

FY 2024 Annual Financial Report



THE UNIVERSITY OF
TOLEDO

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Board of Trustees
University of Toledo
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We have reviewed the *Independent Auditor's Report* of the University of Toledo, Lucas County, prepared by CliftonLarsonAllen LLP, for the audit period July 1, 2023 through June 30, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The University of Toledo is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

February 21, 2025

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**THE UNIVERSITY OF TOLEDO
LUCAS COUNTY
REGULAR AND SINGLE AUDIT
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

PREPARED BY GORDON CHAUVIN, CONTROLLER



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**THE UNIVERSITY OF TOLEDO
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
The University of Toledo
Toledo, Ohio

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of The University of Toledo (the University), a component of the State of Ohio, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise The University's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of The University, as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The audit of University of Toledo Physicians Clinical Faculty, Inc. (UTP-CF), a blended component unit, was not performed in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information


Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of pension funding, and schedule of pension contributions, and schedule of OPEB funding, and schedule of OPEB contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2024, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Maumee, Ohio
October 21, 2024

THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2024

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of the University of Toledo for the year ended June 30, 2024 with comparative information for the years ended June 30, 2023 and 2022. The MD&A complements the accompanying audited financial statements and footnotes.

ABOUT THE UNIVERSITY OF TOLEDO

The University is a leading research institution in the state of Ohio with over 14,000 students, almost 1,300 instructional faculty, and 3,800+ staff members. The University is comprised of thirteen colleges: Arts and Letters; Business and Innovation; Education; Engineering; Graduate Studies; Health and Human Services; Honors; Law; Medicine and Life Sciences; Natural Sciences and Mathematics; Nursing; Pharmacy and Pharmaceutical Sciences, and University College. The University offers more than 300 undergraduate, graduate, and professional programs leading to degrees in over 60 instructional departments. The University operates The University of Toledo Medical Center (UTMC), which includes 319 registered beds and, during the most recent fiscal year, provided services to 8,179 admitted patients, 202,791 outpatient clinic patients and 29,431 emergency visit patients. In addition, UTMC performed 7,802 surgical cases and, on average, cared for nearly 700 patients per day in both an inpatient and outpatient setting. UTMC specializes in kidney transplantation, cardiology, behavioral health, family medicine, orthopedic surgery and cancer treatment.

The Board of Trustees (BOT) governs the University and is responsible for oversight of academic programs, budgets, general administration, and employment of faculty and staff. The Governor, with the advice and consent of the State Senate, appoints the BOT members for staggered nine-year terms. Two student non-voting members, appointed for two-year terms, also serve on the Board.

The following financial statements reflect all assets, deferred inflows/outflows, liabilities, and net position of the University and the University of Toledo Foundation (Foundation), the University's discretely presented component unit. The University of Toledo Physicians, Clinical Faculty, Inc. (UTP-CF) and Rocket Innovations meet the criteria under Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus*, and are therefore shown in a blended presentation. UTP-CF provides administrative support, billing, and collection services for physician services at the University. Rocket Innovations supports the University through investment in public and private economic development projects and promotes the interests of the University.

The Foundation is a legally separate entity with a primary function of fund-raising to supplement the resources that are available to the University in support of its programs. The Foundation is governed by a separate Board of Trustees which is self-perpetuating and consists of graduates and friends of the University. Nearly all the assets of the Foundation are restricted by donors to activities of the University. The University does not control the timing or number of receipts from the Foundation.

The University is a component unit of the state of Ohio and is included in the State of Ohio's Annual Comprehensive Financial Report (ACFR).

THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2024

ABOUT THE FINANCIAL STATEMENTS

The annual financial statements are prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. In addition to this MD&A section, the audited financial statements include Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; Statements of Cash Flows; and the Notes to the Financial Statements. In accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, which amends GASB Statement No. 14; the Foundation is discretely presented. A complete copy of the audited financial statements of the Foundation is available at the Foundation offices located near the campus of the University.

The **Statement of Net Position** is the University's balance sheet. It reflects the total assets, liabilities, deferred inflows/outflows, and net position (equity) of the University. Liabilities whose maturities are less than one year and assets available to pay those liabilities are classified as current. Other assets and liabilities with maturities greater than one year are classified as non-current. Investment assets are carried at market value. Capital assets, which include the University's land, buildings, improvements, and equipment, are presented net of depreciation. Net position is displayed in the following categories:

- Net investment in capital assets (presents the University's equity in capital assets)
- Restricted— non-expendable (available for investment purposes only and cannot be expended)
- Restricted – expendable (available for use based on externally imposed restrictions)
- Unrestricted (available to the University for any lawful purpose of the institution)

The **Statement of Revenues, Expenses and Changes in Net Position** is the University's income statement. It reports the detailed revenues and expenses presented in a net revenue (expense) format. Revenues and expenses are classified as operating, non-operating, and other changes, and subtotals are presented for net operating income (loss), income (loss) before other changes, and increase (decrease) in net position. Tuition revenue is shown net of financial aid, hospital patient services revenue is shown net of contractual allowances and bad debt, and depreciation is provided for capital assets.

In accordance with GASB Statement No. 35, appropriations received from the state of Ohio and certain federal and state grants and contracts are presented as non-operating revenue, whereas operating expenses include virtually all expenses except interest on long-term debt. Therefore, the University will typically reflect a net operating loss, though universities and other public institutions have traditionally relied on non-operating revenue to support functional operations of the institution.

The **Statement of Cash Flows** presents the sources and uses of cash during the year. It breaks out the sources and uses of cash in the following categories:

- Operating activities
- Non-capital financing activities
- Capital and related financing activities
- Investing activities

THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2024

Cash flows associated with the University's expendable net position appear in the operating and non-capital financing categories. Capital financing activities include payments for capital assets, proceeds from long-term debt and debt repayments. Purchases and sales of investments are reflected as investing activities.

The [*Notes to the Financial Statements*](#) follow the financial statements of the University. The Notes provide additional information and details to supplement the financial statements.

Net Position and the Impact of GASB Statements No. 68 and No. 75

GASB Statements 68 and 75, which require the University to recognize its share of the unfunded liability in the State retirement system's pension and other post-employment benefit (OPEB) plans, continue to have a significant impact on both the University's net position and operating results. The net position associated with GASB 68 and 75 is negative \$350.1 million as of June 30, 2024, which reflects an improvement of \$0.7 million over the prior year. Total unrestricted net position as of June 30, 2024, excluding the effects of GASB 68 and 75, is \$243.7 million, a reduction of \$4.4 million over the prior year.

The University has a restricted expendable net position of \$121.8 million and a restricted non-expendable net position of \$40.9 million as of June 30, 2024. The restricted expendable net position increased \$31.4 million compared to last year and the restricted non-expendable net position increased \$5.9 million. Net investment in capital is \$204.0 million which is a reduction of \$10.4 million from the prior year. The following sections provide additional details on the University's 2024 financial position and results and a look ahead at significant economic conditions expected to affect the University in the future.

THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2024

FINANCIAL HIGHLIGHTS AND KEY TRENDS

	2024	2023	2022
Assets			
Cash and cash equivalents	\$ 115,608	\$ 95,244	\$ 134,327
Receivables, inventories, and other current assets	152,734	136,663	142,526
Total current assets	268,342	231,907	276,853
Restricted cash	469	2,096	4,336
Endowment and loan investments	67,656	63,265	61,524
Long-term investments	322,561	308,622	296,116
Capital assets, net of accumulated depreciation	466,062	495,488	515,627
Net pension asset	4,423	3,623	6,178
Net OPEB asset	23,630	18,535	52,478
Other non-current assets	21,152	13,886	15,738
Total non-current assets	905,953	905,515	951,997
Total assets	\$ 1,174,295	\$ 1,137,422	\$ 1,228,850
Deferred outflows			
Deferred outflow of resources - pension and OPEB	\$ 126,168	\$ 199,306	\$ 76,546
Deferred outflow of resources - other	7,474	8,709	11,506
Total deferred outflows	\$ 133,642	\$ 208,015	\$ 88,052
Liabilities			
Accounts payable and accrued expenses	\$ 100,096	\$ 99,692	\$ 115,661
Other current liabilities	120,063	91,704	91,237
Total current liabilities	220,159	191,396	206,898
Bonds, notes, and leases	222,007	240,390	264,155
Net OPEB liability	-	7,621	-
Net pension liability	454,591	514,851	195,712
Other long-term liabilities	41,403	46,536	56,092
Total non-current liabilities	718,001	809,398	515,959
Total liabilities	\$ 938,160	\$ 1,000,794	\$ 722,857
Deferred inflows			
Deferred inflow of resources - pension and OPEB	\$ 49,758	\$ 49,811	\$ 293,200
Deferred inflow of resources - other	59,800	57,810	55,989
Total deferred inflows	\$ 109,558	\$ 107,621	\$ 349,189
Net position			
Net investment in capital assets	\$ 204,010	\$ 214,411	\$ 214,555
Restricted – non-expendable	40,861	34,966	12,808
Restricted - expendable	121,817	90,449	117,182
Unrestricted	(106,469)	(102,804)	(99,689)
Total net position	\$ 260,219	\$ 237,022	\$ 244,856

Current Assets

Current assets (\$268.3 million) increased \$36.4 million in 2024 including a \$20.4 million increase in cash and a \$16.1 million increase in receivables and other assets. The increase in cash is primarily attributable to short-term advances received from Change Healthcare, the processor of medical claims for the clinical enterprise. The advances were received to help mitigate the effects of delayed payments resulting from the cyber attack on Change Healthcare in February of 2024. The loan, totaling \$24,233, will be repaid in three installments from October through December of 2024. Excluding the short-term loan, cash is down slightly from the prior year. The increase in receivables is mainly driven by volume increases at UTM. The University's liquidity continues to provide a sufficient level of working capital. The **Statements of Cash Flows**, discussed later in more detail, will provide additional information regarding the sources and uses of cash.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2024**

Non-Current Assets

The majority of the University's endowments and long-term investments are pooled with assets of the University of Toledo Foundation and Alumni Association. University endowments (\$67.7 million) increased \$4.4 million driven by favorable investment results that were partially offset by endowment spending in support of the University. University long-term investments (\$322.6 million) increased \$13.9 million due to favorable investment earnings. Capital assets (\$466.1 million), including University land, buildings, infrastructure, improvements, and equipment decreased \$29.4 million with depreciation expense continuing to outpace capital investment. Capital spending was predominantly focused on deferred maintenance and infrastructure projects funded by state appropriations, including a major classroom renovation project for the College of Engineering. The net OPEB asset (\$23.6 million) increased \$5.1 million as a result of the University's share of the State retirement system's performance. Other non-current assets (\$21.2 million) increased \$7.3 million driven mainly by a shift from cash to investments held by the insurance captive.

Deferred Outflows of Resources

Deferred outflows of resources (\$133.6 million) decreased \$74.4 million due primarily to pensions and OPEB and the University's share of activity in the State retirement system.

Current Liabilities

Current liabilities (\$220.2 million) increased \$28.7 million due to the short-term loan discussed earlier as well as line of credit activity within the physician practice. Otherwise a slight decrease in accounts payable is offset by a slight increase in accrued liabilities. The change in accounts payable is driven mainly by the timing of year-end payments and the change in accrued liabilities is attributable to estimated Medicare cost report settlements for UTMIC.

Non-Current Liabilities

Total non-current liabilities (\$718.0 million) decreased \$91.4 million and continue to be significantly impacted by the University's share of unfunded liabilities in the State retirement systems. The University's share of the net pension liability (\$454.6 million) decreased \$60.3 million due to favorable activity in the state plans. The University is only obligated to pay contributions to the retirement systems and not the actual benefits themselves. Bonds, notes, and leases (\$222.0 million) decreased \$18.4 million with scheduled bond and loan payments offset slightly by a new \$2.1 million loan from the UT Foundation for an MRI machine at UTMIC. Other long-term liabilities (\$41.4 million) decreased \$5.1 million, driven by lease payments associated with various right-of-use assets and a return of federal capital related to the Perkins loan program.

Deferred Inflows of Resources

Deferred inflows of resources (\$109.6 million) were relatively flat with only a \$1.9 million increase over the previous year. Activity here includes the University's share of actuarial activity in the State retirement plans, expected future inflows from the long-term parking arrangement with ParkUToledo, anticipated future lease income and bond refundings.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2024**

Prior Years' Highlights

In 2023, the University had total assets of approximately \$1.137 billion, a decrease of \$91.4 million from the previous year with decreases in cash, capital assets and the net OPEB asset partially offset by increases in investments. Cash decreased \$39.1 million due to lower stimulus and higher spending. Capital assets decreased \$20.1 million due to depreciation outpacing capital spend. The net OPEB asset decreased \$33.9 million due to activity in the state retirement plan. Investments increased \$12.5 million due to favorable investment returns. Total liabilities were \$1.001 billion, an increase of \$277.9 million, with an increase of \$319.1 million in pension liability offset slightly by a decrease of \$23.8 million in bonds and \$15.5 million in current liabilities. Net position was \$237.0 million reflecting a decrease of \$7.8 million.

In 2022, the University had total assets of approximately \$1.229 billion, an increase of \$41.0 million from the previous year with increases in receivables, investments and the net OPEB asset partially offset by decreases in cash, capital assets and endowments. Cash decreased \$39.2 million due to lower stimulus, higher spending and transfers of operating cash to longer-term investments. Receivables increased \$17.5 million due to an increase in patient volumes at UTMC. Endowments decreased \$8.1 million due to unfavorable investment results. Investments increased \$64.8 million due to an influx of funds from the parking agreement and transfers from operations offset partially by negative investment returns. Capital assets decreased \$11.6 million due to depreciation outpacing capital spend. The net OPEB asset increased \$17.6 million due to activity in the state retirement plan. Total liabilities were \$722.9 million, a decrease of \$184.4 million, with decreases of \$169.9 in pension liability and \$26.1 million in bonds offset slightly by an increase of \$13.5 million in current liabilities. Net position was \$244.9 million reflecting an increase of \$79.7 million.

THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2024

Summary of Revenues, Expenses, and Changes in Net Position (in thousands)			
<i>(in thousands)</i>	2024	2023	2022 restated
Operating revenues:			
Hospital, net	\$ 416,650	\$ 377,609	\$ 325,697
Tuition and fees, net	173,174	178,962	172,515
Grants and contracts	76,950	61,815	61,867
Auxiliary	45,123	46,234	50,221
Other patient services revenue	72,538	75,944	76,329
Other	104,201	123,865	149,256
Total operating revenue	888,636	864,429	835,885
Operating expenses:			
Salaries, wages, and benefits	619,889	607,091	495,253
Supplies	195,951	182,019	150,690
Outside purchased services	85,530	92,249	78,577
Depreciation and Amortization	60,283	62,135	59,082
Other	92,808	99,959	111,805
Total operating expenses	1,054,461	1,043,453	895,407
Operating Loss	(165,825)	(179,024)	(59,522)
Non-operating revenues (expenses):			
State share of instruction and grants & contracts	149,225	152,397	174,410
Investment income	41,421	21,621	(33,046)
Interest on debt	(12,315)	(13,493)	(13,373)
Asset disposal	309	(4,135)	(17)
Other	126	404	307
Total non-operating revenues (expenses)	178,766	156,794	128,281
Other changes			
Capital appropriations	9,579	13,322	10,162
Other	677	1,074	783
Total other changes	10,256	14,396	10,945
Increase/(decrease) in net position	23,197	(7,834)	79,704
Net position - beginning of the year	237,022	244,856	165,152
Net position - end of the year	<u><u>\$ 260,219</u></u>	<u><u>\$ 237,022</u></u>	<u><u>\$ 244,856</u></u>

Operating Revenues

Operating revenues (\$888.6 million) increased \$24.2 million with increases in hospital-based revenue and grants partially offset by reductions in tuition and other revenue. UTMC's net patient revenue (\$416.7 million) increased \$39.0 million driven by favorable volumes. Tuition and fees (\$173.1 million) decreased \$5.8 million due to declining enrollment. Revenue from grants and contracts (\$77.0 million) increased \$15.1 million due to robust research activity. Other revenue decreased \$19.7 million due to a change in the structure of Academic Affiliation payments.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2024**

Operating Expenses

Total operating expenses (\$1,055 million) increased \$11.0 million with increases in compensation and supplies partially offset by decreases in purchased services and other expenses. Excluding the GASB 68/75 adjustments, salaries and benefits increased \$10.6 million or 1.7%. Compensation for the clinical enterprise rose by \$24.1 million driven by the growth in patient volumes, while compensation for the academic enterprise fell by \$13.5 million due to staff reductions and vacancies. Supply expense increased \$13.9 million due mainly to continued growth of the pharmacy 340B pricing program at UTMTC as well as favorable patient volumes and general inflation. Purchased services and other operating expenses decreased \$6.7 million and \$7.2 million respectively driven by the change in the structure of Academic Affiliation payments, the normalization of IT expenses following the Epic implementation, a reduction in external staffing expenses at UTMTC and a reduction in deferred maintenance.

Non-Operating Revenues and Expenses

Total non-operating revenues (\$178.8 million) increased \$22.0 million with an increase in investment income partially offset by a decrease in federal grants. Federal non-operating grants decreased \$4.7 million due to reduced stimulus funding compared to the prior year. Investment income increased \$19.8 million due to the continued strength in the investment market. State support fell \$1.2 million.

Other Changes

Total other changes (\$10.3 million) decreased \$4.1 million due primarily to less state capital appropriations utilized.

Prior Years' Highlights

In 2023, the University experienced a decrease in net position of \$7.8 million. Operating revenues increased \$28.5 million with increases in hospital-based revenue partially offset by reductions in other revenue. UTMTC's net patient revenue increased \$51.9 million driven by favorable volumes. Tuition and fees increased \$6.4 million due primarily to the discount calculation associated with stimulus funding in the prior year. Auxiliary revenue decreased \$4.0 million due to lower utilization of housing and dining services. Other revenue decreased \$25.4 million due to a change in the structure of Academic Affiliation payments as well as a one-time payment received in the prior year tied to a newly implemented Medicaid program. Operating expenses were \$1.043 billion, an increase of \$148.0 million with \$102.6 million attributable to GASB 68 and 75 adjustments. Excluding the GASB adjustments, salaries and benefits increased \$9.2 million or 1.5%. Supply expense increased \$31.3 million due mainly to continued growth of the pharmacy 340B pricing program at UTMTC as well as favorable patient volumes and general inflation. Purchased services increased \$13.7 million driven mainly by external staffing expenses at UTMTC amid a challenging market for hiring employees. Other operating expenses decreased \$11.8 million due primarily to the capitalization of internal labor associated with the Epic EMR project. Total non-operating revenue increased \$28.5 million with an increase in investment income partially offset by a decrease in federal grants.

In 2022, the University experienced an increase in net position of \$79.7 million. Operating revenues were \$835.9 million, an increase of \$81.2 million driven by UTMTC growth and other revenue. Patient revenue at UTMTC increased \$28.0 million due to favorable volumes. Tuition and fees decreased \$15.3 million due to declining enrollment. Grant revenue increased \$8.2 million driven by a \$4.1 million increase in federal awards. Auxiliary revenue (\$50.2 million) increased \$10.1 million with \$7.7 million attributable to Athletics as they resumed in-person events and more normal operations, and \$2.9 million attributable to dining and housing with more students physically on campus.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2024**

Prior Years' Highlights (continued)

Operating expenses were \$895.4 million, an increase of \$137.3 million, with \$46.1 million attributable to GASB 68 and 75 adjustments. Excluding the GASB adjustments, salaries and benefits increased \$44.7 million reflecting more normalized operations after the temporary furloughs and salary reductions in 2021. Supply expense increased \$19.2 million due mainly to continued growth of the pharmacy 340B pricing program at UPMC as well as favorable patient volumes. Purchased services increased \$8.0 million driven mainly by external staffing expenses at UPMC. Total non-operating revenue (\$128.3 million) decreased \$145.4 million with \$52.6 million attributable to federal grants and \$92.1 million attributable to investment losses. State support increased a modest \$1.2 million and capital appropriations increased \$7.7 million consistent with the second year of the capital biennium.

