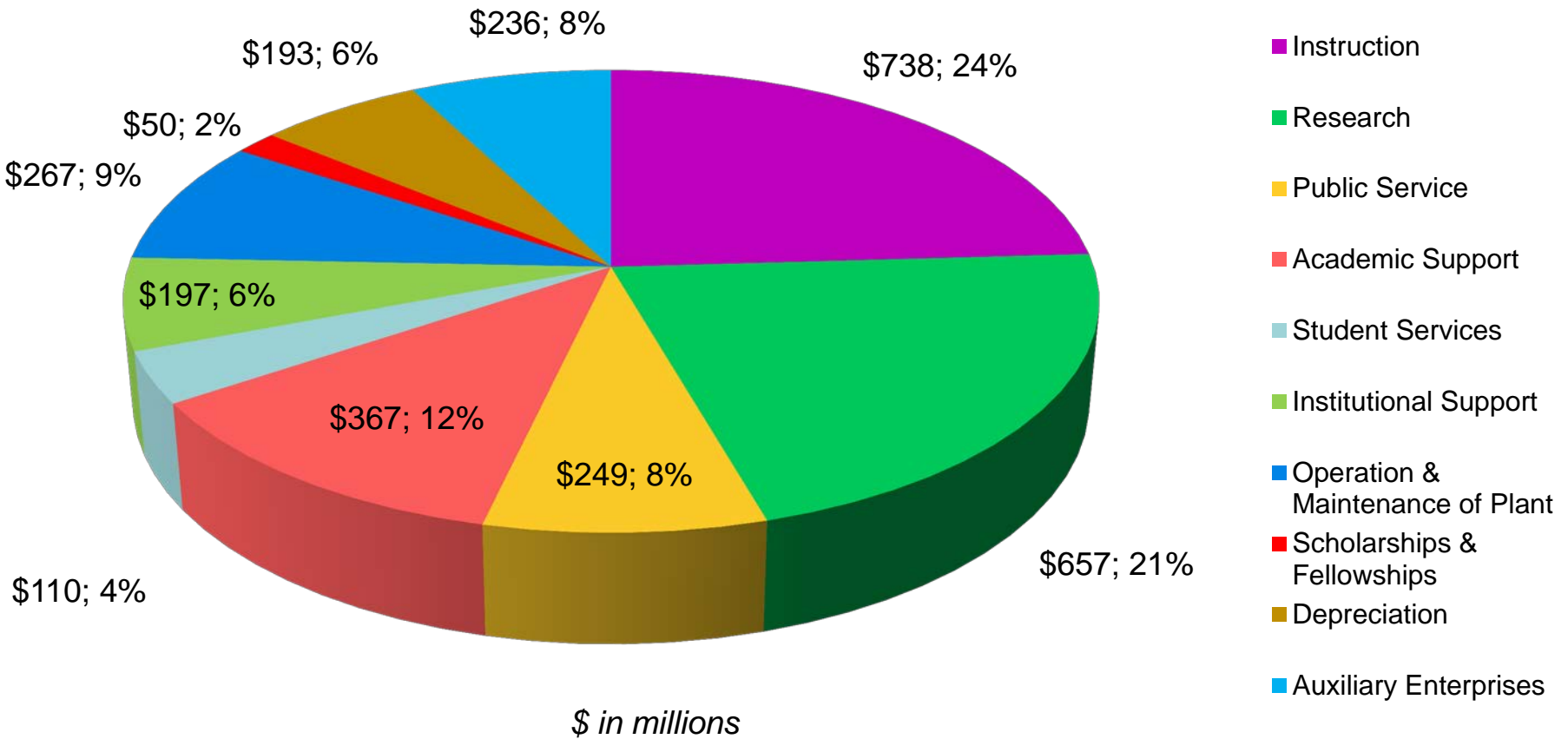
<i>\$ in Millions</i>	<b><u>2013</u></b>	<b><u>2012</u></b>
Total Operating Revenues	\$2,080.4	\$2,068.9
Total Operating Expenses	<u>3,064.2</u>	<u>2,948.4</u>
Net Operating Loss	(983.8)	(879.5)
Net Non-Operating Revenues	1,034.0	900.8
Other Revenues	<u>139.7</u>	<u>103.4</u>
Increase in Net Position	<b><u>\$ 189.8</u></b>	<b><u>\$ 124.7</u></b>



