

Regenerative Medicine Minnesota

Report to the Minnesota Legislature

January 15, 2025



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Senator Fateh, Chair, Higher Education Committee
Senator Duckworth, Ranking Minority Lead, Higher Education Committee
Representative Rarick, Co-Chair, Higher Education Finance and Policy
Representative Wolgamott, Co-Chair, Higher Education Finance and Policy

Senator Champion, Chair, Jobs and Economic Development Committee
Senator Draheim, Ranking Minority Lead, Jobs and Economic Development Committee
Representative Baker, Co-Chair, Labor and Workforce Development Finance and Policy
Representative Pinto, Co-Chair, Labor and Workforce Development Finance and Policy

Dear Legislators,

Per Chapter 312, Article 1, Section 4 of Laws of Minnesota 2014, please accept our report on the Regenerative Medicine Minnesota (RMM) partnership. Included in this package you will find the required auditor's report on their review of the program. We have also included a one-page summary of awards made from July 1, 2022, through June 30, 2024.

RMM is administered by the Office of Discovery and Translation (ODAT) within the Clinical and Translational Science Institute (CTSI) at the University of Minnesota in partnership with the Mayo Clinic.

In FYs 23-24, RMM funded awards for 27 research projects to increase knowledge and advance regenerative medicine in areas such as nerve, muscle, cartilage, lung, and liver injury as well as autoimmune, rare, infectious, and neurodegenerative diseases, and cancer. More information about all these projects is available on our website: www.regenmedmn.org.

Additionally, per the requirements as set forth in Minnesota Statute 3.197, the cost to prepare this report was \$30,000.

Thank you for your support of Regenerative Medicine Minnesota. We look forward to a productive and exciting future as we work to improve the health of Minnesotans across the state.

Sincerely,

A handwritten signature in black ink that reads "TOLAR".

Jakub Tolar, MD, PhD
Vice President for Academic Clinical Affairs
University of Minnesota

A handwritten signature in black ink that reads "Vijay Shah".

Vijay Shah, MD
Executive Dean for Research
Mayo Clinic



INDEPENDENT ACCOUNTANTS' REPORT

Management of the University of Minnesota
Minneapolis, Minnesota

We have performed the procedures enumerated below on the University of Minnesota's (the University) Regenerative Medicine Statement of Expenditures by Subrecipient (the Statement) and the Attachment of Subrecipients with Affiliations (the Attachment) for the period from July 1, 2022 to June 30, 2024 in accordance with Chapter 312, Article 1, Section 4 of Laws of Minnesota 2014 (the subject matter). The University is responsible for the subject matter.

The University has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the specified parties in evaluating the subject matter. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

We obtained the Statement for the period from July 1, 2022 to June 30, 2024, and the Attachment as prepared by management. The Attachment has been included as Exhibit A to this report.

1. We recalculated the total dollar amounts on the Statement and compared the amounts on each line on the Statement to the corresponding amounts on the reconciliation prepared by management between the University's general ledger and the amounts on the Statement, noting no exceptions.
2. We compared the dollar amounts on management's reconciliation to the University's general ledger and recalculated the total presented in the Statement, noting no exceptions.
3. We compared actual expenditures by project number to the Budget Information section of the Notice of Grant Awarded obtained from management, and reviewed for any project numbers where total expenditures by project number exceeded the approved budget limit, noting none.
4. We randomly selected 20% of the Principal Investigators (PI) affiliated with the University from the Statement, and obtained the expenditure detail for the selected PI's related project during the period from July 1, 2022 to June 30, 2024. We randomly selected 40 total expenditure selections from the expenditure detail and traced and agreed the amounts to source documents, noting no exceptions.

5. We randomly selected five PIs whose affiliations are outside of the University from the Statement and obtained the subaward agreements from management. We inspected the subaward agreements for evidence of appropriate approvals by the University and the sub-recipient. All those tested had evidence of approvals.
6. We obtained and documented an understanding of the University's policies and procedures in place to monitor that awards are expended in accordance with Chapter 312, Article 1, Section 4 of Laws of Minnesota 2014 and concluded policies and procedures were in place and appropriately applied based on the understanding we obtained.

We were engaged by the University to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the subject matter. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the University, the University's Board of Regents, and authorized representatives of the State of Minnesota and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 10, 2024

Exhibit A

Attachment of Subrecipients with Affiliations

For the period from July 1, 2022 to June 30, 2024

Recipient	Affiliation
Alonso Camino, Vanesa	*
Athanasίου, Maria	*
Barry, Michael	Mayo Clinic
Beverlin II, Bryce	*
Bigliardi Qi, Mei	U of MN
Bosnakovski, Darko	U of MN
Can, Ismail	Mayo Clinic
Chen, Zhe	U of MN
Cvetanovic, Marija	U of MN
Finger, Erik	U of MN
Gibbons, Hunter	*
Greising, Sarah	U of MN
Gutierrez Ruiz, Omar	Mayo Clinic
Hulleman, John	U of MN
Kelly, Rosemary	U of MN
Kikyo, Nobuaki	U of MN
Loutherback, Kevin	Mayo Clinic
Pacak, Christina	U of MN
Riester, Scott	Mayo Clinic
Saddoughi, Sahar	Mayo Clinic
Saris, Daniel	Mayo Clinic
Shin, Alexander	Mayo Clinic
Shirkey-Son, Nicole	*
Smoot, Rory	Mayo Clinic
Walsh, Patrick	*
Webber, Beau	U of MN
Wierson, Wesley	*

**Researcher is not affiliated with the University of Minnesota or Mayo Clinic*

**Regenerative Medicine Minnesota
Awards Made 7.1.22 - 6.30.24**

	Number of Awards	Dollars Awarded	Start Date	Award Term	Expended 7/1/22 through 6/30/24	Encumbered FY25 Spending	Encumbered FY26 Spending	Projected Total Spending
FY23								
Research Grants - Discovery Science	5	\$ 900,000	Sept 2023	1-2 years	\$ 310,387	489,613	100,000	900,000
Research Grants - Translational Research	8	\$ 2,972,000	Sept 2023	2 years	\$ 840,453	1,631,547	500,000	2,972,000
Infrastructure Grants	1	\$ 100,000	Sept 2023	1 year	\$ 100,000	-		100,000
		<u>\$ 3,972,000</u>			<u>\$ 1,250,840</u>	<u>\$ 2,121,160</u>	<u>\$ 600,000</u>	<u>\$ 3,972,000</u>
Funding available	NOTE 1	\$ 4,350,000						
FY24								
Research Grants - Discovery Science	4	\$ 800,000	Sept 2024	2 years		400,000	400,000	800,000
Research Grants - Translational Science	7	\$ 2,791,852	Sept 2024	2 years		1,500,000	1,291,852	2,791,852
Clinical Trials	1	\$ 499,999	Sept 2024	4 years		100,000	150,000	250,000
Infrastructure Grants	1	\$ 200,000	Sept 2024	2 years		200,000		200,000
		<u>\$ 4,291,851</u>			<u>\$ -</u>	<u>\$ 2,200,000</u>	<u>\$ 1,841,852</u>	<u>\$ 4,041,852</u>
Funding available	NOTE 1	\$ 4,350,000						

NOTE 1 Any remaining available balance will be carried forward into future years to be used for new awards. Any overage funded by prior year unused funds.