STATEMENTS OF CASH FLOWS

Summary of Cash Flows (in thousands)			
	2024	2023	2022 restated
Net cash flows from operating activities	\$ (121,138)	\$ (142,661)	\$ (115,976)
Net cash flows from non-capital financing activities	177,404	156,359	174,300
Net cash flows from capital and related financing activities	(50,717)	(60,850)	(53,222)
Net cash flows from investing activities	13,188	5,829	(43,049)
Net increase (decrease) in cash	\$ 18,737	\$ (41,323)	\$ (37,947)

Cash and cash equivalents increased \$18.7 million during 2024. The University had net cash used in operating activities of \$121.1 million, an improvement of \$21.7 million over the prior year. The University had net cash provided by non-capital financing of \$177.4 million, an increase of \$20.8 million from the previous year reflecting the short-term advance from Change Healthcare and UTP-CF line of credit from the UT Foundation as well as a reduction in state support and non-operating grants. Net cash used in capital and related financing activities was \$50.7 million, including capital asset purchases of \$25.3 million and debt service payments of \$38.1 million. The \$82.6 million bond refinancing is included in both principal paid on capital debt and proceeds from debt issuance. Net cash provided by investing activities was \$13.2 million driven by net investment activity and an \$8.0 million draw from the investment pool.

Prior Years' Highlights

Cash and cash equivalents decreased \$41.3 million during 2023. The University had net cash used in operating activities of \$142.9 million, an increase of \$24.7 million over last year. The University had net cash provided by non-capital financing of \$156.6 million, a decrease of \$16.2 million from the previous year reflecting a continued reduction in non-operating grants related to pandemic relief. Net cash used in capital and related financing activities was \$60.9 million, including capital asset purchases of \$36.7 million and debt service payments of \$41.1 million (net of proceeds from bond refinancing). Net cash provided by investing activities was \$5.8 million driven by net investment activity.

Cash and cash equivalents decreased \$37.9 million during 2022. The University had net cash used in operating activities of \$118.1 million, a decrease of \$2.4 million over the prior year. The University had net cash provided by non-capital financing of \$172.8 million, a decrease of \$56.5 million from the previous year reflecting a reduction in non-operating grants related to pandemic relief. Net cash used in capital and related financing activities was \$49.6 million, including capital asset purchases of \$31.9 million and debt service payments of \$32.3 million. Net cash used by investing activities was \$43.0 million driven by net investment activity.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2024**

Higher Education and the University

The United States Higher Education sector continues to be challenged as net tuition growth is not projected to be higher than operating cost growth, thus forcing continued cost containment efforts. The long-term outlook for higher education is challenged as well, with affordability and changing demographics among key factors. Rising labor costs, which are typically 65%-75% of the operating expenses of the organization, are the hardest to reduce. Constant need for investment in programs, technology and aging infrastructure continue to drive costs up and stretch resources. Also, there is uncertainty and concern regarding the continued growth in unfunded pension liabilities.

Overall, State funding has mostly remained flat for higher education, with significant variance from state to state. State-funding models have transitioned to performance-based models that focus on accountability and evaluate universities on the number of degrees issued and courses completed. State funding is likely to see incremental increases but is not expected to keep pace with the growth of operating expenses. Furthermore, state-funding increases have been coupled with tuition limitations.

Ranked among the Best Colleges in the country by U.S. News & World Report and recognized as Top Performer for Social Mobility, UToledo provides a high-quality education at an affordable cost. We are proud to offer a Tuition Guarantee that puts a UToledo degree within reach for more families and students.

As a regional force powering opportunities to learn, care, work, and play, UToledo has been raising the well-being of students, patients, employees, and the greater Toledo community for more than 150 years. The University is committed to student success as demonstrated in our student outcomes and continued growth in student retention and graduation rates. At UToledo, students learn from the experts and get unique opportunities for career and personal growth.

UToledo is known nationally as a leader in solar energy innovation, water quality research, cellular research, and astrophysics. With a growing research enterprise, UToledo tackles the challenges of today while engaging students as early as their first year to participate in undergraduate research. In FY24 the University's research awards grew to \$72.2 million, the second highest in the institution's history. More than 82% of UToledo's research awards last academic year were federally funded, led by the National Institutes of Health and Department of Defense.

A community leader, UToledo contributes \$2.8 billion to the regional economy with an economic impact that accounts for approximately 6.1% of the region's total gross regional product. More than 173,000 alumni are positively impacting their communities across the world, with many staying in the Toledo metropolitan area.

The University is led by Matt Schroeder, who was named interim president effective May 20, 2024. A UToledo alumnus, Schroeder has spent his career serving the institution with experience in leadership roles across the University's finance, administration, and fundraising operations.

In support of its mission to improve the human condition, UToledo has a strategic plan guiding its efforts to ensure student success from recruitment through graduation, deliver relevant and innovative academic programs, set the standard for health education and patient care, distinguish UToledo regionally, nationally and internationally, foster a people-centered culture, and position UToledo for future success through financial and operational effectiveness.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2024**

The University continues to focus on efficiency and cost reduction strategies. The University has reduced administrative expenses over the last several years by managing resources more efficiently; establishing stronger budget and position controls; and implementing automation and re-engineering processes. The University, like others, has been hit with higher costs on supplies and consumables coupled with a challenging labor market trying to recruit and retain talent in all areas of the University. However, the University continues its pursuit of reducing expenses wherever possible while still maintaining critical functions in support of the student experience and its mission.

The UToledo College of Medicine and Life Sciences has an academic affiliation agreement with ProMedica, a locally owned health system in northwest Ohio and southeast Michigan with a network of hospitals, physicians, health care professionals, researchers, and specialty clinics and facilities. The partnership in place through June 30, 2033, continues to provide educational and financial support for the medical school.

Healthcare and the University

The healthcare industry, in which UTMC operates, is subject to strict regulation from several governmental agencies, including those which administer the Medicare and Medicaid programs. Furthermore, federal, state, and local policies developed to regulate the manner in which health care is provided, administered, and paid for nationally and locally has an impact as well. As a result, the health care industry is sensitive to legislative and regulatory changes in such programs and is affected by reductions and limitations in governmental spending for such programs as well as changing health care policies.

UTMC maintains over 300 licensed patient beds. It is a provisional Level II Trauma Center, offering emergency health and trauma services 24 hours a day. UTMC's signature programs have earned many accolades in the community and include Cardiology, Neurology, Orthopedic, Vascular and Cardiothoracic Surgery along with an international Kidney Transplantation program.

During fiscal year 2024, UTMC continued to support the mission of the University "to improve the human condition" by providing patient-centered, university quality care.

While UTMC is well positioned to maintain a viable financial position in the coming years, ongoing constraints on revenue could arise if Congress passes legislation that would impact certain programs, e.g. 340B or reductions in Market Basket updates. Management believes that much of the payment pressure facing UTMC can be offset by strengthening the partnership between the hospital and various physician groups to improve patient volumes, clinical documentation, length of stay, re-admission rates and payment denials. These partnerships are critical and will enhance not only the financial performance, but also the care provided to the communities that the hospital serves.

UTMC is placing considerable focus on productivity and cost reduction and will effectively manage expenses as reimbursements come under pressure. An essential part of reducing unnecessary treatment and costs is length of stay reductions. UTMC administration and the Hospitalists who manage a large part of the inpatient population have teamed up to manage inpatient stays; promoting the optimal utilization of resources and pursuing quality outcomes. In addition, the hospital has, or will be initiating several new programs, e.g. Adult Behavioral Health, Level II Trauma, Women's Health Center, Deep Brain Stimulation, Robotic Bronchoscopies, etc. to improve the financial position of the hospital and better serve the community.

THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2024

UTMC administration is exploring opportunities to purchase land and build/lease facilities that will take the healthcare provided on-campus out into the communities. This "hub and spoke" approach will extend the reach of the hospital beyond its current campus, improving market share and better serving outlying communities. In addition, the hospital has purchased a Mobile Health Unit that was put into service during fiscal year 2024 as yet another means of expanding its off-campus reach.

Labor shortages and wage pressures have impacted UTMC, as they have most other healthcare providers. In response to these challenges, UTMC management has worked with union representatives to provide needed wage adjustments to critical positions to aid in attracting and retaining staff.

In summary, while facing the challenges of an ever-changing healthcare environment, UTMC has aggressively moved forward to improve operational performance in the areas of productivity, billing, labor management and overall patient care. In addition, it has taken steps to expanded current service lines and establish new programs to improve the financial position of the hospital and provide the community with the services and quality of care that UTMC has long been known to deliver.

Contacting Financial Management

This financial report is designed to provide our bondholders, customers, community members, and other interested parties with a general overview of the University of Toledo's finances and to demonstrate the University's accountability for the funds it receives.

If you have questions about this report or need additional information, contact the Finance and Administration department, at University Hall 3700, 2801 W. Bancroft St., Toledo, Ohio 43606-3390.

THE UNIVERSITY OF TOLEDO
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

	<u>University</u>		<u>UT Foundation</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 115,608	\$ 95,244	\$ 2,806	\$ 2,634
Accounts receivable, net	135,965	119,510	1,851	1,191
Contributions receivable, net	-	-	3,494	4,911
Inventories	11,129	11,171	-	-
Notes receivable, net	179	869	-	-
Other	5,461	5,113	452	512
Total current assets	268,342	231,907	8,603	9,248
Noncurrent assets:				
Restricted cash	469	2,096	-	-
Endowment and loan investments	67,656	63,265	-	-
Notes receivable, net	560	716	-	-
Right of use lease receivable	2,231	2,258	-	-
Long-term investments	322,561	308,622	712,265	648,926
Investments held by insurance captive	13,562	6,785	-	-
Contributions receivable, net	-	-	5,289	5,127
Capital assets, net	466,062	495,488	46,324	42,482
Rocket Innovations	2,021	2,021	-	-
Charitable remainder trusts and annuity contracts	-	-	4,976	4,800
Cash surrender value of life insurance policies	-	-	1,435	1,349
Net pension asset	4,423	3,623	-	-
Net OPEB asset	23,630	18,535	-	-
Other	2,778	2,106	-	-
Total noncurrent assets	905,953	905,515	770,289	702,684
Total assets	\$ 1,174,295	\$ 1,137,422	\$ 778,892	\$ 711,932
Deferred outflows:				
Deferred outflow of resources - OPEB	\$ 11,175	\$ 24,019	\$ -	\$ -
Deferred outflow of resources - pension	114,993	175,287	-	-
Deferred outflow of resources - refunding	7,474	8,709	-	-
Total deferred outflows	\$ 133,642	\$ 208,015	\$ -	\$ -

See accompanying Notes to the Financial Statements.

THE UNIVERSITY OF TOLEDO
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

	<u>University</u>		<u>UT Foundation</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 46,639	\$ 53,920	\$ 2,883	\$ 2,774
Accrued liabilities	53,457	45,772	448	415
Unearned revenue	34,387	33,486	74	62
Short-term loans	24,233	-	-	-
Compensated absences - current portion	26,348	26,709	-	-
Long-term liabilities - current portion	35,095	31,509	389	371
Total current liabilities	220,159	191,396	3,794	3,622
Noncurrent liabilities:				
Compensated absences	8,042	7,636	-	-
Long-term liabilities	222,007	240,390	13,697	14,074
Right of use lease liability	21,462	25,341	-	-
Refundable federal student loans	528	3,398	-	-
Insurance captive reserve for losses	11,371	10,161	-	-
Net OPEB liability	-	7,621	-	-
Net pension liability	454,591	514,851	-	-
Funds held for affiliates	-	-	339,477	306,915
Total noncurrent liabilities	718,001	809,398	353,174	320,989
Total liabilities	\$ 938,160	\$ 1,000,794	\$ 356,968	\$ 324,611
Deferred inflows:				
Deferred inflow of resources - OPEB	\$ 19,378	\$ 20,831	\$ -	\$ -
Deferred inflow of resources - pension	30,380	28,980	-	-
Deferred inflow of resources - other	59,800	57,810	-	-
Total deferred inflows	\$ 109,558	\$ 107,621	\$ -	\$ -
NET POSITION				
Net investment in capital assets	\$ 204,010	\$ 214,411	\$ 34,569	\$ 33,685
Restricted for:				
Nonexpendable	40,861	34,966	156,416	156,416
Expendable	121,817	90,449	198,918	169,426
Unrestricted	(106,469)	(102,804)	32,021	27,794
Total net position	\$ 260,219	\$ 237,022	\$ 421,924	\$ 387,321

See accompanying Notes to the Financial Statements.

THE UNIVERSITY OF TOLEDO
STATEMENTS OF REVENUES, EXPENSES, AND OTHER
CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

	<u>University</u>		<u>UT Foundation</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
REVENUES				
Operating revenues:				
Hospital patient service revenue, net of bad debt of \$6,492 and \$7,709 respectively	\$ 416,650	\$ 377,609	\$ -	\$ -
Student tuition and fees, net of student aid of \$59,267 and \$58,237 respectively	173,174	178,962	-	-
Federal grants and contracts	50,952	47,605	-	-
State grants and contracts	3,474	3,004	-	-
Local grants and contracts	616	441	-	-
Private grants and contracts	21,908	10,765	-	-
Sales and services	3,208	3,555	-	-
Auxiliary Enterprises, net of student aid of \$3,001 and \$2,739 respectively	45,123	46,234	-	-
Other patient services revenue	72,538	75,944	-	-
Contributions and support	-	-	16,466	13,001
Residency reimbursement	21,063	22,189	-	-
Academic Affiliation Investment	30,000	36,086	-	-
Other	49,930	62,035	10,412	7,990
Total operating revenues	888,636	864,429	26,878	20,991
EXPENSES				
Operating expenses:				
Salaries and wages	477,997	468,146	-	-
Benefits	141,892	138,945	-	-
Supplies	195,951	182,019	-	-
Travel and entertainment	12,888	13,099	-	-
Information and communication	23,251	30,307	-	-
Occupancy	27,038	31,076	-	-
Scholarship	22,388	23,684	-	-
Outside purchased services	85,530	92,249	-	-
Provision for doubtful accounts	1,553	1,411	-	-
Support to University	-	-	17,880	18,108
Fundraising and development	-	-	5,594	5,640
Management	-	-	7,674	5,723
Depreciation	60,283	62,135	1,148	1,122
Other	5,690	382	2,963	2,959
Total operating expenses	1,054,461	1,043,453	35,259	33,552
Operating loss	\$ (165,825)	\$ (179,024)	\$ (8,381)	\$ (12,561)

See accompanying Notes to the Financial Statements.

THE UNIVERSITY OF TOLEDO
STATEMENTS OF REVENUES, EXPENSES, AND OTHER
CHANGES IN NET POSITION (CONTINUED)
YEARS ENDED JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

	<u>University</u>		<u>UT Foundation</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Operating loss	\$ (165,825)	\$ (179,024)	\$ (8,381)	\$ (12,561)
NONOPERATING REVENUES (EXPENSES)				
State share of instruction	109,902	111,082	-	-
Loss after state share of instruction	(55,923)	(67,942)	(8,381)	(12,561)
Federal grants and contracts	19,560	24,233	-	-
State grants and contracts	13,522	10,832	-	-
Gifts	6,241	6,250	-	-
Investment income	41,421	21,621	38,924	23,692
Interest on debt	(12,315)	(13,493)	-	-
Asset disposal	309	(4,135)	-	-
Other	126	404	2,759	2,240
Total nonoperating revenues	<u>68,864</u>	<u>45,712</u>	<u>41,683</u>	<u>25,932</u>
Income (loss) before other changes	12,941	(22,230)	33,302	13,371
Other changes				
Capital appropriations	9,579	13,322	-	-
Capital grants, gifts, and contracts	677	1,074	-	-
Capital transfer	-	-	1,301	-
Total other changes	<u>10,256</u>	<u>14,396</u>	<u>1,301</u>	<u>-</u>
Increase (Decrease) in net position	23,197	(7,834)	34,603	13,371
NET POSITION				
Net position at beginning of year	<u>237,022</u>	<u>244,856</u>	<u>387,321</u>	<u>373,950</u>
Net position at end of year	<u>\$ 260,219</u>	<u>\$ 237,022</u>	<u>\$ 421,924</u>	<u>\$ 387,321</u>

See accompanying Notes to the Financial Statements.

THE UNIVERSITY OF TOLEDO
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Tuition and fees	\$ 172,040	\$ 180,171
Grants and contracts	76,187	65,978
Patient revenues	496,389	461,528
Payments to suppliers and outside purchased services	(408,124)	(401,835)
Payments to employees	(620,700)	(618,680)
Auxiliary Enterprise charges	44,537	45,514
Student direct lending receipts	99,086	104,465
Student direct lending disbursements	(99,074)	(104,247)
Other	114,804	124,445
Net cash used in operating activities	(121,126)	(142,661)
Cash flows from non-capital financing activities		
State share of instruction	109,902	111,082
Student loan repayments, net of loans issued	(124)	862
Return of Perkins capital to Federal government	(738)	(1,105)
Issuance of line of credit and short-term advances	76,665	37,210
Payments on line of credit	(47,637)	(33,005)
Gifts, grants, and contracts	39,324	41,315
Net cash provided by non-capital financing activities	177,392	156,359
Cash flows from capital and related financing activities		
Purchases of capital assets	(25,408)	(36,660)
Principal paid on capital debt	(25,421)	(51,640)
Capital appropriations	9,579	13,322
Payment on refunded bonds	(84,730)	
Proceeds from debt issuance	84,730	24,045
Capital grants and gifts	2,487	3,627
Interest paid on capital debt	(11,954)	(13,544)
Net cash used in capital and related financing activities	(50,717)	(60,850)
Cash flows from investing activities		
Proceeds from sales of investments	6,173	25,570
Purchases of investments	(6,931)	(27,500)
Investment income	5,946	7,759
Net cash provided by investing activities	\$ 13,188	\$ 5,829

See accompanying Notes to the Financial Statements.

THE UNIVERSITY OF TOLEDO
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

	<u>2024</u>	<u>2023</u>
Net increase (decrease) in cash	\$ 18,737	\$ (41,323)
Cash and cash equivalents - beginning of year	97,340	138,663
Cash and cash equivalents - end of year	<u>\$ 116,077</u>	<u>\$ 97,340</u>
	<u>2024</u>	<u>2023</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (165,825)	\$ (179,024)
Adjustments to reconcile operating loss to		
Net cash used in operating activities:		
Depreciation	60,283	62,135
Provision for patient bad debt	1,553	1,411
(Increase) decrease in assets:		
Accounts receivable, net	(16,455)	3,639
Inventories	42	(734)
Other current assets	(348)	2,658
Increase (decrease) in liabilities:		
Accounts payable, accrued liabilities and other	(1,840)	(23,803)
Deferred revenue	901	(6,364)
Compensated absences	45	(67)
Medical profession liability accrual	1,210	377
Net pension liability and pension deferrals	(692)	(2,889)
Net cash used in operating activities	<u>\$ (121,126)</u>	<u>\$ (142,661)</u>
Supplemental disclosure of noncash activities		
Capital Assets Included in Payables	<u>\$ 2,784</u>	<u>\$ 7,063</u>
Capital Assets Acquired by New Subscription Agreements	<u>\$ 5,636</u>	<u>\$ 6,190</u>

See accompanying Notes to the Financial Statements.

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 1 ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The University of Toledo (the University) is a leading research institution in the state of Ohio with over 14,000 students, almost 1,300 instructional faculty and 3,800+ staff members. The University is comprised of thirteen colleges: Arts and Letters, Business and Innovation, Education, Engineering, Graduate Studies, Health and Human Services, Honors, Law, Medicine and Life Sciences, Natural Sciences and Mathematics, Nursing, Pharmacy and Pharmaceutical Sciences, and University College. The University offers more than 300 undergraduate, graduate and professional programs leading to degrees in over 60 instructional departments. The University operates The University of Toledo Medical Center (UTMC), which includes 319 registered beds and, during the most recent fiscal year, provided services to 8,179 admitted patients, 202,791 outpatient clinic patients, and 29,431 emergency visit patients. In addition, UTMC performed 7,802 surgical cases and, on average, cared for nearly 700 patients per day in both an inpatient and outpatient setting. UTMC specializes in kidney transplantation, cardiology, behavioral health, family medicine, orthopedic surgery and cancer treatment.

Organization

The University of Toledo was founded in 1872 and is a component unit of the state of Ohio and discretely presented in the state's Annual Comprehensive Financial Report. The University is classified as a state instrumentality under Internal Revenue Code Section 115 and is therefore, exempt from federal income taxes. Certain activities of the University may be subject to taxation as unrelated business income under Internal Revenue Code Sections 511 through 514.