# FY 2013 Total Revenues – \$3.3 Billion



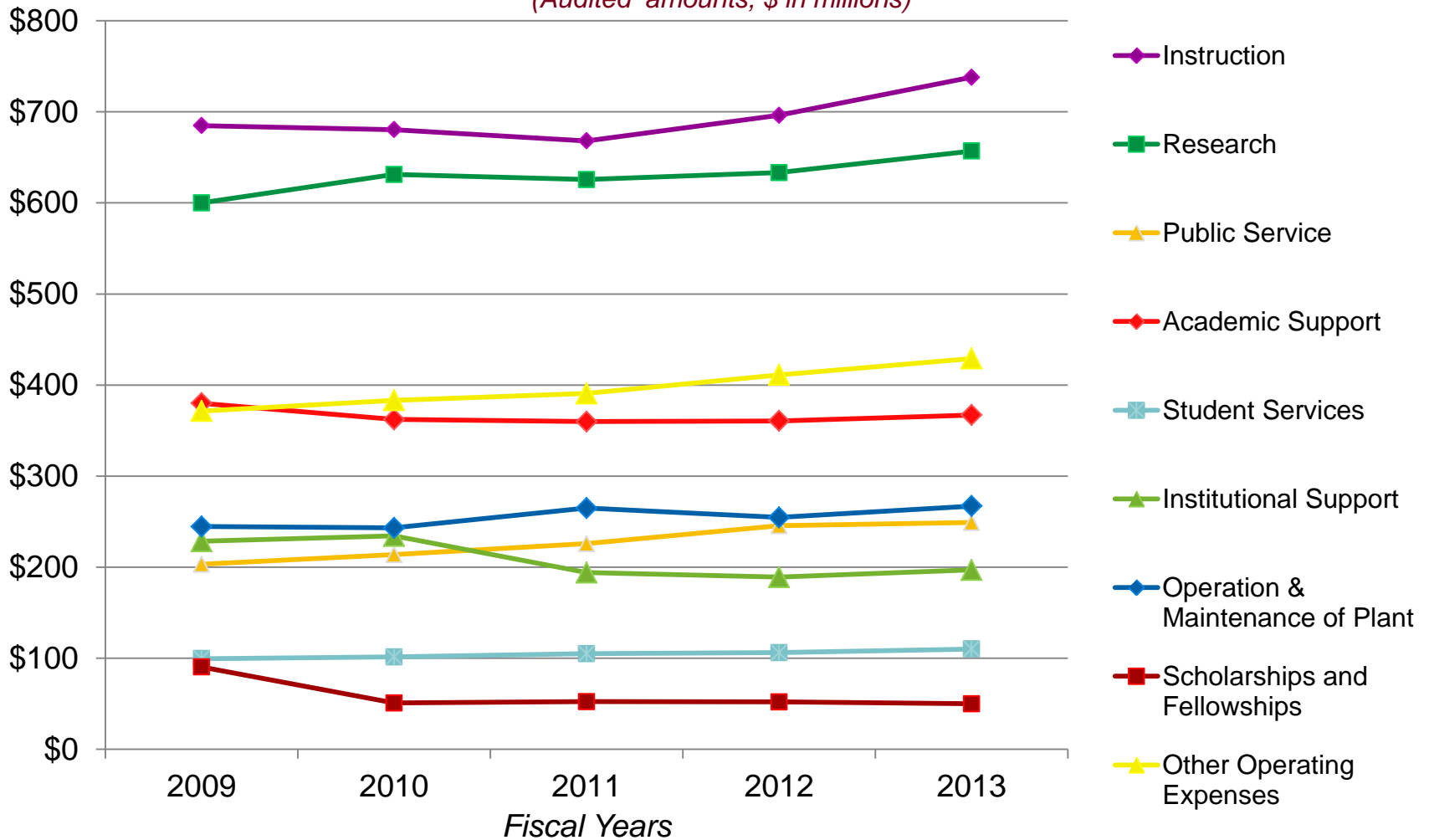
# FY 2013 Total Operating Expenses – \$3.1 Billion



# Operating Expense Trends – Functional Classification

## Fiscal Years 2009 – 2013

(Audited amounts; \$ in millions)