The Board of Trustees (BOT) governs the University and is responsible for oversight of academic programs, budgets, general administration and employment of faculty and staff. The Governor, with the advice and consent of the State Senate, appoints the BOT members for staggered nine-year terms. Three national and two student trustees, all nonvoting members, also serve on the Board and are appointed for two-year terms.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). In accordance with GASB Statement No. 35 – *Basic Financial Statements and Management Discussion and Analysis for Public Colleges and Universities*, an amendment of GASB Statement No. 34, the University presents management's discussion and analysis; statements of net position; statements of revenue, expenses, and changes in net position; statements of cash flows; and notes to financial statements.

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 1 ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Nonexchange transactions, in which the University receives value without directly giving equal value in return, include: federal, state, and local grants; state appropriations; and other contributions. On an accrual basis, revenue from grants, state appropriations, and other contributions is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the University must provide local resources to be used for a specific purpose, and expense requirements, in which the resources are provided to the University on a reimbursement basis.

The financial statements have been prepared in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended. This standard requires examination of significant operational or financial relationships with the University and establishes criteria for identifying and presenting component units of the organization. Based on this examination and application of these criteria, the University has identified three component units: The University of Toledo Foundation, The University of Toledo Physicians, Clinical Faculty, Inc. (UTP-CF), and Rocket Innovations as described in the following paragraphs.

Component Units of the Organization

The University of Toledo Foundation

The Foundation is a legally separate, tax-exempt entity that acts primarily as a fundraising organization to supplement the resources available to the University in support of its programs. The Foundation transferred approximately \$17,880 and \$18,108 during fiscal years 2024 and 2023, respectively, to the University for both restricted and unrestricted purposes in support of its programs. Certain marketable investments of the University are pooled with marketable investments of the Foundation. The Foundation manages these funds and charges the University a management fee equal to 1.25% of the fair market value of the University's share of the pooled investments.

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 1 ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Component Units of the Organization (Continued)

The University of Toledo Foundation (Continued)

The Foundation is a nonprofit organization that reports under Financial Accounting Standards Board (FASB) standards, including Accounting Standards Codification 958-205. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the University's financial reporting entity for these differences.

In accordance with GASB Statement No. 14, as amended, the Foundation is reflected as a discretely presented component unit in the University's financial statements. A complete copy of the audited financial statements of the Foundation is available at the Foundation offices located near the campus of the University.

The University of Toledo Physicians, Clinical Faculty, Inc.

Effective July 1, 2011, The University became the sole member of the once self-perpetuating board of the University of Toledo Clinical Faculty, Inc. which subsequently changed to UTP-CF. UTP-CF is the sole member of University of Toledo Physicians, LLC (UTP).

UTP-CF is a multi-specialty corporation that employs over 240 physicians in Northwest Ohio and is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. The UTP-CF provides physician services at The University of Toledo Medical Center and other local facilities in the following areas: anesthesiology, medicine, neurology, obstetrics, orthopedics, pathology, pediatrics, psychiatry, radiology, radiation oncology, rehabilitation, surgery, urology, family medicine, and emergency medicine. UTP-CF also provides administrative support, billing and collection services for physician services at UTM. Total Operating Revenues for UTP-CF, net of provision for doubtful accounts, were \$113,205 and \$115,375 for the fiscal years ended June 30, 2024 and 2023, respectively.

UTP-CF uses enterprise fund accounting. Revenues and expenses are recognized on an accrual basis, using the economic resources measurement focus based on GASB Codification Topic 1600, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended.

The UTP-CF financial statements include the accounts of UTP-CF, and its wholly owned subsidiaries; University of Toledo Physicians, LLC (UTP), UTP Pathology Services, LLC (PATH), University of Toledo Dentists, Inc., Associates of the Medical College of Ohio, Inc. (University of Toledo Dentists, Inc.), and the University of Toledo Medical Assurance Company, LLC (UTMAC). For presentation purposes, UTP and PATH are presented as blended component units, and University of Toledo Dentists, Inc. are discretely presented.

THE UNIVERSITY OF TOLEDO
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NOTE 1 ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Component Units of the Organization (Continued)

The University of Toledo Physicians, Clinical Faculty, Inc. (Continued)

In accordance with GASB Statement No. 14, as amended, UTP-CF financials are presented in a blended manner, reflected as a part of the University's financials, and are also shown below in condensed format. Separate audited financial statements for UTP-CF are available at the UTP-CF offices located near the campus of the University.

University of Toledo Physicians Clinical Faculty, Inc.

Condensed Statements of Net Position

	2024	2023
ASSETS		
Current assets	\$ 24,987	\$ 28,784
Due from University of Toledo	953	2,739
Capital assets	7,303	8,346
Investments held by insurance captive	33,046	25,045
Noncurrent assets	7,440	8,616
Total assets	73,729	73,530
LIABILITIES		
Current liabilities	36,673	28,069
Due to University of Toledo	10,225	10,051
Noncurrent Liabilities	6,922	8,032
Total liabilities	53,820	46,152
NET POSITION		
Invested in Capital Assets	2,368	4,564
Unrestricted	17,541	22,814
Total net position	\$ 19,909	\$ 27,378

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
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(DOLLARS IN THOUSANDS)

NOTE 1 ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Component Units of the Organization (Continued)

The University of Toledo Physicians, Clinical Faculty, Inc. (Continued)

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2024	2023
OPERATING REVENUES		
Net patient service revenue	\$ 96,930	\$ 96,267
Other Revenues	16,275	19,111
Total operating revenues	113,205	115,378
OPERATING EXPENSES		
Salaries, wages, and benefits	101,370	101,285
Depreciation	2,357	2,121
Other	18,696	20,995
Total operating expenses	122,423	124,401
Operating loss	(9,218)	(9,023)
Total nonoperating revenues	1,749	8
Decrease in net position	(7,469)	(9,015)
Net position - beginning of the year	27,378	36,393
Net position - end of the year	<u>\$ 19,909</u>	<u>\$ 27,378</u>

Condensed Statements of Cash Flows

	2024	2023
Net cash flows from operating activities	\$ 1,530	\$ (2,596)
Net cash flows from financing activities	1,924	400
Net cash flows from investing activities	(4,906)	2,749
Net increase (decrease) in cash	(1,452)	553
Cash and cash equivalents - beginning of year	13,065	12,512
Cash and cash equivalents - end of year	<u>\$ 11,613</u>	<u>\$ 13,065</u>

Rocket Innovations

In February 2009, the University formed a nonprofit corporation called Science, Technology, and Innovation Enterprises, which filed an amendment in December 2014 to change its name to Rocket Innovations (the Corporation). The University is the sole member of the Corporation which has been organized for charitable, educational, and scientific purposes within the scope of Section 501(c)(3) of the Internal Revenue Code. The Corporation supports the University through investment in public and private economic development projects and promotes the interests of the University.

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
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(DOLLARS IN THOUSANDS)

NOTE 1 ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Component Units of the Organization (Continued)

Rocket Innovations (Continued)

The Corporation consists of equity investments (common stock, preferred stock, warrant options, and promissory notes) valued at approximately \$2,011 and \$2,043 as of June 30, 2024 and 2023, respectively. Total cash available to help fund future investments for the years ended June 30, 2024 and 2023 was approximately \$220 and \$299, respectively. In accordance with GASB Statement No. 61, the Corporation's financials are presented in a blended manner, reflected as a part of the University's financials, and are also shown below in condensed format as of and for the year ended June 30 of each respective year.

Rocket Innovations

Condensed Statements of Net Position

	2024	2023
ASSETS		
Current assets	\$ 3,700	\$ 3,917
Other assets	2,021	2,021
Total assets	<u>5,721</u>	<u>5,938</u>
LIABILITIES		
Current liabilities	-	15
Total liabilities	<u>-</u>	<u>15</u>
NET POSITION		
Unrestricted	5,721	5,923
Total net position	<u>\$ 5,721</u>	<u>\$ 5,923</u>
Total operating revenue	\$ 1,265	\$ 875
Total operating expenses	<u>1,457</u>	<u>1,091</u>
Operating loss	(192)	(216)
Investment loss	<u>(10)</u>	<u>(439)</u>
Decrease in net position	(202)	(655)
Net position - beginning of the year	5,923	6,578
Net position - end of the year	<u>\$ 5,721</u>	<u>\$ 5,923</u>

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1 ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Component Units of the Organization (Continued)

Rocket Innovations (Continued)

Condensed Statements of Cash Flows

	2024	2023
Net cash flows from operating activities	\$ (184)	\$ (248)
Cash and cash equivalents - beginning of year	3,893	4,141
Cash and cash equivalents - end of year	<u>\$ 3,709</u>	<u>\$ 3,893</u>

Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and demand deposits with banks. Investments with original maturities less than 90 days are considered cash equivalents. Restricted cash consists of cash deposits segregated for the Federal Perkins Loan Program. For purposes of the statements of cash flows, "cash" is defined as the total of cash and cash equivalents and restricted cash.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined on an average cost basis.

Patient Revenue and Accounts Receivable

Patient accounts receivable and revenue are recorded at net realizable value when patient services are performed. The University has agreements with third-party payors that provide for payments to the University at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

- **Medicare and Medicaid:** The University is a provider of services under the Medicare and Medicaid programs. The University is paid a prospectively determined fixed price for each Medicare and Medicaid inpatient. The price varies depending on the type of illness or the patient's diagnostic related group classification. Capital costs, certain Medicare outpatient services, and Medicaid outpatient services are also reimbursed on a prospectively determined fixed price. Graduate medical education is reimbursed on a per diem basis under the Medicare program. The University receives payment for other Medicare outpatient services and certain inpatient costs on a reasonable cost basis.
- **Other Payors:** The University has also entered into payment agreements with certain commercial carriers to provide health care services. Payment to the University under these agreements is based on prospectively determined fixed prices, fee screens, or on a percentage of billed charges.

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
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(DOLLARS IN THOUSANDS)

NOTE 1 ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Patient Revenue and Accounts Receivable (Continued)

Provision is made in the financial statements for the differences between the University's standard rate charged for services rendered and third-party reimbursements and for estimated settlements based on third-party reimbursement contracts. Retroactive settlements resulting from third-party audits of filed cost reports are reflected in the financial statements in the year of settlement. These provisions and settlements are included in deductions from patient service revenue. There is at least a reasonable possibility that recorded estimates will change in the near-term. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The University believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Charity care includes services provided to persons who cannot afford healthcare because of inadequate resources or who are uninsured or underinsured. In addition to charity care, services are provided under Medicaid and other welfare programs. Certain payments received under these programs are less than the cost of providing the service.

A summary of charity and uncompensated care, at cost, is as follows:

	Year Ended 6/30/2024	Year Ended 6/30/2023
Traditional charity care	\$ 2,434	\$ 2,215
Unpaid costs of traditional Medicaid programs	16,175	13,955
Unpaid costs of other welfare programs	1,715	1,741
Total charity and uncompensated care	<u>\$ 20,324</u>	<u>\$ 17,911</u>

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 1 ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Capital Assets

Capital assets are stated at historical cost or their acquisition value at date of donation in the case of gifts. When capital assets are sold or otherwise disposed of, the carrying value of such assets is removed from the asset accounts, along with the related accumulated depreciation. Depreciation has been recorded in accordance with generally accepted accounting principles. The University has a rare book collection and manuscript collection in the library that is not capitalized since it represents historical works of art that are held for exhibition, education, research, and public service. These collections are neither disposed of for financial gain nor encumbered by any means.

Subscription Based Information Technology Arrangements (SBITA)

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

Deferred Outflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and will, therefore, not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources for the University consist of accumulated changes in the fair value of hedging derivative instruments, deferred losses on refunding of debt, and applicable changes to net pension and OPEB liability (see Notes 10,13,14).

Pensions and OPEB

For purposes of measuring the net pension and OPEB (other postemployment benefits) liability, net pension and OPEB asset, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB and pension and OPEB expense, information about the fiduciary net position of the State Teachers Retirement System of Ohio (STRS) and the Ohio Public Employees Retirement System (OPERS) Pension Plan and additions to/deductions from STRS' and OPERS' fiduciary net position have been determined on the same basis as they are reported by STRS and OPERS. STRS and OPERS use the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as an expense when due and payable in accordance with the benefit terms. Investments are reported at fair value.

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 1 ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Unearned Revenue

Summer term tuition and fees, and corresponding expenses relating to various sessions falling in the fiscal year, are recognized in the fiscal year they occur. The portion of sessions falling into the next fiscal year are recorded as unearned revenue and prepaid expenses in the statement of net position and will be recognized in the following year.

Insurance Captive Reserve for Losses

The insurance captive reserve for losses represents a liability for estimated unpaid losses and loss adjustment expenses relating to healthcare professional liability. A provision is also recorded for incurred but not paid amounts related to claim run-out provisions on the medical stop-loss coverage.

Note Payable to Foundation

As described in Note 9, the University borrowed \$5,798 from the pooled investment portfolio during the year ended June 30, 2017 to fund various capital projects. The balance outstanding as of June 30, 2024 was \$3,653, of which \$1,621 represents the University's share and has therefore, been eliminated in the financial statements. The remaining \$2,032 represents the portion of the loan effectively owed to the Foundation.

In 2024 the board approved funding for a multiple draw term loan to the University for up to \$10 million to be funded by the investment portfolio. As of June 30, 2024, the note receivable owed to the pool is \$1,986, of which \$881 represents the University's share and has therefore, been eliminated in the financial statements. The remaining \$1,105 represents the portion of the loan effectively owed to the Foundation.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will therefore not be recognized as an inflow of resources (revenue) until then. Deferred inflows of resources for the University are attributable to collective changes in the net pension and OPEB liabilities, deferred gains on refunding of debt and lease arrangements where the University is the lessor.

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
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(DOLLARS IN THOUSANDS)

NOTE 1 ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Net Position

Net position is classified into the three following categories:

Net Investment in Capital Assets: Capital assets, net of accumulated depreciation and amortization and outstanding principal balances of debt attributable to the acquisition, construction, or improvement in those assets.

Restricted: Net position subject to externally imposed constraints that they may be maintained permanently by the University, or net position whose use by the University is subject to externally imposed constraints that can be fulfilled by actions of the University pursuant to those constraints or that expire by the passage of time. Restricted net position is classified further as nonexpendable or expendable.

Nonexpendable restricted net position contains externally imposed restrictions that stipulate the resources be maintained permanently. Expendable restricted net position is available for expenditure by the University but must be spent for purposes as determined by donors or external entities that have placed time or purpose restrictions on the use of the assets.

Nonexpendable restricted net position is categorized as shown below. Income from the underlying assets is available to support the activities within these categories.

Nonexpendable restricted net position	2024	2023
Scholarships and fellowships	\$ 10,635	\$ 10,635
University purposes	2,173	2,173
Net Pension and OPEB Assets	28,053	22,158
Total	<u>\$ 40,861</u>	<u>\$ 34,966</u>

Expendable restricted net position is categorized as shown below:

Expendable restricted net position	2024	2023
Capital projects	\$ 24,327	\$ 1,327
Debt service	24,355	22,984
Research	9,840	8,457
Scholarships and fellowships	54,315	50,006
University purposes	8,980	7,675
Total	<u>\$ 121,817</u>	<u>\$ 90,449</u>

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1 ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Net Position (Continued)

Unrestricted: Net position available to the University for any lawful purpose of the institution. Unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties. The University has committed unrestricted net position to provide for identified future needs, such as debt service, contractual obligations, capital outlay, academic programming, and postemployment benefits. In the determination of whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the University's practice to use restricted first.

Compensatory Time

Compensatory time may be given in lieu of overtime pay to classified employees who work in excess of the regular schedule. The liability and expense for future payouts are recorded as earned.

Compensated Absences

University employees earn vacation and sick leave based, in part, on length of service. Vacation pay is fully vested when earned. Upon separation from service, employees are paid accumulated vacation, and some are paid for sick pay based upon the nature of separation (death, retirement, or termination). Certain limitations have been placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at termination, retirement, or death. Unused hours exceeding their limitation are forfeited. The liability and expense incurred are recorded at year-end as long-term and short-term liabilities in the statements of net position, and as a component of operating expenses in the statements of revenues, expenses, and changes in net position.

Grants and Contracts

The University receives grants and contracts from federal, state, and private agencies to fund research and other activities. Grants and contracts generally provide for the recovery of direct and indirect costs. The University recognizes revenues associated with grants and contracts as the related costs are incurred. Indirect cost recovery is recorded as a percentage of direct costs at negotiated fixed rates. Revenues received under grants and contracts are subject to the examination and retroactive adjustments by the awarding agency. Federal funds are subject to an annual audit per regulations in the Office of Management and Budget (OMB) *Uniform Guidance* (2 CFR part 200, subpart F).

THE UNIVERSITY OF TOLEDO
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NOTE 1 ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Operating and Nonoperating Revenue

The University has classified its revenues as either operating or nonoperating according to the following criteria:

Operating Revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances; (2) patient service revenue; (3) sales and services of auxiliary enterprises, net of agency payments; and (4) most federal, state, and local grants and contracts.

Nonoperating Revenues: Nonoperating revenues include activities that have the characteristics of nonexchange transactions that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis*.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on students' behalf. Certain governmental grants, such as Pell grants, and other federal, state, or nongovernmental programs, are recorded as either operating or nonoperating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

State Subsidies

The University receives student-based subsidy and other subsidies from the state. These subsidies are determined biennially and released annually based upon allocations determined by the Ohio General Assembly and the Ohio Department of Higher Education.

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1 ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

State Subsidies (Continued)

In addition to subsidies, the state provides capital appropriations for construction of major plant facilities on the campus. The financing of construction is obtained by the state through issuance of state revenue bonds. State funds are pledged for the repayment of the revenue bonds. In the event these funds are insufficient to retire the revenue bonds, a pledge exists to assess a special student fee to students of state assisted institutions of higher education. As a result of this financing arrangement, the outstanding debt relating to the revenue bonds is not included in the University's statements of net position.

State appropriations are recognized when received. Restricted funds are recognized as revenue only to the extent expended.

Endowments

For donor-restricted endowments, the Uniform Prudent Management of Institutional Funds Act, as adopted by Ohio, permits the University and the Foundation to distribute an amount of realized and unrealized endowment appreciation as the Board of Trustees determines to be prudent. The University's and the Foundation's Board of Trustees established an investment policy for the endowments and quasi endowments with the objectives of protecting principal and maximizing total investment return without assuming extraordinary risks. It is the goal of the University to provide spendable income levels that are reasonably stable and sufficient to meet budgetary requirements and to maintain a spending rate, currently 4.0% of the three-year market average, which ensures a proper balance between the preservation of corpus and enhancement of the purchasing power of investment earnings. As of June 30, 2024 and 2023, net appreciation of \$54,318 and \$50,006, respectively, was available to be spent, of which \$42,432 and \$39,151, respectively, was restricted to specific purposes.

Interest Rate Swap Agreements

The University has entered into various interest rate swap agreements in order to manage and hedge risks associated with interest. In June 2008, the GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, effective for the University's fiscal year 2010. This Statement requires derivative instruments (such as interest rate swap agreements) to be reported at fair value. In addition, for derivative instruments that qualify as effective hedges, changes in fair value will be reported as deferrals in the statement of net position, while changes in the fair value of the derivative instruments that do not qualify as effective hedges including investment derivative instruments, will be reported as nonoperating revenue (expense) as a component of investment income. See Note 10 for relevant disclosures.

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
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NOTE 1 ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

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

Perkins Loan Program Termination

The Federal Perkins Loan Program (Perkins program) was established in 1957 as a campus-based program serving students with financial need who qualified for lower interest loans than traditional Stafford loans issued through banks. Funds for the Perkins program were initially received through Federal Capital Contributions (FCC) from the U.S. Department of Education (DOE) and were supplemented with Institutional Capital Contributions (ICC). The two sources of funding are tracked and shown separately on the annual Fiscal Operations Report and Application to Participate (FISAP) report. Institutions originated loans to their students and are responsible for servicing the loans throughout the repayment term. As a revolving loan program, the dollars collected from former students are used to make new loans to current students.

The U.S. Congress did not renew the Perkins program after September 30, 2017, and consequently no disbursements were permitted after June 30, 2018. The DOE has given institutions the option of assigning existing Perkins loans back to the federal government or continuing to collect on them while returning the FCC as loans are repaid. The University has elected to continue to collect on Perkins loans. Historically, the balance of the Perkins loans was reported in Notes Receivable and Restricted Net Position (Expendable for Student Loans). Due to the impending repayment of the FCC portion as the loans are collected, an accrued liability was established effective June 30, 2019, for the amount of the remaining FCC due to the DOE.

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
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(DOLLARS IN THOUSANDS)

NOTE 2 CASH AND CASH EQUIVALENTS

The carrying amount of the University's cash and cash equivalents for all funds was \$116,077 and \$97,340 as of June 30, 2024 and 2023, respectively, as compared to bank balances of \$122,500 and \$97,463, respectively. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. The University had cash deposits with a single financial institution totaling \$29,360 and \$16,263 as of June 30, 2024 and 2023. \$250 of the cash deposits is insured by the Federal Deposit Insurance Corporation (FDIC) as of June 30, 2024 and 2023. The remaining amounts are collateralized with single financial institution collateral pools at the Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the University, per the Ohio Revised Code 135.181B which requires that the total market value of the securities so pledged is at least equal to 105% of the total amount of all public deposits.

At June 30, 2024 and 2023, UTP-CF had approximately \$1,148 and \$663, respectively, on deposit with financial institutions that exceeded the \$250 Federal Deposit Insurance Corporation (FDIC) limit.

NOTE 3 INVESTMENTS

University investments are categorized by the following: endowment and loan investments, long-term investments, and investments held by insurance captive. Endowment and loan investments include gifted endowment funds of the University held in an investment pool with gifted endowment funds of the Foundation. Long-term investments are considered institutional reserves emphasizing both capital preservation and long-term appreciation. Long-term investments consist of the University's equity in the Foundation's investment pool as well as fixed income instruments. Investments held by insurance captive include short-term and long-term fixed income instruments. The University's investment policy establishes investment objectives, strategies, and measures for evaluation. The policy complies with the state of Ohio regulations provided by legislation.

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 3 INVESTMENTS (CONTINUED)

The University's investment policy authorizes the investment of Board Designated Reserves and endowed funds in the following investments:

- Obligations of the U.S. Treasury and other federal agencies
- Municipal and state bonds
- Certificates of deposit
- Repurchase agreements
- Mutual funds and mutual fund pools
- Money market funds
- Corporate bonds and stocks
- Mortgages and collateralized mortgage obligations
- Alternative investments

The carrying values of investments as of June 30, 2024, exclusive of accrued interest, consisted of the following:

	Endowment and Loan Investments	Long-Term Investments	Investments Held by Insurance Captive	Total
Corporate bonds and notes	\$ -	\$ 60,805	\$ -	\$ 60,805
Equity in internal investment pool	66,510	256,067	-	322,577
Money market	38	-	-	38
Mutual funds - equity	875	-	13,562	14,437
Mutual funds - fixed income	233	-	-	233
U.S. government and agencies	-	5,689	-	5,689
Total investments	<u>\$ 67,656</u>	<u>\$ 322,561</u>	<u>\$ 13,562</u>	<u>\$ 403,779</u>

The carrying values of investments as of June 30, 2023, exclusive of accrued interest, consisted of the following:

	Endowment and Loan Investments	Long-Term Investments	Investments Held by Insurance Captive	Total
Certificates of deposit	\$ -	\$ 504	\$ -	\$ 504
Corporate bonds and notes	-	63,466	1,167	64,633
Corporate stock	-	-	59	59
Equity in internal investment pool	62,233	241,375	-	303,608
Money market	34	-	-	34
Mutual funds - equity	848	-	-	848
Mutual funds - fixed income	150	-	-	150
U.S. government and agencies	-	3,277	5,559	8,836
Total investments	<u>\$ 63,265</u>	<u>\$ 308,622</u>	<u>\$ 6,785</u>	<u>\$ 378,672</u>

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 3 INVESTMENTS (CONTINUED)

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires certain additional disclosures related to the interest rate, credit, foreign currency and custodial risks associated with interest-bearing investments. At the present time, the University does not have formal policies addressing these types of risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair values as a result of future changes in interest rates.

As of June 30, 2024, the University had the following interest-bearing investments and maturities.

Investment Type	Fair Value	Investment Maturity (in Years)			
		< 1	1 - 5	6 - 10	> 10
U.S. government and agencies	\$ 5,689	\$ -	\$ -	\$ -	\$ 5,689
Corporate bonds and notes	60,805	17,907	33,205	6,709	2,984
Mutual funds - fixed income	233	-	13	218	4
Total	\$ 66,727	\$ 17,907	\$ 33,218	\$ 6,927	\$ 8,677

As of June 30, 2023, the University had the following interest-bearing investments and maturities:

Investment Type	Fair Value	Investment Maturity (in Years)			
		< 1	1 - 5	6 - 10	> 10
U.S. government and agencies	\$ 8,836	\$ -	\$ 4,259	\$ 1,300	\$ 3,277
Corporate bonds and notes	64,633	8,812	46,526	7,207	2,088
Mutual funds - fixed income	150	-	13	120	17
Total	\$ 73,619	\$ 8,812	\$ 50,798	\$ 8,627	\$ 5,382

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit quality information – as commonly expressed in terms of the credit ratings issued by the nationally recognized statistical rating organizations (NRSROs) such as Moody's Investors Service, Standard & Poor's, or Fitch Ratings – provides a current depiction of potential variable cash flows and credit risk.

THE UNIVERSITY OF TOLEDO
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NOTE 3 INVESTMENTS (CONTINUED)

Credit Risk (Continued)

The credit ratings of the University's interest-bearing investments as of June 30, 2024 are as follows:

Investment Type	Fair Value	Credit Rating (Moody's)			
		Aaa	Aa	A	Baa and less
U.S. government and agencies	\$ 5,689	\$ 5,689	\$ -	\$ -	\$ -
Corporate bonds and notes	60,805	-	-	25,788	35,017
Mutual funds - fixed income	233	2	13	218	-
Total	\$ 66,727	\$ 5,691	\$ 13	\$ 26,006	\$ 35,017

The credit ratings of the University's interest-bearing investments as of June 30, 2023 are as follows:

Investment Type	Fair Value	Credit Rating (Moody's)			
		Aaa	Aa	A	Baa and less
U.S. government and agencies	\$ 8,836	\$ 8,836	\$ -	\$ -	\$ -
Corporate bonds and notes	64,633	-	75	26,363	38,195
Mutual funds - fixed income	150	-	76	71	3
Total	\$ 73,619	\$ 8,836	\$ 151	\$ 26,434	\$ 38,198

Concentration Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The University's investment policy requires investment pool direct placements to be sufficiently diversified and provides that no more than 7% of its equity holdings and 5% of its fixed income holdings can be invested in any issue. The foregoing restrictions do not apply to securities that are issued or fully guaranteed by the United States government. The University did not have investments in any single issuer that equaled 5% or more in 2024 or 2023.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The University had no foreign equity holdings as of June 30, 2024 and 2023.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The University had no exposure to custodial credit risk for the years ended June 30, 2024 and 2023.

THE UNIVERSITY OF TOLEDO
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NOTE 3 INVESTMENTS (CONTINUED)

The University of Toledo Foundation and Subsidiaries Investments

Certain investments of the University and The University of Toledo Alumni Association (Alumni Association) are pooled with investments of the Foundation. The pooled investments are managed by the Foundation. The following are the Foundation's pooled investments on June 30:

	2024		2023	
	Fair Value	Cost	Fair Value	Cost
Mutual funds, index funds and ETFs - equities	\$ 261,770	\$ 230,287	\$ 276,302	\$ 238,637
Mutual funds and ETFs - fixed income	81,537	91,001	70,460	79,487
Real Estate	9,352	10,436	9,143	10,063
Common stock	37,687	36,533	38,959	33,841
Hedge funds	119,159	63,527	72,569	69,300
Partnerships	152,360	106,791	127,067	83,647
Notes Receivable - Related Party	14,638	14,638	3,653	3,653
U.S. government and agency issues	1,511	7,413	6,105	6,599
Corporate bonds	2,112	2,366	2,497	2,801
Cash equivalents	7,707	7,788	30,176	30,176
Total pooled investments	\$ 687,833	\$ 570,780	\$ 636,931	\$ 558,204

The Foundation had the following sources of unrealized and realized gains and losses related to the pooled investments reported in their statement of activities for the years ended June 30:

	2024	2023
Unrealized gains:		
Ending balance	\$ 65,823	\$ 39,803
Beginning balance	39,803	28,833
Unrealized appreciation/(depreciation)	26,020	10,970
Realized appreciation	5,850	7,299
Total realized and unrealized appreciation/(depreciation)	\$ 31,870	\$ 18,269

THE UNIVERSITY OF TOLEDO
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NOTE 4 FAIR VALUE MEASUREMENTS

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The University's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The University has the following recurring fair value measurements as of June 30, 2024, and 2023:

Assets and Liabilities Measured at Fair Value on a Recurring Basis

	Balance at June 30, 2024	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Corporate bonds and notes	\$ 60,805	\$ -	\$ 60,805	\$ -
Money market	38	38	-	-
Mutual funds - equity	14,437	14,437	-	-
Mutual funds - fixed income	233	233	-	-
U.S. Government and agencies	5,689	5,689	-	-
Total investments by fair value level	\$ 81,202	\$ 20,397	\$ 60,805	\$ -
Investments measured at the net asset value (NAV):				
Equity in internal investment pool	\$ 322,577			
Total investments measured at the NAV	\$ 322,577			
Total investments measured at fair value	\$ 403,779			
Derivative instruments by fair value level:				
Interest rate swap asset	\$ 2,620	\$ -	\$ 2,620	\$ -
Total derivative instruments by fair value level	\$ 2,620	\$ -	\$ 2,620	\$ -

THE UNIVERSITY OF TOLEDO
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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Assets and Liabilities Measured at Fair Value on a Recurring Basis

	Balance at June 30, 2023	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Certificates of deposit	\$ 504	\$ -	\$ 504	\$ -
Corporate bonds and notes	64,633	-	64,633	-
	34	34		
Corporate stock	59	-	59	-
Mutual funds - equity	848	848	-	-
Mutual funds - fixed income	150	150	-	-
U.S. Government and agencies	8,836	8,836	-	-
Total investments by fair value level	\$ 75,064	\$ 9,868	\$ 65,196	\$ -
Investments measured at the net asset value (NAV):				
Equity in internal investment pool	\$ 303,608			
Total investments measured at the NAV	\$ 303,608			
Total investments measured at fair value	\$ 378,672			
Derivative instruments by fair value level:				
Interest rate swap liability	\$ 1,948	\$ -	\$ 1,948	\$ -
Total derivative instruments by fair value level	\$ 1,948	\$ -	\$ 1,948	\$ -

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. The fair value of corporate bonds and issuances of the U.S. government and its agencies was determined primarily based on level 2 inputs. The University estimates the fair value of these investments using other inputs such as interest rates and yield curves that are observable at commonly quoted intervals. The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the following section.

Investments in Entities that Calculate Net Asset Value per Share

The University holds an equity interest in the investment pool of the Foundation. Fair value is measured on a recurring basis using the net asset value per share as a practical expedient. The fair value of the University's equity interest in the investment pool was \$322,577 and \$303,608 as of June 30, 2024 and 2023, respectively.

The primary investment strategy of the investment pool is capital preservation and long-term appreciation through a mix of fixed income instruments and equities.

THE UNIVERSITY OF TOLEDO
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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The University of Toledo Foundation and Subsidiaries Investments

The Foundation uses fair value measurements to define fair value and establish a framework for measuring fair value. The three-level fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Foundation has the ability to access. Fair values determined by Level 2 inputs include quoted prices for similar assets in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset.

In instances whereby inputs used to measure fair value fall into different levels of the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Foundation's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Disclosures concerning assets measured at fair value on a recurring basis for June 30, 2024 are as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2024
Pooled Investments:				
Mutual Funds, Index Funds, and ETFs -				
Equities	\$ 261,770	\$ -	\$ -	\$ 261,770
Mutual Funds and ETFs - Fixed Income	81,537	-	-	81,537
Common Stock	37,687	-	-	37,687
U.S. Government and Agency Issues	-	1,511	-	1,511
Corporate Bonds	-	2,112	-	2,112
Real Estate	-	6,356	-	6,356
Subtotal	<u>380,994</u>	<u>9,979</u>	<u>-</u>	<u>390,973</u>
Hedge Funds - NAV Practical Expedient	-	-	-	119,159
Partnerships - NAV Practical Expedient	-	-	-	152,360
Real Estate - NAV Practical Expedient	-	-	-	2,997
Notes Receivable - Related Party	-	-	-	14,638
Cash Equivalents	-	-	-	6,506
Accrued Interest	-	-	-	1,201
Total Pooled Investments	<u>\$ 380,994</u>	<u>\$ 9,979</u>	<u>\$ -</u>	<u>\$ 687,834</u>

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The University of Toledo Foundation and Subsidiaries Investments (Continued)

Disclosures concerning assets measured at fair value on a recurring basis for June 30, 2023 are as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2023
Pooled Investments:				
Mutual Funds, Index Funds, and ETFs -				
Equities	\$ 276,302	\$ -	\$ -	\$ 276,302
Mutual Funds and ETFs - Fixed Income	70,460	-	-	70,460
Common Stock	38,960	-	-	38,960
U.S. Government and Agency Issues	-	8,430	-	8,430
Corporate Bonds	-	2,497	-	2,497
Real Estate	-	5,946	-	5,946
Subtotal	385,722	16,873	-	402,595
Hedge Funds - NAV Practical Expedient	-	-	-	72,569
Partnerships - NAV Practical Expedient	-	-	-	127,067
Real Estate - NAV Practical Expedient	-	-	-	3,196
Notes Receivable - Related Party	-	-	-	3,653
Cash Equivalents	-	-	-	29,490
Accrued Interest	-	-	-	640
Total Pooled Investments	\$ 385,722	\$ 16,873	\$ -	\$ 639,210

THE UNIVERSITY OF TOLEDO
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NOTE 5 ACCOUNTS AND NOTES RECEIVABLE

The accounts and notes receivable, shown net of allowances for uncollectible accounts at June 30, 2024 and 2023, respectively, are summarized as follows:

	2024	2023
Accounts receivable:		
Tuition and fees	\$ 5,417	\$ 4,514
Patient services	93,751	78,218
Sales and services	12,996	13,773
Auxiliary services	155	42
Grants and contracts	23,646	22,963
Total accounts receivable - net of allowances	135,965	119,510
Notes receivable:		
Current	179	869
Noncurrent	560	716
Total notes receivable - net of allowances	739	1,585
Total accounts and notes receivable - net of allowances	<u>\$ 136,704</u>	<u>\$ 121,095</u>

Accounts receivable is for transactions relating to tuition and fees, patient services, auxiliary enterprise sales, grants and contracts, and miscellaneous sales and services. Accounts receivable are recorded net of contractual allowances and allowances for uncollectible accounts totaling \$19,479 and \$13,556 for fiscal years 2024 and 2023, respectively. Student notes receivable are recorded net of allowance for uncollectible accounts of \$0 and \$760 as of June 30, 2024 and 2023, respectively.

The University of Toledo Foundation – Contributions Receivable

As of June 30, 2024 and 2023, donors to the Foundation have made unconditional promises to give that are measured at fair value. A risk premium has been estimated by management based on uncertainty factors to determine expected future cash flows from unconditional promises to give that are discounted to a net present value based on a risk-free interest rate. Write-offs of uncollectible pledges for the years ended June 30, 2024 and 2023 amounted to \$399 and \$566, respectively.

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NOTE 5 ACCOUNTS AND NOTES RECEIVABLE (CONTINUED)

Contributions receivable as of June 30 are as follows:

	2024	2023
Within one year	\$ 3,957	\$ 5,304
Over one to five years	6,063	5,874
More than five years	306	311
Total	10,326	11,489
Allowance for Uncollectible Contributions	(1,085)	(1,018)
Present value discount	(458)	(433)
Net contributions receivable	\$ 8,783	\$ 10,038
Net due in one year	\$ 3,494	\$ 4,911
Net due in excess of one year	5,289	5,127
Total contributions receivable	\$ 8,783	\$ 10,038

NOTE 6 LEASES RECEIVABLE

The University, acting as lessor, leases certain land and office space under long-term, non-cancelable lease agreements. The leases expire at various dates through 2066 and provide for renewal options ranging from one year to ten years. During the year ended June 30, 2024, the University recognized \$24 and \$102 in lease revenue and interest revenue, respectively, pursuant to these contracts. During the year ended June 30, 2023, the University recognized \$272 and \$199 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Certain leases provide for increases in future minimum annual rental payments based on specific rates or defined increases in the Consumer Price Index.

THE UNIVERSITY OF TOLEDO
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NOTE 6 LEASES RECEIVABLE (CONTINUED)

Total future minimum lease payments to be received under lease agreements are as follows:

	Principal	Interest	Total
2025	\$ 27	\$ 101	\$ 128
2026	37	100	137
2027	38	98	136
2028	40	96	136
2029	42	95	137
2030-2034	142	454	596
2035-2039	223	416	639
2040-2044	334	356	690
2045-2049	479	268	747
2050-2054	665	144	809
2055-2059	81	44	125
2060-2064	102	23	125
2065-2066	48	2	50
TOTALS	<u>\$ 2,258</u>	<u>\$ 2,197</u>	<u>\$ 4,455</u>

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7 CAPITAL ASSETS

Capital assets are recorded at cost or if acquired by gift at their acquisition value as of the date of donation. Capital assets activity for the year ended June 30, 2024, consisted of the following:

	Balance 6/30/2023	Additions	Reallocation/ Reductions	Balance 6/30/2024
Capital assets, not being depreciated or amortized:				
Land and land improvements	\$ 26,073	\$ -	\$ (1,300)	\$ 24,773
Construction in progress	21,640	11,856	(3,009)	30,487
Total capital assets, not being depreciated or amortized	47,713	11,856	(4,309)	55,260
Capital assets, being depreciated or amortized:				
Land improvements	19,532	4,009	(2,983)	20,558
Right of use and SBITA assets	53,217	5,820	(2,969)	56,068
Infrastructure	222,106	169	3,308	225,583
Buildings	1,117,137	-	(6,910)	1,110,227
Equipment	228,472	9,375	(3,065)	234,782
Total capital assets, being depreciated and amortized	1,640,464	19,373	(12,619)	1,647,218
Less accumulated depreciation and amortization:				
Land improvements	16,200	609	21	16,830
Right of use and SBITA assets	20,740	7,459	(1,567)	26,632
Infrastructure	156,712	8,502	(97)	165,117
Buildings	808,685	32,455	(10,600)	830,540
Equipment	190,352	10,056	(3,111)	197,297
Total Accumulated Depreciation and Amortization	1,192,689	59,081	(15,354)	1,236,416
Total capital assets, being depreciated or amortized, net	447,775	(39,708)	2,735	410,802
Capital assets, net	\$ 495,488	\$ (27,852)	\$ (1,574)	\$ 466,062

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NOTE 7 CAPITAL ASSETS (CONTINUED)

Capital assets activity for the year ended June 30, 2023, consisted of the following:

	Balance 6/30/2022 Restated	Additions	Reallocation/ Reductions	Balance 6/30/2023
Capital assets, not being depreciated or amortized:				
Land and land improvements	\$ 26,326	\$ -	\$ (253)	\$ 26,073
Construction in progress	51,732	13,169	(43,261)	21,640
Total capital assets, not being depreciated or amortized	78,058	13,169	(43,514)	47,713
Capital assets, being depreciated or amortized:				
Land improvements	17,781	1,886	(135)	19,532
Right of use and SBITA assets	46,337	6,880	-	53,217
Infrastructure	185,800	3,779	32,527	222,106
Buildings	1,128,743	-	(11,606)	1,117,137
Equipment	207,422	21,931	(881)	228,472
Total capital assets, being depreciated and amortized	1,586,083	34,476	19,905	1,640,464
Less accumulated depreciation and amortization:				
Land improvements	15,482	865	(147)	16,200
Right of use and SBITA assets	8,431	12,309	-	20,740
Infrastructure	151,948	7,356	(2,592)	156,712
Buildings	788,903	34,637	(14,855)	808,685
Equipment	183,750	12,703	(6,101)	190,352
Total Accumulated Depreciation and Amortization	1,148,514	67,870	(23,695)	1,192,689
Total capital assets, being depreciated or amortized, net	437,569	(33,394)	43,600	447,775
Capital assets, net	\$ 515,627	\$ (20,225)	\$ 86	\$ 495,488

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NOTE 7 CAPITAL ASSETS (CONTINUED)

Assets are classified as either for Academic or Hospital use. Academic assets are capitalized at a cost of \$50 or greater with the exception of equipment and computer software, which are capitalized at a cost of \$5 or greater. Academic asset depreciation and amortization on capital leases are recognized on a straight-line basis over the estimated useful life of the asset, as follows:

Classification	Life
Infrastructure	10 to 25 years
Buildings	40 years
Building additions	10 to 40 years
Equipment	5 - 10 years

Hospital assets are capitalized with a cost of \$5 or greater for equipment, buildings, and building additions based on increase of capacity, life, or operating efficiency of a capital asset. Hospital asset depreciation and amortization on capital leases are recognized on a straight-line basis over the estimated useful life of the asset, as follows:

Classification	Life
Infrastructure	2 to 40 years
Buildings	5 to 40 years
Building additions	5 to 40 years
Equipment	3 to 20 years

NOTE 8 PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS

Effective October 1, 2021, the University entered into an agreement with ParkUToledo to operate, manage and maintain the University's parking system, including collecting parking fees and issuing tickets for parking violations. The objectives of entering into this agreement were to leverage the parking assets to generate cash resources and to provide parking services in a more efficient and cost-effective manner. The term of the agreement is 35 years and the University received an upfront payment of \$52.5 million with the potential for future annual payments contingent on the balance in ParkUToledo's surplus fund.