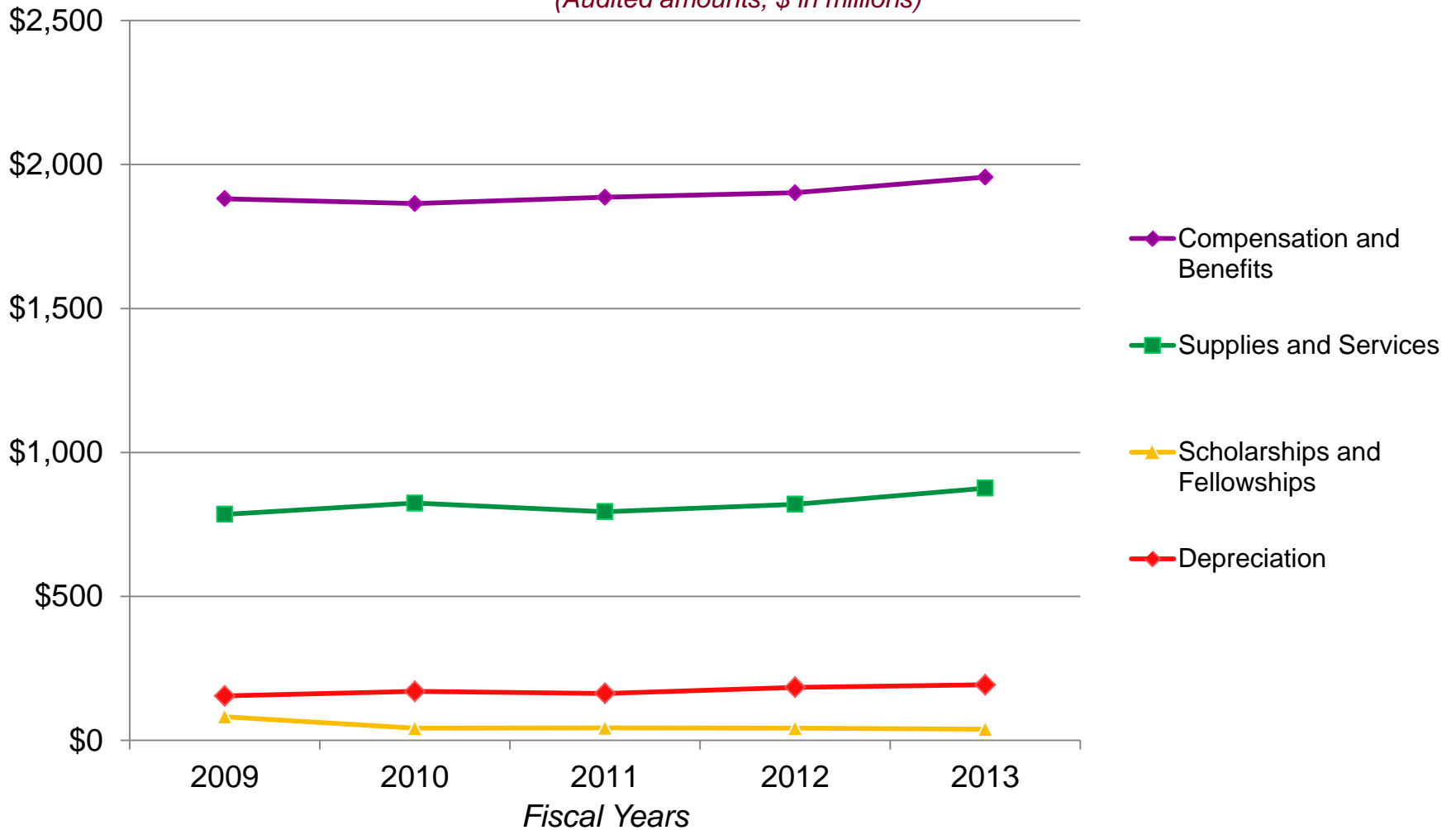




# Operating Expense Trends – Natural Classification

## Fiscal Years 2009 – 2013

(Audited amounts; \$ in millions)



# Cash Flows

## FY 2013 versus FY 2012

(\$ in thousands)	2013	2012
Operating activities	(\$781,600)	(\$659,788)
Noncapital financing activities	<u>925,488</u>	<u>913,558</u>
	<u>\$143,888</u>	<u>\$253,770</u>
Capital and related financing	(\$223,374)	(\$140,030)
Investing activities	<u>4,977</u>	<u>(177,252)</u>
	<u>(\$218,397)</u>	<u>(\$317,282)</u>
Net (decrease) increase	<u>(\$74,509)</u>	<u>(\$63,512)</u>
Ending cash & equivalents	<u>\$281,011</u>	<u>\$355,520</u>