In addition to operating and maintaining the parking system, ParkUToledo is responsible for making all capital improvements required to be completed during the term of the agreement. At the end of the agreement, ParkUToledo will surrender and deliver to the University all of its rights, title and interest in the parking system, including all improvements.

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NOTE 8 PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS (CONTINUED)

As part of the agreement, the University committed to demolition of the two existing parking garages and construction of surface lots to take their place. In addition, the University is responsible for electricity, snow removal and waste disposal related to the parking system for the term of the agreement. Also, in the event there is insufficient funding available for debt service payments, the University has agreed to provide a maximum of \$5 million in the aggregate over the term of the agreement.

In accordance with the requirements of GASB Statement No. 94, *Public-Private and Public-Public Partnerships*, the University recorded a deferred inflow of resources, which will be amortized to revenue over the life of the agreement. The balance of the deferred inflow of resources as of June 30, 2024 and 2023, is \$53,412 and \$52,213, respectively, which reflects revenue of \$1,582 and \$1,500, respectively, recognized during the fiscal years as well as ParkUToledo's investment of \$2,782 in parking lot improvements. The parking assets continue to be reported in the University's financial statements, including depreciation as applicable.

NOTE 9 DEBT

On July 13, 2023, the University issued \$82,590 in General Receipts Bonds, series 2023B through private placement. Proceeds from the bonds were used to redeem the Series 2013B bonds in the amount of \$66,980 and the Series 2013D bonds in the amount of \$15,610. The Series 2023B bonds bear interest at variable rates with a final maturity of June 1, 2036, and subject to a mandatory tender on June 1, 2028.

The outstanding Series 2013B bonds were redeemed through a current refunding during the year ended June 30, 2024, and accordingly, are not reflected in the accompanying financial statements as of June 30, 2024.

The outstanding Series 2013D bonds were redeemed through a refunding during the year ended June 30, 2024, and accordingly, are not reflected in the accompanying financial statements as of June 30, 2024.

On May 1, 2023, the University issued \$24,045 in General Receipts Bonds, Series 2023A through a direct placement with PNC Bank. Proceeds from the bonds were used to current refund the General Receipts Bonds Series 2013C totaling \$23,895 and to pay cost of issuance. The refunded bonds were called for redemption on June 1, 2023 at par plus accrued interest. The Series 2023A bonds bear interest at a fixed rate of 2.831%, and the net present value savings of the refunded bonds was \$2,123.

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NOTE 9 DEBT (CONTINUED)

On May 1, 2018, the University issued \$28,320 in General Receipts Bonds, Series 2018B. Proceeds from the Bonds were used to advance refund and defease the General Receipts Bonds Series 2010 totaling \$26,660 and to pay cost of issuance. The refunded bonds maturing June 1 of the years 2018 to 2020, inclusive, were paid on their respective due dates from the escrow fund. The refunded bonds maturing June 1, 2021, were called for redemption on June 1, 2020, at par plus accrued interest. The Series 2018B bonds bear interest at a fixed rate of 4.26%, and the net present value loss on the refunded bonds was \$7,885.

On May 1, 2018, the University issued \$9,175 in General Receipts Bonds, Series 2018A. Proceeds from the Bonds were used to advance refund and defease the remaining General Receipts Bonds Series 2008A totaling \$10,035 and to pay cost of issuance. The refunded bonds were called for redemption on June 1, 2018, at par plus accrued interest. The Series 2018A Bonds bear interest at a fixed rate of 5%, and the net present value savings of the refunded bonds was \$797.

On December 28, 2017, the University issued \$35,655 in General Receipts Bonds, Series 2017B. Proceeds from the Bonds were used to advance refund and defease the portion of the General Receipts Bonds Series 2011B maturing on June 1 of the years 2022 to 2031, inclusive, totaling \$38,385 and to pay cost of issuance. The refunded bonds will be called for redemption on June 1, 2021 at par plus accrued interest. The Series 2017B Bonds bear interest at a fixed rate of 5%, and the net present value savings of the refunded Bonds was \$3,024.

On March 28, 2017, the University issued \$72,820 in General Receipts Premium Bonds, Series 2017A. Proceeds from the Bonds, together with available funds, were used to refund \$32,140 General Receipt Bonds Series 2007A, advance refund \$11,060 General Receipt Bonds Series 2008A, fund \$30,000 in capital projects to the University's Main Campus, and to pay cost of issuance. Capital improvements include the renovation of Parks Tower, improvements to various campus facilities, and electrical, lighting and HVAC upgrades. The Bonds have an average coupon of 4.39%, and the net present value savings of the refunded Bonds of \$3,311.

On June 27, 2013, the University issued \$34,180 in General Receipts Bonds, Series 2013C. Proceeds of the Series 2013C were used to advance refund General Receipts Bonds, Series 2009B, Build America Bonds at par due to a reduction in the federal subsidy and to pay cost of issuance of the Series 2013C Bonds. The Series 2013C Bonds bear a fixed rate of interest with an average yield of 4.03% and a final maturity of June 1, 2031. The outstanding Series 2013C bonds were redeemed through a current refunding during the year ended June 30, 2023, and accordingly, are not reflected in the accompanying financial statements as of June 30, 2023.

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NOTE 9 DEBT (CONTINUED)

On June 7, 2013, the University issued \$10,125 in General Receipts Bonds, Series 2013A through a direct placement with Capital One Public Funding, LLC. Proceeds of the Series 2013A were used to defease and advance refund the \$9,635 outstanding General Receipts Bonds, Series 2004 and to pay the cost of issuance of the Series 2013A Bonds. The University recognized cash flow savings of \$904 and an economic gain of \$790 from the advance refunding of Series 2004. Series 2013A bears interest at 1.99% with a final maturity of June 1, 2025. The Bonds have mandatory tender date June 1, 2023.

On November 3, 2011, the University issued \$47,640 in General Receipts Bonds, Series 2011B. Proceeds of the Series 2011B Bonds were, together with other available funds, to pay the cost of various improvements on the University's Health Science Campus, including reconstruction of existing facilities to house a comprehensive cancer center; expansions, renovations and improvements to the University of Toledo Medical Center, including reconstruction and renovation of patient rooms and operating rooms; renovations and improvements to Dowling Hall building for outpatient office space and clinical space; acquisition and installation of hardware and software for electronic medical records system; acquisition of medical equipment; and acquisition and installation of various other facility improvements. Additional proceeds of the Series 2011B Bonds were used to pay the costs related to the issuance of the Series 2011B Bonds. The Series 2011B Bonds bear a fixed rate of interest with an average yield of 4.41%.

On April 26, 2007, the University issued \$49,900 in General Receipts Bonds, Series 2007B, to finance the rehabilitation and improvement of a facility to provide classrooms for undergraduates; the rehabilitation and improvement of the main library; and improvements to athletic facilities. Series 2007B bears interest based on the Auction Period Rate for each 35-day auction period. During fiscal year 2010, the University made two public tender offers for the 2007B Series Bonds. The University also tendered and repurchased 2007B Series Bonds in fiscal year 2013 from proceeds of the Series 2013D Bond issuance. Bonds repurchased and subsequently cancelled under these tender offers have been credited against the mandatory redemption schedule of the Series 2007B Bonds. The next scheduled principal redemption date on the series 2007B Bonds is currently June 1, 2036.

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NOTE 9 DEBT (CONTINUED)

The principal and interest payments of all the General Receipts Bonds are collateralized by the pledge of the general receipts of the University. The bond indentures have various covenants relating to reporting with which the University management believes they have complied.

UTP-CF had two lines of credit available through Signature Bank that were paid off and closed during the year ended June 30, 2024. As of June 30, 2024 and 2023 the line had outstanding borrowings of \$0 and \$4,205.

During the year ended June 30, 2024, UTP-CF opened a line of credit with Huntington Bank with maximum borrowings of \$5,000 and a variable rate of interest at SOFR plus 2.00%. There was no outstanding balance as of June 30, 2024.

During the year ended June 30, 2024, UTP-CF obtained two lines of credit from the Foundation. The first originated in September 2023 with maximum borrowings of \$5,000 and interest at SOFR plus 1.25%. The second originated in April 2024 with maximum borrowings of \$7,500 and interest at SOFR plus 1.25%. The total outstanding on these lines of credit was \$9,000 as of June 30, 2024.

The estimated cost to complete construction in progress at June 30, 2024, is \$3,751.

As part of the Epic EMR project, the University entered into an agreement with Epic to finance the cost of the license and implementation over a period of five years. The future payments required by the agreement are as follows:

	Principal	Interest	Total
2025	\$ 2,604	\$ 42	\$ 2,646
2026	976	6	982
TOTALS	<u>\$ 3,580</u>	<u>\$ 48</u>	<u>\$ 3,628</u>

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 9 DEBT (CONTINUED)

Long-term liabilities activity for the year ended June 30, 2024, consisted of the following:

Description	Due Dates	Interest Rate	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Current
General Receipts Series 2013A, private placement bonds Refund Series 2004	2014-2025	1.99%	\$ 1,855	\$ -	\$ 920	\$ 935	\$ 935
General Receipts Series 2013B, private placement bonds Refund Series 2011A	2015-2032	Variable	66,980	-	66,980	-	-
General Receipts Series 2013D, private placement bonds Refund partial Series 2007B and all of Series 2005	2031-2036	Variable	15,610	-	15,610	-	-
General Receipts Series 2023A, private placement bonds Refund Series 2013C	2024-2031	2.83%	24,045	-	2,715	21,330	2,795
General Receipts Series 2023B, private placement bonds Refund Series 2013B and Series 2013D	2024-2036	Variable	-	82,590	1,910	80,680	1,960
Total private placement bonds			108,490	82,590	88,135	102,945	5,690
General Receipts Series 2007B, term bonds: Renovations for athletic, classrooms, and library	2031-2036	Variable	1,325	-	-	1,325	-
General Receipts Series 2017A, serial bonds Refund partial Series 2008A and all of Series 2007A	2019-2047	3.625% to 5.0%	58,260	-	3,495	54,765	3,660
General Receipts Series 2017B, serial bonds Refund Series 2011B maturities 2022-2031	2022-2031	5.00%	29,845	-	3,125	26,720	3,285
General Receipts Series 2018A, serial bonds Refund remaining Series 2008A	2019-2027	5.00%	4,595	-	1,165	3,430	1,100
General Receipts Series 2018B, serial bonds Refund partial Series 2008A and all of Series 2007A	2033-2044	4.26%	28,320	-	-	28,320	-
Total serial bonds			122,345	-	7,785	114,560	8,045
Unamortized bond premium			9,725	-	1,256	8,469	830
Unamortized bond discount			(428)	-	(75)	(353)	(75)
Interest rate swap contract (see Note 10)			8,842	-	1,356	7,486	1,009
UTP-CF line of credit			4,205	9,000	4,205	9,000	9,000
Loan payable-Epic			7,520	541	4,481	3,580	2,604
Financing obligations			1,098	-	812	286	-
Note payable-UT Foundation			2,013	1,210	86	3,137	-
Total other long-term debt			32,975	10,751	12,121	31,605	13,368
Total long-term debt			263,810	93,341	108,041	249,110	27,103
Less current portion						27,103	
Long-term liabilities						<u>\$ 222,007</u>	

Description	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Compensated absences	\$ 34,345	\$ 18,220	\$ 18,175	\$ 34,390	\$ 26,348
Long-term liabilities	263,810	93,341	108,041	249,110	27,103
Right of use lease liability	33,430	5,636	9,612	29,454	7,992
Refundable federal student loans	3,398	-	2,870	528	
Insurance captive reserve for losses	10,161	2,101	891	11,371	
Net OPEB liability	7,621	-	7,621	-	
Net pension liability	514,851	9,606	69,866	454,591	
Total noncurrent liabilities	867,616	128,904	217,076	779,444	61,443
Less current portion				61,443	
Noncurrent liabilities				<u>\$ 718,001</u>	

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 9 DEBT (CONTINUED)

Long-term liabilities activity for the year ended June 30, 2023, consisted of the following:

Description	Due Dates	Interest Rate	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023	Current
General Receipts Series 2013A, private placement bonds Refund Series 2004	2014-2025	1.99%	\$ 2,755	\$ -	\$ 900	\$ 1,855	\$ 920
General Receipts Series 2013B, private placement bonds Refund Series 2011A	2015-2032	Variable	68,665	-	1,685	66,980	1,910
General Receipts Series 2013D, private placement bonds Refund partial Series 2007B and all of Series 2005	2031-2036	Variable	15,610	-	-	15,610	-
General Receipts Series 2023A, private placement bonds Refund Series 2013C	2024-2031	2.83%	-	24,045	-	24,045	2,715
Total private placement bonds			87,030	24,045	2,585	108,490	5,545
General Receipts Series 2007B, term bonds:	2031-2036	Variable	1,325	-	-	1,325	-
General Receipts Series 2013C, serial bonds Refund Series 2009B	2019-2031	5.00%	26,295	-	26,295	-	-
General Receipts Series 2017A, serial bonds Refund partial Series 2008A and all of Series 2007A	2019-2047	3.625% to 5.0%	61,675	-	3,415	58,260	3,495
General Receipts Series 2017B, serial bonds Refund Series 2011B maturities 2022-2031	2022-2031	5.00%	32,820	-	2,975	29,845	3,125
General Receipts Series 2018A, serial bonds Refund remaining Series 2008A	2019-2027	5.00%	5,775	-	1,180	4,595	1,165
General Receipts Series 2018B, serial bonds Refund partial Series 2008A and all of Series 2007A	2033-2044	4.26%	28,320	-	-	28,320	-
Total serial bonds			156,210	-	33,865	122,345	7,785
Unamortized bond premium			12,319	-	2,594	9,725	863
Unamortized bond discount			(503)	-	(75)	(428)	(75)
Interest rate swap contract (see Note 8)			9,509	-	667	8,842	667
UTP-CF Line of Credit			-	4,205	-	4,205	4,205
Loan payable-Epic			15,334	-	7,814	7,520	4,430
Financing obligations			1,098	-	-	1,098	-
Note payable-UT Foundation			2,019	-	6	2,013	-
Total other long-term debt			39,776	4,205	11,006	32,975	10,090
Total long-term debt			283,016	28,250	47,456	263,810	23,420
Less current portion						23,420	
Long-term liabilities						<u>\$ 240,390</u>	

Description	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Compensated absences	\$ 34,412	\$ 17,853	\$ 17,920	\$ 34,345	\$ 26,709
Long-term liabilities	283,016	28,250	47,456	263,810	23,420
Right of use lease and SBITA liability	37,562	6,190	10,322	33,430	8,089
Refundable federal student loans	4,503	-	1,105	3,398	-
Other	814	-	814	-	-
Insurance captive reserve for losses	9,411	1,974	1,224	10,161	-
Fair value of derivative investment	1,916	-	1,916	-	-
Net OPEB liability	-	7,621	-	7,621	-
Net pension liability	195,712	324,598	5,459	514,851	-
Total noncurrent liabilities	567,346	386,486	86,216	867,616	58,218
Less current portion				58,218	
Noncurrent liabilities				<u>\$ 809,398</u>	

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NOTE 9 DEBT (CONTINUED)

Principal and interest on long-term debt are payable from general receipts. The obligations are generally callable. The future amounts of principal and interest payments required by the bond agreements are as follows:

	Principal	Interest	Swap Interest	Net Interest	Net P&I
2025	\$ 13,735	\$ 11,670	\$ (2,045)	\$ 9,625	\$ 23,360
2026	14,295	10,951	(1,919)	9,032	23,327
2027	14,020	10,321	(1,937)	8,384	22,404
2028	12,555	9,590	(1,836)	7,754	20,309
2029	13,170	9,024	(1,827)	7,197	20,367
2030-2034	95,795	28,957	(5,399)	23,558	119,353
2035-2039	24,880	8,575	(197)	8,378	33,258
2040-thereafter	29,055	5,569	0	5,569	34,624
TOTALS	<u>\$ 217,505</u>	<u>\$ 94,657</u>	<u>\$ (15,160)</u>	<u>\$ 79,497</u>	<u>\$ 297,002</u>

The University's General Receipts Bonds contain a provision that in any event of default, the trustee may declare the principal and accrued interest of all outstanding bonds be due and payable immediately. Furthermore, in such events of default and upon the written request of the holders of at least 25% of the outstanding bonds, the trustee must declare the principal and accrued interest of all outstanding bonds to be due and payable immediately.

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NOTE 10 INTEREST RATE SWAPS

In order to hedge against interest rate fluctuations on the Series 2002 variable rate bonds, the University entered into three interest rate derivative (swap) agreements in November 2002. One swap expired June 1, 2020. The two remaining swaps expire on June 1, 2032 and have a current notional value of \$52,125. These swaps are now associated with the Series 2023B Bonds and the counterparty for these swaps is JP Morgan Chase. The University pays a fixed rate of 3.888% to the counterparty and receives a variable rate of interest of 71% of SOFR from the counterparty on these two swaps. Only the net difference in interest payments is actually exchanged with the counterparty. The swap agreement's fair value is estimated using the zero-coupon method, whereby the future net settlement payment as required by the swap is calculated, and then discounted using the spot rates implied by the current yield curve. The mark-to-market valuation on the two swap agreements as of June 30, 2024 is an asset of \$1,595 compared to asset of \$847 on June 30, 2023.

In April, 2007, the University entered into a swap agreement with JP Morgan Chase that expires on June 31, 2036, in the notional amount of \$33,250, to hedge a portion of the exposure against interest rate fluctuations arising from the variable interest rates on the Series 2007B. This swap is now associated with the 2023B Bonds. Based on the swap agreement, the University owes interest calculated at a fixed rate of 3.666% to the swap counterparty. In return, the counterparty owes the University interest at a variable rate based on 68% of SOFR. Only the net difference in interest payments is actually exchanged with the counterparty. The swap agreement's fair value is estimated using the zero-coupon method, whereby the future net settlement payment as required by the swap is calculated, and then discounted using the spot rates implied by the current yield curve. The mark-to-market valuation on the swap agreement as of June 30, 2024 is an asset of \$1,025 compared to an asset of \$1,102 on June 30, 2023.

Upon termination of any of the swap agreements, a payment may be owed by the University to the swap counterparty or by the swap counterparty to the University, depending on the prevailing economic circumstances at the time of the termination.

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 10 INTEREST RATE SWAPS (CONTINUED)

Effective Date	Type	Objective	Notional Amount	Pays	Receives	Maturity Date	Counter Party Credit Rating	MTM @ 06/30/24	MTM @ 06/30/23
11/16/02	Pay-Fixed, Rec-Var.	Synthetic Fixed Interest	\$ 24,690	3.888%	71% SOFRr	6/1/32	Aa3/A+	\$ 759	\$ 402
11/19/02	Pay-Fixed, Rec-Var.	Synthetic Fixed Interest	27,435	3.888%	71% SOFR	6/1/32	Aa3/A+	836	445
4/26/07	Pay-Fixed, Rec-Var.	Synthetic Fixed Interest	29,250	3.660%	68% SOFR	6/1/36	Aa3/A+	1,025	1,102
			<u>\$ 81,375</u>					<u>\$ 2,620</u>	<u>\$ 1,949</u>

Interest rate swaps are classified as hedging derivative instruments, if the hedging instruments meet the criteria outlined in GASB Statement No. 53, paragraph 27a and b, or as investment derivative instruments if they do not meet the criteria. All of the swap agreements have been determined to be effective hedging derivative instruments as of both June 30, 2024 and June 30, 2023.

All of the University's hedging relationships in fiscal year 2012 were terminated in fiscal year 2013 and designated into new hedging relationships. In accordance to GASB 53 these swaps are considered hybrid instruments consisting of a financing element and an embedded derivative. The at-market amount of the swaps at the time of the new hedging relationship is designated as a hedging instrument with a current mark-to-market value of \$2,620. The above-market amounts which equal \$7,486 are considered borrowings and are included in long term debt which will be paid down by a portion of the swaps' periodic fixed payments.

As of the balance sheet date, the swap agreements can be summarized as follows:

	Change in Fair Value		2024		2023	
	2024	2023	Classification Amount	Notional	Classification Amount	Notional
Business-type activities						
Cash flow hedges:						
Pay-fixed interest rate swaps			Deferred charge		Deferred charge	
(receive-variable)	\$ 671	\$ 3,865	\$ 2,620	\$ 81,375	\$ 1,949	\$ 83,275

The fair values of the interest rate swaps were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

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NOTE 10 INTEREST RATE SWAPS (CONTINUED)

Rating	Bear Stearns (JPM) 2002 (Swap A and B)	Bank One (JPM) 2002 (Swap C)	JPM 2007B
Aaa/AAA	Infinity	Infinity	Infinity
Aa1, Aa2, Aa3/AA+, AA, AA-	Infinity	Infinity	Infinity
A1/A	10,000	Infinity	Infinity
A2/A	10,000	Infinity	Infinity
A3/A-	10,000	Infinity	Infinity
Baa1/BBB+	5,000	5,000	5,000
Baa2/BBB	500	3,000	3,000
Baa3/BBB-	500	-	-
Below Baa3/BBB- or suspended, withdrawn or unrated	-	-	-

As of June 30, 2024, the University's net liability position is \$4,866 exclusive of accrued interest in the amount of \$3 compared to a net liability position of \$6,893 in 2023. The University has not been required to post collateral with any counterparty as of June 30, 2024.

It is the University's policy to enter into netting arrangements whenever it has entered into more than one derivative instrument transaction with a counterparty. Under the terms of these arrangements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the nondefaulting party to accelerate and terminate all outstanding transactions and net the transactions' fair values so that a single sum will be owed by, or owed to, the nondefaulting party.

Although the University originally executed interest rate swap agreements with multiple counterparties, fall contracts, comprising approximately 100% of the net exposure to credit risk, are held with one company as the result of merger activity since 2002. That counterparty is rated Aa3/A+.

Interest Rate Risk – The University is exposed to interest rate risk on its interest rate swaps. On its pay-fixed, receive-variable interest rate swap, as LIBOR or the Securities Industry and Financial Markets Association (SIFMA) swap decreases, the University's net payment on the swap increases.

Basis Risk – The University is exposed to basis risk on its LIBOR-based interest rate swaps due to variable-rate payments received on these instruments based on a rate or index other than interest rates the University pays on its variable-rate debt, which, depending on the series is remarketed every 30 or 35 days.

Termination Risk – The University or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract.

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NOTE 10 INTEREST RATE SWAPS (CONTINUED)

Rollover Risk – The University is exposed to rollover risk on its SOFR-based interest rate swaps that mature or may be terminated prior to the maturity of the hedged debt. When these hedging interest rate swaps terminate, or in the case of a termination option, if the counterparty exercises its option, the University will be re-exposed to the risks being hedged by the interest rate swaps.

NOTE 11 LEASE OBLIGATIONS

The University leases equipment as well as certain operating and office facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2038 and provide for renewal options ranging from three months to five years.

Certain facility leases provide for increases in future minimum annual rental payments based on specific rates or defined increases in the Consumer Price Index.

Total future minimum lease payments under lease agreements are as follows:

	Principal	Interest	Total
2025	\$ 5,645	\$ 951	\$ 6,596
2026	4,064	714	4,778
2027	3,111	562	3,673
2028	2,101	463	2,564
2029	1,671	386	2,057
2030-2034	7,041	939	7,980
2035-2038	903	61	964
TOTALS	<u>\$ 24,536</u>	<u>\$ 4,076</u>	<u>\$ 28,612</u>

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

	FY 2024	FY 2023
Buildings	\$ 22,859	\$ 22,692
Equipment	20,654	20,102
Total right of use assets	43,513	42,794
Less: Accumulated Amortization	(19,804)	(14,412)
Net right of use assets	<u>\$ 23,709</u>	<u>\$ 28,382</u>

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NOTE 12 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Entity has entered into numerous subscription based-information technology arrangements (SBITAs) for various functions of the university including athletics, finance, grants, procurement, student functions and various hospital functions. The SBITA arrangements expire at various dates through 2027 and provide for renewal options.

The future subscription payments under SBITA agreements are as follows:

	Principal	Interest	Total
2025	\$ 2,348	\$ 221	\$ 2,569
2026	1,525	118	1,643
2027	645	48	693
2028	400	19	419
TOTALS	<u>\$ 4,918</u>	<u>\$ 406</u>	<u>\$ 5,324</u>

Assets acquired through outstanding SBITAs are shown below, by underlying asset class.

	FY 2024	FY 2023
Equipment	12,555	10,418
Total right of use assets	12,555	10,418
Less: Accumulated Amortization	(6,828)	(6,323)
Net right of use assets	<u>5,727</u>	<u>4,095</u>

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NOTE 13 RETIREMENT BENEFITS

The University participates in the State Teachers Retirement System of Ohio (STRS) and the Ohio Public Employees Retirement System (OPERS). Each is a statewide, cost-sharing, multiple-employer public employee retirement system governed by the Ohio Revised Code (ORC) that covers substantially all employees of the University. Each system has three retirement plan options available and provides retirement, survivor and disability benefits to plan members and their beneficiaries. The systems also provide postemployment healthcare benefits to retirees and beneficiaries. Employees may opt out of STRS or OPERS and participate in the Alternative Retirement Plan (ARP) if they meet certain eligibility requirements. The ARP is a defined contribution plan using state-approved investment providers and does not include disability, health care, or death benefits.

Each retirement system issues a publicly available financial report that includes financial statements and required supplementary information for the pension and postemployment health care plans. The reports may be obtained by contacting:

State Teachers Retirement System of Ohio
275 E. Broad Street
Columbus, Ohio 43215
888-227-7877
www.strsoh.org

Ohio Public Employees Retirement System
277 East Town Street
Columbus, Ohio 43215
800-222-7377
www.opers.org

Contributions

STRS – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the plan years ended June 30, 2023 and 2022, the contribution rate was 14% of covered payroll for both members and employers. Under Ohio law, funds to pay health care costs may be deducted from employer contributions. For the year ended June 30, 2023, no employer allocation was made to the health care fund.

OPERS – The ORC provides statutory authority for member and employer contributions. Member contribution rates for the plan years ended December 31, 2023 and 2022 were 10% for the state and local division, 12% for the public safety division and 13% for the law enforcement division. Employer contribution rates for plan years 2023 and 2022 were 14% of covered payroll for the state and local division, and 18.1% of covered payroll for the law enforcement and public safety divisions. For the Traditional and Combined Plans no employer contributions were allocated to healthcare for 2022 and 2023. For the Member-Directed Plan, 4% of employer contributions was allocated to health care coverage for both 2022 and 2023.

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NOTE 13 RETIREMENT BENEFITS (CONTINUED)

Contributions (Continued)

ARP – The ORC provides statutory authority for member and employer contributions. Member contribution rates are the same as those required by the respective state retirement systems. For STRS-eligible employees who elected an ARP, the University contributed 11.09% of covered payroll to the selected investment provider during the 2023 plan year and 2.97% to STRS. For OPERS-eligible employees who elected an ARP, the University contributed 11.56% of covered payroll to the selected investment provider and 2.44% to OPERS during the portion of the plan year from January 1, 2023 through June 30, 2023. Effective July 1, 2022, the University contributed 11.76% of covered payroll to the selected investment provider and 2.24% to OPERS. The employer amounts remitted to STRS and OPERS are based on the statutory mitigating rate which is designed to offset any negative financial impact of the ARP on the state retirement systems.

University contributions to the retirement plans for the year ended June 30 are summarized below.

Plan	2024	2023
STRS	\$ 12,142	\$ 12,190
OPERS	31,371	29,228
ARP	8,626	8,890
Total	<u>\$ 52,139</u>	<u>\$ 50,308</u>

Benefits

STRS – Plan benefits are established under Chapter 3307 of the ORC, as amended by Substitute Senate Bill 342 in 2012, which gives the Retirement Board the authority to make future adjustments to the member contribution rate, retirement age and service requirements, and the cost-of-living adjustments as the need or opportunity arises, depending on the retirement system's funding progress. STRS members have a choice of three retirement plans: a Defined Benefit (DB) plan, a Defined Contribution (DC) plan and a Combined Plan.

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective Aug. 1, 2015, the calculation is 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until Aug. 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit and at least age 60.

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NOTE 13 RETIREMENT BENEFITS (CONTINUED)

Benefits (Continued)

The Defined Contribution (DC) Plan allows members to place all their member contributions and the 11.09% portion of the 14% employer contribution into an investment account. Investment allocation decisions are determined by the member. The remaining 2.91% portion of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

DB and Combined Plan members are eligible for disability and death benefits based on specified criteria in the plan.

OPERS – Authority to establish and amend benefits is provided by Chapter 145 of the ORC. OPERS members have a choice of three retirement plans: the Traditional Pension Plan, a defined benefit plan; the Combined Plan, a combination defined benefit/defined contribution plan; and the Member-Directed Plan, a defined contribution plan. All state and local governmental employees in Ohio, except those covered by one of the other state or local retirement systems in Ohio, are members of OPERS.

Retirement benefits in the Traditional Pension Plan are calculated on a formula that considers age, years of service and final average salary. Depending on when they joined the plan, members with five years of service are eligible for retirement at either age 60 or 62, and members with 25 years of service are eligible for retirement at either age 55 or 57. The annual benefit is 2.2% of final average salary for the first 30 or 35 years of service, depending on when the member joined, and 2.5% for years of service in excess. Final average salary is based on the highest three or five years of earnings, depending on when the member joined. Members who retire before meeting the age and service requirements receive a percentage reduction in the benefit amount.

Law Enforcement and Public Safety members, as defined in ORC Chapter 145, are eligible for special retirement options under the Traditional Pension Plan and are not eligible to participate in the Member-Directed or Combined plans.

For the Member-Directed Plan, the amount available for benefits consists of the member's contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections.

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NOTE 13 RETIREMENT BENEFITS (CONTINUED)

Benefits (Continued)

Benefits in the Combined Plan consist of both an age-and-service formula and a defined contribution element. The defined benefit element is calculated on the basis of age, final average salary, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Plan. The annual benefit is 1% of final average salary for the first 30 or 35 years of service, depending on when the member joined, and 1.25% for years of service in excess.

Members in the Traditional Pension Plan and Combined Plan are eligible for Disability, Survivor and Death benefits based on age and/or service criteria. Members of the Member-Directed Plan do not qualify for these ancillary benefits. A cost-of-living adjustment is provided for retirement benefits under the Traditional Plan and the defined benefit portion of the Combined Plan. For those who retired prior to January 7, 2013, current law provides for a 3% adjustment. For subsequent retirees, beginning in calendar year 2021, current law provides an adjustment based on the Consumer Price Index but capped at 3%.

Net Pension Liability, Deferrals, and Pension Expense – At June 30, 2024 and 2023, the University reported a liability for its proportionate share of the net pension liability of STRS and the OPERS traditional plan, as well as an asset for its proportionate share of the net pension asset of the OPERS combined plan and member-directed plan. The net pension liability and asset were measured as of June 30, 2023 and June 30, 2022 respectively for STRS and December 31, 2023 and December 31, 2022 respectively for the OPERS plans. The total pension liability used to calculate the net pension liability or asset was determined by an actuarial valuation as of those dates. The University's proportion of the net pension liability or asset was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

Plan	Date			2024	2023	Change
		2024	2023	Proportionate Share	Proportionate Share	
STRS	June 30	\$ 142,946	\$ 159,120	0.664%	0.716%	0.05%
OPERS Traditional	December 31	311,645	355,731	1.190%	1.204%	0.01%
OPERS Combined and Member-Directed	December 31	(4,423)	(3,623)	1.215%	1.288%	0.07%

For the year ended June 30, 2024 and 2023, the University recognized pension credit of \$52,325 and \$69,379, respectively.

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NOTE 13 RETIREMENT BENEFITS (CONTINUED)

At June 30, 2024 the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	STRS		OPERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 5,212	\$ 317	\$ 5,515	\$ 426
Changes of assumptions	11,772	8,861	288	-
Difference between projected and actual investment earnings	-	429	63,624	-
Changes in proportion and differences between University contributions and proportionate share of contributions	-	17,832	1,066	2,515
Contributions after the measurement date	11,776	-	15,740	-
Total	<u>\$ 28,760</u>	<u>\$ 27,439</u>	<u>\$ 86,233</u>	<u>\$ 2,941</u>

At June 30, 2023, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	STRS		OPERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 2,037	\$ 609	\$ 12,282	\$ 505
Changes of assumptions	19,042	14,333	3,998	-
Difference between projected and actual investment earnings	5,537	-	102,724	-
Changes in proportion and differences between University contributions and proportionate share of contributions	-	13,411	2,348	122
Contributions after the measurement date	12,565	-	14,754	-
Total	<u>\$ 39,181</u>	<u>\$ 28,353</u>	<u>\$ 136,106</u>	<u>\$ 627</u>

THE UNIVERSITY OF TOLEDO
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NOTE 13 RETIREMENT BENEFITS (CONTINUED)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2025	\$ 7,598
2026	10,658
2027	50,351
2028	(11,835)
2029	127
Thereafter	198
Total	<u>\$ 57,097</u>

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year (2025).

Actuarial Assumptions – The total pension liability is based on the results of an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

	STRS - as of 6/30/23	OPERS - as of 12/31/23
Valuation date	June 30, 2023	December 31, 2023
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	0.00%	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 2.30% Simple through 2024, then 2.05% Simple
Salary increases, including inflation	2.5% - 8.5%	2.75 percent - 10.75 percent
Price inflation	2.50%	2.75%
Investment rate of return	7%, net of investment expense, including inflation Period of 5 years ended June 30, 2021	6.9%, net of investment expense Period of 5 years ended December 31, 2020
Experience study rate		
Mortality basis	Pub-2010 Mortality tables with mortality improvement scale MP-2020	Pub-2010 Mortality tables with mortality improvement scale MP-2020

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NOTE 13 RETIREMENT BENEFITS (CONTINUED)

	STRS - as of 6/30/22	OPERS - as of 12/31/22
Valuation date	June 30, 2022	December 31, 2022
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	0.00%	.5% - 3.0%
Salary increases, including inflation	2.5% - 8.5%	2.75% - 10.75%
Price inflation	2.50%	2.75%
Investment rate of return	7%, net of investment expense, including inflation Period of 5 years ended June 30, 2021	6.9%, net of investment expense Period of 5 years ended December 31, 2020
Experience study rate	RP-2014 Annuitant Mortality Table and MP-2020 mortality improvement scale	RP-2014 Healthy Annuitant Mortality Table and MP-2020 mortality improvement scale
Mortality basis		

Discount Rate – The discount rate used to measure the total pension liability was 7.00% and 7.00% for STRS and 6.9% and 6.9% for OPERS as of 2023 and 2022 respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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NOTE 13 RETIREMENT BENEFITS (CONTINUED)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

STRS as of 6/30/2023			OPERS as of 12/31/2023		
Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	26.00%	6.60%	Fixed Income	24.00%	2.85%
International Equity	22.00%	6.80%	Domestic Equity	21.00%	4.27%
Alternatives	19.00%	7.38%	Real Estate	13.00%	4.46%
Fixed Income	22.00%	1.75%	Private Equity	15.00%	7.52%
Real Estate	10.00%	5.75%	International Equity	20.00%	5.16%
Liquidity Reserves	1.00%	1.00%	Risk Parity	2.00%	4.38%
Total	100.00%		Other Investments	5.00%	3.46%
			Total	100.00%	

STRS as of 6/30/2022			OPERS as of 12/31/2022		
Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	26.00%	6.60%	Fixed Income	22.00%	2.62%
International Equity	22.00%	6.80%	Domestic Equity	22.00%	4.60%
Alternatives	19.00%	7.38%	Real Estate	13.00%	3.27%
Fixed Income	22.00%	1.75%	Private Equity	15.00%	7.53%
Real Estate	10.00%	5.75%	International Equity	21.00%	5.51%
Liquidity Reserves	1.00%	1.00%	Risk Parity	2.00%	4.37%
Total	100.00%		Other Investments	5.00%	3.27%
			Total	100.00%	

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the University, calculated using the discount rate listed below, as well as what the University's net pension liability would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

Plan	1.00% decrease		Current discount rate		1.00% increase	
STRS 6/30/2022	6.00%	\$ 219,819	7.00%	\$ 142,946	8.00%	\$ 77,932
OPERS 12/31/2022	5.90%	487,924	6.90%	307,222	7.90%	157,004
Total		<u>\$ 707,743</u>		<u>\$ 450,168</u>		<u>\$ 234,936</u>

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NOTE 13 RETIREMENT BENEFITS (CONTINUED)

Plan	1.00% decrease		Current discount rate		1.00% increase	
STRS 6/30/2022	6.00%	\$ 240,373	7.00%	\$ 159,120	8.00%	\$ 90,406
OPERS 12/31/2022	5.90%	530,972	6.90%	352,108	7.90%	203,394
Total		<u>\$ 771,345</u>		<u>\$ 511,228</u>		<u>\$ 293,800</u>

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued STRS and OPERS financial report.

Payable to the Pension Plan – The University reported a payable of \$2,479 and \$4,836 to OPERS at June 30, 2024 and 2023, respectively, for the outstanding amount of contributions required for the years then ended.

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS

As described in Note 13, both STRS and OPERS provide benefits other than pensions, such as health care, that meet the GASB criteria for other postemployment benefit OPEB plans.

The net OPEB liability represents the University’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

GASB 75 assumes the OPEB liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The ORC permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Descriptions

STRS (State Teachers Retirement System)

STRS administers a cost-sharing health plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. The plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

ORC Chapter 3307 authorizes STRS to offer the plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the health care plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to postemployment health care.

OPERS (Ohio Public Employees Retirement System)

The ORC permits, but does not require, OPERS to offer postemployment health care coverage. The ORC allows a portion of the employers' contributions to be used to fund health care coverage. Periodically, OPERS modifies the health care program design to improve the ongoing solvency of the plans. Eligibility requirements for access to the OPERS health care options have changed over the history of the program for Traditional Pension Plan and Combined Plan members.

Prior to January 1, 2015, the System provided comprehensive health care coverage to retirees with 10 or more years of qualifying service credit and offered coverage to their dependents on a premium deduction or direct bill basis. Beginning January 1, 2015, the service eligibility criteria for health care coverage increased from 10 years to 20 years with a minimum age of 60, or 30 years of qualifying service at any age. Beginning with January 2016 premiums, Medicare-eligible retirees could select supplemental coverage through the Connector and may be eligible for monthly allowances deposited to an HRA to be used for reimbursement of eligible health care expenses. Coverage for non-Medicare retirees includes hospitalization, medical expenses, and prescription drugs. The System determines the amount, if any, of the associated health care costs that will be absorbed by the System and attempts to control costs by using managed care, case management, and other programs. Additional details on health care coverage can be found in the Plan Statement in the OPERS 2023 ACFR.

THE UNIVERSITY OF TOLEDO
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NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Descriptions (Continued)

OPERS (Ohio Public Employees Retirement System) (Continued)

Participants in the Member-Directed Plan are not eligible for health care coverage offered to benefit recipients in the Traditional Pension Plan and Combined Plan. A portion of employer contributions for these participants is allocated to a retiree medical account. Upon separation or retirement, participants may be reimbursed for qualified medical expenses from these accounts.

With the assistance of the System's actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of postemployment health care coverage. The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was 0.0% for 2023 and 2022, respectively. The employer contribution as a percent of covered payroll deposited for Member-Directed Plan health care accounts was 4.0% for 2023 and 2022.