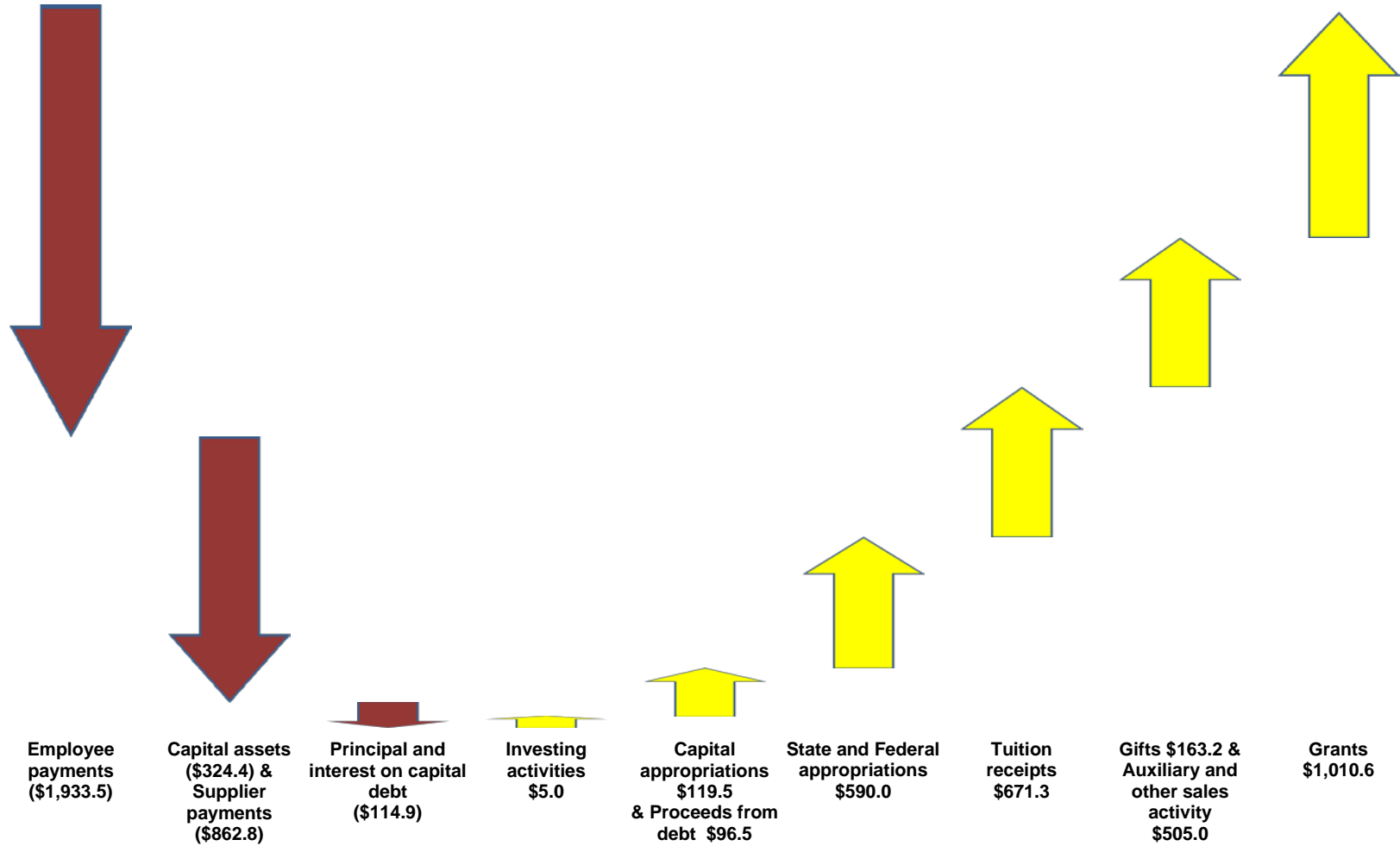


# Cash Flows, Fiscal Year 2013

6/30/2012  
\$355.5

(\$ in millions)

6/30/2013  
\$281.0



# Component Units

## Blended Component Units

- RUMINCO, Ltd.
- UMORE Development, LLC

## Discretely presented Component Units

- University of Minnesota Foundation (UMF)
- University of Minnesota Physicians (UMP)

# Discretely Presented Component Unit Overview FY 2013

*(\$ in millions)*

	UMF	UMP
Total Assets	\$2,412.3	\$ 165.5
Total Liabilities	333.0	82.4
Net Assets	2,072.2	83.1
Total Revenues	756.8	450.2
Total Expenses	176.2	438.0
Increase (Decrease) in Net Assets	\$ 567.0	\$ 12.3



# Questions?



UNIVERSITY OF MINNESOTA  
**Driven to Discover<sup>SM</sup>**