Net OPEB Asset, Deferrals, and OPEB Expense – At June 30, 2024 and 2023, the University reported an asset for its proportionate share of the net OPEB asset of OPERS, respectively, and an asset for its proportionate share of the net OPEB asset of STRS. The net OPEB asset for OPERS was measured as of December 31, 2023 and December 31, 2022. The net OPEB asset for STRS were measured as of June 30, 2023 and June 30, 2022, respectively. The total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of those dates. The University's proportion of the net OPEB asset was based on its share of contributions to the respective retirement systems relative to the contributions of all participating entities.

Plan	Measurement Date	Share of Net OPEB				
		Liability (Asset)		Proportionate Share		
		2024	2023	2024	2023	Change
STRS	July 1	\$ (12,897)	\$ (18,535)	0.66%	0.72%	-0.06%
OPERS	December 31	(10,733)	7,621	1.19%	1.21%	-0.02%

For the years ended June 30, 2024 and 2023, the University recognized OPEB income of \$1,326 and \$21,842, respectively.

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NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Descriptions (Continued)

OPERS (Ohio Public Employees Retirement System) (Continued)

At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	STRS		OPERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 20	\$ 1,971	\$ -	\$ 1,528
Changes of assumptions	1,897	8,509	2,763	4,614
Difference between projected and actual investment earnings	22	-	6,446	-
Changes in proportion and differences between University contributions and proportionate share of contributions	-	2,497	-	261
Contributions after the measurement date	-	-	27	-
Total	<u>\$ 1,939</u>	<u>\$ 12,977</u>	<u>\$ 9,236</u>	<u>\$ 6,403</u>

At June 30, 2023, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	STRS		OPERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 277	\$ 2,794	\$ -	\$ 1,901
Changes of assumptions	785	13,142	7,444	612
Difference between projected and actual investment earnings	351	-	15,136	-
Changes in proportion and differences between University contributions and proportionate share of contributions	-	1,839	-	543
Contributions after the measurement date	-	-	26	-
Total	<u>\$ 1,413</u>	<u>\$ 17,775</u>	<u>\$ 22,606</u>	<u>\$ 3,056</u>

The contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year (2025). Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in benefit expense as follows:

Year Ending June 30	STRS	OPERS
2025	\$ (4,930)	\$ (777)
2026	(2,261)	247
2027	(1,072)	4,921
2028	(1,700)	(1,585)
2029	(1,227)	-
Thereafter	152	-
total	<u>\$ (11,038)</u>	<u>\$ 2,806</u>

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NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Descriptions (Continued)

OPERS (Ohio Public Employees Retirement System) (Continued)

Actuarial Assumptions – The total OPEB liability is based on the results of an actuarial valuation using the following key assumptions, applied to all periods included in the measurement:

	STRS - as of 6/30/23	OPERS - as of 12/31/23
Inflation	3.00%	2.75%
Salary increases	Varies by Service from 2.5% to 8.5%	2.75% - 10.75% (includes inflation)
Blended discount rate of return	7.00%	5.70%
Investment rate of return	7.00 percent, net of investment expenses, including inflation	6.00 percent, net of investment expenses
Health care cost trends	-11.95% to 7.5%initial, 4.14% ultimate	5.50% initial, 3.50% ultimate in 2038

	STRS - as of 6/30/22	OPERS - as of 12/31/22
Inflation	2.25%	2.75%
Salary increases	Varies by Service from 2.5% to 8.5%	2.75% - 10.75% (includes inflation)
Blended discount rate of return	7.00%	5.22%
Investment rate of return	7.00 percent, net of investment expenses, including inflation	6.00 percent, net of investment expenses
Health care cost trends	-68.78% to -9% initial, 3.94% ultimate	5.50% initial, 3.50% ultimate in 2036

STRS

For healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Descriptions (Continued)

STRS (Continued)

Actuarial assumptions used in the June 30, 2023 valuation are based on the results of the latest available actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

OPERS

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023.

Discount Rate

STRS

The discount rate used to measure the total OPEB liability was 7.00% and 7.00% as of June 30, 2023 and 2022, respectively. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on health care fund investments of 7.00% and 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2023 and 2022, respectively.

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NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Discount Rate (Continued)

OPERS

A single discount rate of 5.70% and 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2023 and 2022, respectively. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.77%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

THE UNIVERSITY OF TOLEDO
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NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Target Investment Allocation and Long-term Expected Real Rate of Return

STRS as of 6/30/2023			OPERS as of 12/31/2023		
Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	26.00%	6.60%	Fixed Income	34.00%	2.82%
International Equity	22.00%	6.80%	Domestic Equity	26.00%	4.27%
Alternatives	19.00%	7.38%	Real Estate	7.00%	4.68%
Fixed Income	22.00%	1.75%	International Equity	25.00%	5.16%
Real Estate	10.00%	5.75%	Risk Parity	2.00%	4.38%
Liquidity Reserves	1.00%	1.00%	Other Investments	6.00%	2.43%
Total	100.00%		Total	100.00%	

STRS as of 6/30/2022			OPERS as of 12/31/2022		
Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	26.00%	6.60%	Fixed Income	34.00%	2.56%
International Equity	22.00%	6.80%	Domestic Equity	26.00%	4.60%
Alternatives	19.00%	7.38%	Real Estate	7.00%	4.70%
Fixed Income	22.00%	1.75%	International Equity	25.00%	5.51%
Real Estate	10.00%	5.75%	Risk Parity	2.00%	4.37%
Liquidity Reserves	1.00%	1.00%	Other Investments	6.00%	1.84%
Total	100.00%		Total	100.00%	

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Health Care Cost Trend Rate – The following presents the net OPEB liability of the University, calculated using the current discount rate listed below, as well as what the University's net OPEB liability would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate. Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1.00 percentage point lower and higher than the current rate.

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NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Health Care Cost Trend Rate (Continued)

Plan	1.00% decrease		Current discount rate		1.00% increase	
STRS 6/30/2023	6.00%	\$ (10,926)	7.00%	\$ (12,897)	8.00%	\$ (14,637)
OPERS 12/31/2023	4.70%	5,899	5.70%	(10,733)	6.70%	(24,510)
Total		<u>\$ (5,027)</u>		<u>\$ (23,630)</u>		<u>\$ (39,147)</u>

Plan	1.00% decrease		Current health care trend rate		1.00% increase	
STRS 6/30/2023		\$ (14,717)		\$ (12,897)		\$ (10,733)
OPERS 12/31/2023		(11,179)		(10,733)		(10,227)
Total		<u>\$ (25,896)</u>		<u>\$ (23,630)</u>		<u>\$ (20,960)</u>

Plan	1.00% decrease		Current discount rate		1.00% increase	
STRS 6/30/2022	6.00%	\$ (17,134)	7.00%	\$ (18,535)	8.00%	\$ (19,733)
OPERS 12/31/2022	4.22%	25,939	5.22%	7,621	6.22%	7,494
Total		<u>\$ 8,805</u>		<u>\$ (10,914)</u>		<u>\$ (12,239)</u>

Plan	1.00% decrease		Current health care trend rate		1.00% increase	
STRS 6/30/2022		\$ (19,224)		\$ (18,535)		\$ (17,663)
OPERS 12/31/2022		7,143		7,621		8,159
Total		<u>\$ (12,081)</u>		<u>\$ (10,914)</u>		<u>\$ (9,504)</u>

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued STRS and OPERS financial report.

Payable to the OPEB Plan – The University did not have a payable to the OPEB plans as of June 30, 2024 and 2023.

Assumption Changes Since the Prior Measurement Date

STRS

There were no changes in assumptions since the prior measurement date of June 30, 2022.

Benefit Term Changes Since the Prior Measurement Date

STRS

Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

THE UNIVERSITY OF TOLEDO
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NOTE 15 CONTINGENCIES AND COMMITMENTS

In the normal course of its activities, the University is a party to various legal actions. The University intends to vigorously defend itself against all claims and is of the opinion that the outcome of current legal actions will not have a material effect on the University's financial position.

The University participates in the Inter-University Council Risk Management and Insurance Consortium (IUC-RMIC). Since 1994, the IUC-RMIC Universities have purchased their property and casualty insurance on a group basis. The IUC-RMIC formalized their pooling in 2006 and created the Board of Governors. The Board of Governors is comprised of representatives from each University and is the decision making body for insurance issues of the group programs. There are three committees related to the insurance program that report to the Board of Governors: Underwriting, Loss Control, and Audit. Underwriting and Loss Control have representation from each University. In 2009, a director was hired to coordinate the activities of the IUC-RMIC and act as a facilitator to other IUC committees and university departments to address insurance and risk related issues.

Through the IUC-RMIC group, the University maintains property insurance with a \$100 deductible per member per occurrence, a \$900 IUC-RMIC retained pool per occurrence, and \$999,000 in excess insurance per occurrence.

The casualty portion of the IUC-RMIC program provides educator's legal liability, general liability, and automobile liability, and includes a \$100 deductible per member per occurrence, a \$1,400 IUC-RMIC retained pool per occurrence, and \$33,500 in excess insurance per occurrence and annual aggregate.

The IUC-RMIC also provides other coverages such as foreign liability with travel assistance, special accident, crime, cyber and fiduciary. The University's contributions to IUC for property and casualty coverage totaled \$2,772 and \$2,365 for 2024 and 2023, respectively.

The University participates in a state pool of agencies and universities that pays workers' compensation premiums into the State Insurance Fund (the Plan), which pays workers' compensation benefits to beneficiaries who have been injured on the job. Losses from asserted and unasserted claims for the participating state agencies and universities in the Plan are accrued by the Ohio Bureau of Workers' Compensation (the Bureau) based on estimates that incorporate the preceding five-year experience, as well as other considerations including the nature of each claim or incident and relevant trend factors. Participants in the Plan annually fund the workers' compensation liability based on rates set by the Bureau to collect the cash needed in subsequent fiscal years to pay the workers' compensation claims of participating state agencies and universities.

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 15 CONTINGENCIES AND COMMITMENTS (CONTINUED)

The University is also self-insured for unemployment compensation and substantially all employee health benefits. Liabilities for estimates of losses retained by the University for outstanding claims and claims incurred but not reported under self-insurance programs have been based on the University's experience and actuarial valuation. The estimated value of these claims was \$6,832 and \$8,184 as of June 30, 2024 and 2023, respectively. Settlements have not exceeded insurance coverage in each of the past three years.

NOTE 16 RELATED PARTY TRANSACTIONS

At its March 2016 meeting, the Foundation board of trustees approved funding by the pooled investment portfolio of up to \$6 million for University capital projects. This 10-year loan was approved by the University in July 2016 with the first draw in August 2016. The balance owed to the pool was \$3,653 and \$3,653 as of June 30, 2024 and 2023.

In 2024 the Foundation board of trustees approved funding by the pooled investment portfolio of a multiple draw term loan to the University for up to \$10 million. The University made its first draw totaling \$2,140 in January 2024. The balance owed to the pool was \$1,986 as of June 30, 2024.

As further described in note 9, UTP-CF had an outstanding payable to the Foundation of \$9,000 as of June 30, 2024 related to line of credit agreements.

On March 30, 2016, the University of Toledo entered into a Grantor Trust Agreement with the Foundation to allow the Foundation to hold title to 8,554.8 shares of VHA-VHC Alliance Newco, Inc. (now known as Vizient Inc.). The purpose for this trust rests in the fact that Vizient, Inc. is a for-profit entity and Ohio law does not permit state entities to hold title or ownership interests in for-profit entities. The initial gift was recorded based on a valuation analysis of the common stock at \$2,000 as of June 30, 2016, and a corresponding receivable was recorded by the University. The value at June 30, 2024 is \$2,038 and the value at June 30, 2023 was \$2,013

The aggregate carrying amount of the investments measured on a nonrecurring basis included in the nonpooled investments on the consolidated statements of financial position is \$2,038 as of June 30, 2024 and 2023. The fair value of these investments is not estimated if there are no identified events or changes in circumstances that may have a significant adverse effect on the fair value of the investment.

During the years ending June 30, 2024 and 2023, the University paid \$28,534 and \$24,389, respectively, to UTP-CF primarily for wage expense where the University utilized UTP-CF's employees.

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 16 RELATED PARTY TRANSACTIONS (CONTINUED)

During the years ending June 30, 2024 and 2023, the University received \$2,064 and \$1,533, respectively, from UTP-CF for the hospital facility fee charged to patients in connection with professional services rendered in hospital-based clinics. The University also received \$16,506 and \$12,908 from UTP-CF for the years ended June 30, 2024 and 2023, respectively, as reimbursement for expenses paid on behalf of UTP-CF.

Accounts receivable from UTP-CF were \$10,225 and \$10,051 as of June 30, 2024 and 2023. Accounts payable to UTP-CF were \$953 and \$2,739 as of June 30, 2024 and 2023.

During the years ending June 30, 2024 and 2023, the University paid \$654 and \$387, respectively, to UTMAC LLC for professional liability and medical stop-loss insurance.

During the years ending June 30, 2024 and 2023, UTP-CF paid \$2,082 and \$1,886, respectively, to UTMAC LLC for professional liability insurance.

In 2024, the Foundation approved funding to University of Toledo Physicians, LLC of up to \$5,000 to be funded by the pooled investment portfolio for working capital needs. This revolving line of credit has a draw period of 5 years. Interest will be assessed at SOFR plus 1.25%, subject to change quarterly. As of June 30, 2024, the note receivable owed to the pool is \$5,000. As of June 30, 2024, no draws had been approved or taken.

In 2024, the Foundation approved additional funding to University of Toledo Physicians, LLC of up to \$7,500 to be funded by the pooled investment portfolio as a bridge loan. This revolving line of credit has a draw period of 6 months. Interest will be assessed at SOFR plus 1.25%, subject to change quarterly. As of June 30, 2024, the note receivable owed to the pool is \$4,000. As of June 30, 2024, no draws had been approved or taken.

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 17 FUNCTIONAL CLASSIFICATION OF EXPENSES

Operating expenses by functional classification for the year ended June 30, 2024 are summarized as follows:

	Payroll	Supplies	Services	Other	Total
Patient Services	\$ 289,299	\$ 179,203	\$ 36,770	\$ 20,427	\$ 525,699
Instruction	167,267	1,652	2,036	3,577	174,532
Research	27,647	7,102	5,408	15,210	55,367
Public Service	5,776	222	2,124	2,845	10,967
Academic Support	36,607	1,453	7,316	(1,673)	43,703
Student Services	20,620	490	2,145	3,635	26,890
Institutional Support	36,838	508	6,344	2,505	46,195
Operation and Maintenance of Plant	14,075	2,708	(685)	13,590	29,688
Auxiliary Enterprises	21,760	2,613	24,072	18,827	67,272
	<u>\$ 619,889</u>	<u>\$ 195,951</u>	<u>\$ 85,530</u>	<u>\$ 78,943</u>	<u>980,313</u>
Student Aid					13,004
Depreciation and Amortization					60,283
Pension/OPEB revenue from					
GASB adjustment					(692)
Provision for Bad Debts					1,553
Total Operating Expenses					<u>\$ 1,054,461</u>

Operating expenses by functional classification for the year ended June 30, 2023 (as restated) are summarized as follows:

	Payroll	Supplies	Services	Other	Total
Patient Services	\$ 265,217	\$ 163,854	\$ 37,133	\$ 29,082	\$ 495,286
Instruction	180,981	1,677	2,456	4,164	189,278
Research	26,396	7,042	4,148	14,227	51,813
Public Service	5,389	213	2,894	1,712	10,208
Academic Support	38,348	1,736	11,223	1,702	53,009
Student Services	21,849	540	1,422	4,179	27,990
Institutional Support	36,042	647	6,727	365	43,781
Operation and Maintenance of Plant	14,467	3,795	(806)	10,633	28,089
Auxiliary Enterprises	19,849	2,515	27,052	19,039	68,455
	<u>\$ 608,538</u>	<u>\$ 182,019</u>	<u>\$ 92,249</u>	<u>\$ 85,103</u>	<u>967,909</u>
Student Aid					14,887
Depreciation and Amortization					62,135
Pension/OPEB revenue from					
GASB adjustment					(2,889)
Provision for Bad Debts					1,411
Total Operating Expenses					<u>\$ 1,043,453</u>

THE UNIVERSITY OF TOLEDO
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024 AND 2023
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Schedule of Pension Funding	2024		2023		2022		2021		2020		2019		2018		2017		2016	
	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS
Plan year end	June 30, 2023	December 31, 2023	June 30, 2022	December 31, 2022	June 30, 2021	December 31, 2021	June 30, 2020	December 31, 2020	June 30, 2019	December 31, 2019	June 30, 2018	December 31, 2018	June 30, 2017	December 31, 2017	June 30, 2016	December 31, 2016	June 30, 2015	December 31, 2015
University's proportion of the collective net pension liability:																		
Percentage	0.66%	1.20%	0.72%	1.20%	0.73%	1.16%	0.80%	1.15%	0.82%	1.30%	0.82%	1.19%	0.87%	1.29%	0.89%	1.35%	0.91%	1.38%
Amount	\$ 142,946	\$ 307,222	\$ 159,120	\$ 352,108	\$ 93,424	\$ 96,110	\$ 193,830	\$ 167,049	\$ 180,297	\$ 254,784	\$ 181,318	\$ 324,464	\$ 206,268	\$ 200,690	\$ 297,264	\$ 304,944	\$ 251,992	\$ 239,124
University's covered-employee payroll	\$ 82,447	\$ 206,723	\$ 81,452	\$ 193,703	\$ 78,769	\$ 181,471	\$ 84,784	\$ 181,513	\$ 84,785	\$ 182,206	\$ 82,947	\$ 183,753	\$ 85,069	\$ 184,052	\$ 83,626	\$ 186,245	\$ 85,398	\$ 185,470
University's proportionate share of the collective pension liability as a percentage of covered-employee payroll	173.38%	148.62%	195.35%	181.78%	118.61%	52.96%	228.62%	92.03%	212.65%	139.83%	218.60%	176.58%	242.47%	109.04%	355.47%	163.73%	295.08%	128.93%
Plan fiduciary net position as a percentage of the total pension liability	80.02%	79.39%	78.88%	76.07%	87.78%	93.01%	75.48%	87.21%	77.40%	82.44%	77.31%	74.91%	75.29%	84.85%	66.78%	77.39%	72.09%	81.19%

Schedule of Pension Contributions	2024		2023		2022		2021		2020		2019		2018		2017		2016	
	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS
Statutorily required contribution	\$ 11,776	\$ 15,766	\$ 12,564	\$ 30,475	\$ 13,070	\$ 27,393	\$ 12,647	\$ 25,624	\$ 13,595	\$ 27,015	\$ 13,473	\$ 27,323	\$ 13,178	\$ 26,804	\$ 13,431	\$ 26,899	\$ 13,162	\$ 26,666
Contributions in relation to the actuarially determined contractually required contribution	\$ 11,776	\$ 15,766	\$ 12,564	\$ 30,475	\$ 13,070	\$ 27,393	\$ 12,647	\$ 25,624	\$ 13,595	\$ 27,015	\$ 13,473	\$ 27,323	\$ 13,178	\$ 26,804	\$ 13,431	\$ 26,899	\$ 13,162	\$ 26,666
Contribution deficiency/excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 77,785	\$ 222,544	\$ 81,466	\$ 204,684	\$ 81,525	\$ 189,768	\$ 78,789	\$ 177,238	\$ 84,710	\$ 183,883	\$ 84,059	\$ 186,901	\$ 82,939	\$ 184,427	\$ 85,062	\$ 190,184	\$ 83,566	\$ 188,684
Contributions as a percentage of covered employee payroll	15.14%	7.08%	15.42%	14.89%	16.03%	14.43%	16.05%	14.46%	16.05%	14.69%	16.03%	14.62%	15.89%	14.53%	15.79%	14.14%	15.75%	14.13%

Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the University will present information for those years for which information is available.

Changes in Assumptions and Benefits Terms: No significant changes noted.

THE UNIVERSITY OF TOLEDO
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

Schedule of OPEB Funding	2024		2023		2022		2021		2020		2019		2018	
	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS
Plan year end	June 30, 2023	December 31, 2023	June 30, 2022	December 31, 2022	June 30, 2021	December 31, 2021	June 30, 2020	December 31, 2020	June 30, 2019	December 31, 2019	June 30, 2018	December 31, 2018	June 30, 2017	December 31, 2017
University's proportion of the collective net OPEB liability (asset):														
Percentage	0.66%	1.19%	0.72%	1.21%	0.73%	1.18%	0.80%	1.17%	0.82%	1.31%	0.82%	1.20%	0.87%	1.31%
Amount	\$ (12,897)	\$ (10,733)	\$ (18,535)	\$ 7,621	\$ (15,415)	\$ (37,063)	\$ (14,079)	\$ (20,826)	\$ (13,503)	\$ 181,519	\$ (13,251)	\$ 156,522	\$ 33,878	\$ 142,066
University's covered-employee payroll	\$ 81,452	\$ 193,703	\$ 81,452	\$ 193,703	\$ 78,769	\$ 181,471	\$ 84,784	\$ 181,513	\$ 84,785	\$ 182,206	\$ 82,947	\$ 183,753	\$ 85,069	\$ 184,052
University's proportionate share of the collective net OPEB liability as a percentage of covered-employee payroll	-15.83%	-5.54%	-22.76%	3.93%	-19.57%	-20.42%	-16.61%	-11.47%	-15.93%	99.62%	-15.98%	85.18%	39.82%	77.19%
Plan fiduciary net position as a percentage of the total OPEB liability	168.52%	107.77%	230.73%	94.78%	174.73%	128.23%	182.13%	115.56%	174.74%	47.80%	176.00%	46.33%	47.11%	54.14%

Schedule of OPEB Contributions	2024		2023		2022		2021		2020		2019		2018	
	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS
Statutorily required contribution	\$ -	\$ 26	\$ -	\$ 26	\$ -	\$ 14	\$ -	\$ 27	\$ -	\$ 28	\$ -	\$ 31	\$ -	\$ 293
Contributions in relation to the actuarially determined contractually required contribution	\$ -	\$ 26	\$ -	\$ 26	\$ -	\$ 14	\$ -	\$ 27	\$ -	\$ 28	\$ -	\$ 31	\$ -	\$ 293
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 77,785	\$ 222,544	\$ 77,785	\$ 222,544	\$ 81,525	\$ 189,768	\$ 78,789	\$ 177,238	\$ 84,710	\$ 183,883	\$ 84,059	\$ 186,901	\$ 82,939	\$ 184,427
Contributions as a percentage of covered employee payroll	0.00%	0.01%	0.00%	0.01%	0.00%	0.01%	0.00%	0.02%	0.00%	0.02%	0.00%	0.02%	0.00%	0.16%

Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the University will present information for those years for which information is available.

Changes in Assumptions and Benefit Terms: No significant changes noted for STRS. For OPERS, on January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees.

SINGLE AUDIT



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees
The University of Toledo
Toledo, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of The University of Toledo (the University) (a component unit of the State of Ohio), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 21, 2024. The audit of University of Toledo Physicians Clinical Faculty, Inc. (UTP-CF) was not performed in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with UTP-CF.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

University's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Maumee, Ohio
October 21, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees
The University of Toledo
Toledo, Ohio

Report on Compliance for the Major Federal Program

Opinion on Each Major Federal Program

We have audited The University of Toledo's (the University) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the University's major federal program for the year ended June 30, 2024. The University's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Maumee, Ohio
October 21, 2024

THE UNIVERSITY OF TOLEDO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Primary Sponsor	Award Number	Passed Through to Subrecipients	Total Federal Expenditures
STUDENT FINANCIAL ASSISTANCE CLUSTER					
FSEOG	84.007	U.S. Department of Education		\$ -	\$ 907,896
Pell Grant	84.033	U.S. Department of Education		-	17,897,630
Federal Workstudy	84.033	U.S. Department of Education		-	666,164
Federal Teach Grant	84.379	U.S. Department of Education		-	99,745
Federal Direct Loans advances during fiscal year	84.268	U.S. Department of Education		-	99,732,552
Federal Perkins Loans outstanding balance at 07/01/2023	84.038	U.S. Department of Education		-	2,241,646
				-	121,545,833
Disadvantaged Student Loans outstanding balance at 07/01/2023	93.342	U.S. Department of Education		-	217,430
Primary Care Loans outstanding balance at 07/01/2023	93.342	U.S. Department of Education		-	216,000
Nurse Faculty Loans outstanding balance at 07/01/2023	93.264	U.S. Department of Education		-	140,137
Total Student Financial Assistance				-	573,567
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER				-	122,119,400
U.S. DEPARTMENT OF THE TREASURY					
MathCorps UToledo: Discover your greatness (Super Saturdays)					
Passed-Through from US Department of Treasury	21.019	City of Toledo	Not Available	-	9,043
Total U.S. Department of the Treasury				-	9,043
RESEARCH AND DEVELOPMENT CLUSTER					
U.S. Department of Agriculture					
Exploring the virome and RNAi strategies for disease control	10.001	U.S. Department of Agriculture	58-5082-1-008	-	17,452
Molecular and cellular analysis of the effects of silicon on stress tolerance in crop plants	10.001	U.S. Department of Agriculture	58-5082-1-011	-	119,527
Organic and Metal Contaminant Occurrence and Fate in Operational Water when Producing Containerized Specialty Crops	10.001	U.S. Department of Agriculture	58-5082-3-010	15,496	92,419
NACA: Effects of algal toxins on plants	10.001	U.S. Department of Agriculture	58-5082-1-009	-	215,381
Research Support Agreement-Acquisition of Goods and Services	10.001	U.S. Department of Agriculture	58-5082-2-007	-	3,616
RSA for student employment	10.001	U.S. Department of Agriculture	58-5082-2-011	-	1,091
Research Support Agreement-Acquisition of Goods and Services	10.001	U.S. Department of Agriculture	58-5082-3-008	-	11,702
RSA for student employment	10.001	U.S. Department of Agriculture	58-5082-3-016	-	1,233
Investigation into Integrated Phosphorus and Ammonia Recovery in Swine Applications Passed-Through from U.S. Department of Agriculture	10.212	Applied Environmental Solutions LLC	2023-00792-UT01	-	34,497
Centriolar Biomarkers of Bull Sperm	10.310	U.S. Department of Agriculture	2021-67015-33403	-	92,157
The Function of Centriole Protein POC1B in the Rabbit Sperm	10.310	U.S. Department of Agriculture	67011403386701122000	-	93,132
A new technology for high yield conversion of biomass carbohydrates to furans for bioproducts	10.310	U.S. Department of Agriculture	2018-67021-27953	-	85,061
RSA (Research support agreement) with USDA-ARS	10.001	U.S. Department of Agriculture	58-5082-4-042	-	44
RCPP Project ID #2603 Pilot Watershed Project in the Western Lake Erie Basin Passed-Through from U.S. Department of Agriculture	10.310	Ohio State University	SPC-1000012325 GR131828	-	58,356
Total U.S. Department of Agriculture				15,496	825,668
National Oceanic and Atmospheric Administration					
Engaging K-12 Students in Authentic Watershed Experiences, Science and Stewardship: Reconnecting to the Land at Earth Heart Farms	11.429	National Oceanic and Atmospheric Administration	NA23NOS4290132	-	66,820
Engaging K-12 Students in Authentic Watershed Experiences, Science and Stewardship: Reconnecting to the Land at Earth Heart Farms	11.429	National Oceanic and Atmospheric Administration	NA23NOS4290132	-	24,199
Great Lakes Bay Watershed Education and Training (B-WET) program FY21	11.429	National Oceanic and Atmospheric Administration	NA21NOS4290009	211	265
Great Lakes Bay Watershed Education and Training (B-WET) program FY21	11.429	National Oceanic and Atmospheric Administration	NA21NOS4290009	-	2,610
Using Microcystin Degrading Bacteria and their Enzymes for Water Treatment	11.478	National Oceanic and Atmospheric Administration	NA20NOS4780182	-	211,198
Synergistic impact of climate induced acidification, temperature, and nutrients on cyanobacteria HAs in the Great Lakes Passed-Through from National Oceanic and Atmospheric Administration	11.478	University of Michigan	SUBAWARD NO: SUBK00016951	-	33,743
Health Sciences Bioresearch Lab	11.617	National Institute of Standards and Technology	60NANB23D115	-	361,017
From Bottles to Beauty: Creating connections using experiential learning in plastics circularity	11.620	National Institute of Standards and Technology		-	20,253
Paleontological and sedimentological analysis of cyanobacteria and eukaryotic phytoplankton on sediment cores collected from Lake Erie	11.417	National Oceanic and Atmospheric Administration	1305M323PNRMA0138	-	30,611
An empirical for forecasting short-term microcystin concentrations in Western Lake Erie	11.417	National Oceanic and Atmospheric Administration	1305M323PNRMA0258	-	27,446
Total National Oceanic and Atmospheric Administration				211	778,162
U.S. Department of Commerce					
Assessing the impact of shore management on the resilience of coastal environmental microbiomes Passed-Through from National Oceanic and Atmospheric Administration	11.417	Ohio Sea Grant Program	60074861	-	6,250
Total U.S. Department of Commerce				-	6,250
U.S. Department of Defense					
Photovoltaic Sheets for High Specific Power Space-Based Energy Harvesting (PVS-EH)	12.000	Airforce Research Laboratory at Virginia	FA9453-21-C-0056	-	2,836,139
Seed Program: Investigation of Power Electronics and Control Systems for Nuclear/Renewable Energy arcs Passed-Through from Department of Energy	12.000	Idaho National Labs	236035	-	64,196
NURTURING STEM in Early Childhood for Military Connected Families	12.006	Office of Naval Research	HQ00342010035	88,022	571,085
NURTURING STEM in Early Childhood for Military Connected Families	12.006	Office of Naval Research	HQ00342010035	-	29,233
Ultra-wideband and Highly Efficient Plasma-Matched Small HF Antennas	12.300	Office of Naval Research	N00014-21-1-2449	-	141,240
"PROMPT: Process for Rapid Optimization and Modeling of Power Transistors."	12.300	Office of Naval Research	N00014-21-1-2832	-	171,578
Early Damage Evolution and Lifetime Prediction of Wire Arc Additive Manufactured Nickel Aluminum Bronze through High-Throughput Ultrasonic Fatigue Testing: An In-situ Corrosion Fatigue Study	12.300	Office of Naval Research	N00014-23-1-2798	-	84,605
TCAD and Circuit Models for Semiconductor Opening Switches	12.300	Naval Research Laboratory	N0017324P1127	-	37,700
IORE: INIRS Operational Readiness Estimation					
Passed-Through from Department of Defense	12.000	Apitima Inc	1527-2227	-	9,234
CrewCare Helmet Health System (CrewCare-HHS): a helmet-integrated health and performance monitoring system Passed-Through from Department of Defense	12.000	Apitima Inc	1704-2356 HT9425-24-P-0024	-	10,638
Developing PTH1R PROTAC degraders for lethal prostate cancer	12.420	U.S. Army Medical Research and Development Command	HT94252410064	-	1,930
Dormancy mimicking to inhibit prostate cancer metastasis and recurrence	12.420	Department of Defense	HT94252410133	-	21,590
Tumor metabolism as the new Achilles' heel in prostate cancer	12.420	Department of Defense	W81XWH2010794	-	99,133
Development of Novel Inducers of Non-Apoptotic Cell Death to Target TNBC	12.420	Department of Defense	W81XWH2110053	-	2,036
Development of an Attenuated Vaccine for the Prevention of Lyme Disease	12.420	Department of Defense	W81XWH2110967	-	268,172
Maladaptive Nigrovalgal Pathophysiology in Parkinsonism	12.420	U. S. Army Medical Research and Materiel Command	W81XWH2110912	-	319,807
A CLOUD (CRISPR-Mediated Loci-Specific Unbiased Discovery) Atlas of Regulatory Binding Proteins for Driver Genes in Prostate Cancer Bone Metastases	12.420	U. S. Army Medical Research and Materiel Command	HT9425-23-1-0015	-	92,975
Optimizing Clinical Outcomes for Patients with Patelofemoral Pain Using Strength Training Rehabilitation Incorporating Power Exercises (STRIPE)					
Passed-Through from Department of Defense	12.420	University of Connecticut	W81XWH2210532	-	48,855

See Notes to the Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF TOLEDO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Primary Sponsor	Award Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Defense (Continued)					
Active Early Detection and Diagnosis of HABs with Scalable Biological Treatment Strategies	12.630	U.S. Army Corps of Engineers	W912HZ2120015	\$ 5,335	\$ 330,474
Development of Low Cost Materials and Devices for Flexible Tandem Space Solar Cells (ROSET)	12.800	Airforce Research Laboratory at Virginia	FA9453-19-C-1002	-	1,272,635
High-Temperature Fluctuating-Stress Ultrasonic Fatigue Tester for Studying Environment-Dependent Ultra-Long-Life Fatigue of Defense Critical Advanced Materials and Processes	12.800	Air Force Office of Scientific Research	FA9550-23-1-0179	-	162,426
Mathematically Justified Computational Platform for Nonlinear Dynamics	12.800	Rutgers University	PO 25485749	-	944
Passed-Through from Air Force Office of Scientific Research	12.800			-	
Development of Low Cost Materials and Devices for Flexible Tandem Space Solar Cells (ROSET)	12.800	Airforce Research Laboratory at Virginia	FA9453-19-C-1002	-	186,285
Unified Large-Scale Theoretical and Computational Frameworks for Invariance and Composition of Open Hybrid Dynamical Systems	12.800	George Washington University	23-S19	-	27,545
Passed-Through from Air Force Office of Scientific Research	12.900	National Security Agency	H98230-23-1-0130	-	2,228
STARTALK-UToledo Student-Centered Learning Program for Arabic, Chinese, and Korean Teachers	12.910	Wright State University	671100-1	-	93,687
Assured Digital Microelectronics Education & Training Ecosystem (ADMETE)	12.910	Wright State University	671100-1	-	6,500
Passed-Through from Airforce Research Laboratory at Virginia	12.910			-	
Advanced Aerodynamic and Instrumentation Features and Simulation (A2IFS)	12.RD	Teledyne	PO00175103	-	16,523
Passed-Through from Department of Defense	12.RD	Lockheed Martin	4105131951	-	51,744
Plasma Impedance Matching Networks	12.RD	Battelle Energy Alliance, LLC (BEA)	CONTRACT NO. 246402	-	13,233
Passed-Through from Department of Defense	12.630	U.S. Army Corps of Engineers	W912HZ2220045	-	228,892
Modular Designs for New Facilitated Transport Membranes in Olefin Production	12.630			-	
Passed-Through from Idaho National Labs	12.RD			-	
Development and Validation of Early Detection and Sustained Treatment Methods to Control HABs in Inland Source Waters in Ohio	12.RD	Eaton Corporation	PO 0011-45551	-	91,768
Unified Large-Scale Theoretical and Computational Frameworks for Invariance and Composition of Open Hybrid Dynamical Systems	12.RD	Eaton Corporation	PO 0011-45680	-	146,647
Passed-Through from U.S. Army Corps of Engineers	12.RD	Materion Brush	PO 4500837323	-	109,175
Intelligent and Resilient Structures (Phase 2)	12.300C	Purdue University	13001025-054	-	82,729
Passed-Through from Office of Naval Research				-	
Passive Manufacturing of Beryllium for Defense				93,357	7,633,579
Assured Digital Microelectronics Education & Training Ecosystem (ADMETE)					
Passed-Through from Airforce Research Laboratory at Virginia					
Reconfigurable Plasma Protection against High Power Microwaves					
Passed-Through from Office of Naval Research					
U.S. Department of Defense					
U.S. Department of the Interior					
Assessment of Sandusky River habitat suitability for potential Sauger Reintroduction	15.605	Ohio State University	SPC-1000012817 GR132207	-	31,758
Passed-Through from Ohio Department of Natural Resources	15.662	Ohio Department of Natural Resources	F21AP00358 -2022-0860	-	180,925
Removal of invasive grass carp from Lake Erie and tributaries: targeted collection and modeling to improve catch	15.662	Ohio Department of Natural Resources	PO00140077	-	283,471
Passed-Through from U.S. Fish and Wildlife Service	15.808	US Geological Survey	G20AC00447	-	2,592
Development of capabilities and response methodologies to effectively respond to detections of Grass Carp	15.808	US Geological Survey	G21AC10095	-	1,405
Lake Sturgeon survival, habitat use, and movements in Lake Erie	15.808	US Geological Survey	G21AC10568-00	-	15,202
Grass Carp Reproduction in Lake Erie	15.808	US Geological Survey	G21AC10095	-	66,429
Assessment of the responses of fish communities and ecosystems in Great Lakes connecting channels to restoration and other environmental change	15.808	US Geological Survey	G23AC00495-00	-	6,827
Grass Carp Reproduction in Lake Erie	15.808	US Geological Survey	G21AC10095	-	57,194
Lake Sturgeon survival, habitat use, and movements in Lake Erie	15.808	US Geological Survey	G24AC00052	-	23,766
Grass Carp Reproduction in Lake Erie				-	
Evaluating the Effects of Climate Change on Lake Erie Fishery Recruitment				-	669,570
U.S. Department of the Interior					
U.S. Department of Justice					
Focus on Runaways	16.738	Ohio Office of Criminal Justice Services	2019-JG-E01-V6364B, 2020-JG-E01-V6364	-	12,848
Passed-Through from U.S. Department of Justice	16.838	Lucas County Sheriff's Office	SUBAWARD NO: 2020-AR-BX-0065-1	-	22,233
CROSSAP Evaluation				-	35,081
U.S. Department of Justice					
National Aeronautic Space Administration					
Unlocking Far-Infrared Metal Abundances in NGC628	43.000	Universities Space Research Association	NNA17BF53C	-	29,351
Passed-Through from National Aeronautics and Space Administration	43.000	Universities Space Research Association	NNA17BF53C	-	49,380
Cycle Nine GO Grant	43.000	Universities Space Research Association	NNA17BF53C	14,129	14,999
Impact of the magnetic field in the Mon R2 hub-filament system	43.000	Hx5	Not Available	-	66,928
Compact Gas Turbine Compressor CFD Analysis	43.000	Hx5	Not Available	-	122,572
Passed-Through from National Aeronautics and Space Administration	43.001	Space Telescope Science Institute	HST-GO-15141.001-A	-	9,814
Compact Gas Turbine Compressor CFD Analysis	43.001	National Aeronautics and Space Administration	80NSSC18K1564	8,566	20,341
Passed-Through from National Aeronautics and Space Administration	43.001	National Aeronautics and Space Administration	80NSSC19K0591	6,028	79,527
The 6 pc DASH: A WFC3 1.6 micron Survey of the Orion Integral Shaped Filament	43.001	National Aeronautics and Space Administration	80NSSC20K0454	5,026	27,553
Passed-Through from NASA John H. Glenn Research Center	43.001	University of California at San Diego	KR 704458	-	47,399
A Spitzer, Herschel and WISE Census of Protostars within 500 pc of the Sun	43.001	University of California at San Diego	705197	-	5,745
18-ADAP18-0200: Orion The Final Epoch	43.001	Harvard-Smithsonian Center for Astrophysics	AR3-24006X	-	32,533
Two Decades of Protostellar Variability in the IR: An ISO, Herschel, Spitzer, SOFIA and NEOWISE Archival Study	43.001	National Aeronautics and Space Administration	80NSSC23K0748	25,385	42,510
The Spitzer IRS Mapping Legacy Archive	43.001	Association of Universities for Research in Astronomy	JWST-GO-03348.001-A	-	4,690
Passed-Through from National Aeronautics and Space Administration	43.001			-	
Infrared Gold: A Student-Centered Program to Extract, Analyze and Disseminate 20 Years of IRTF/SpexPoint-Source Spectroscopy	43.001	National Aeronautics and Space Administration	NNX16AC54A	1,137,150	1,575,570
Passed-Through from National Aeronautics and Space Administration	43.001	National Aeronautics and Space Administration	NNX16AC54A	-	56,237
The First Comprehensive Study of LMXBs Formed in the Globular Cluster Systems of Spiral Galaxies	43.001	National Aeronautics and Space Administration	80NSSC23K0750	-	4,575
Passed-Through from National Aeronautics and Space Administration	43.001	National Aeronautics and Space Administration	80NSSC23K0831	-	10,798
Surveying the 3-5 Micron Variability of Young Stellar Objects with Spitzer	43.001	Association of Universities for Research in Astronomy	JWST-GO-02521.010-A	-	527
Crouching Galaxy, Hidden Stars: Observational Tests of Cluster Formation Theories					
Passed-Through from National Aeronautics and Space Administration					
Mission Earth: Fusing GLOBE with NASA Assets to Build Systemic Innovation in STEM Education					
Mission Earth: Fusing GLOBE with NASA Assets to Build Systemic Innovation in STEM Education					
Fueling the Fire: Tracing Black Hole Growth in Pre-Quasar Systems					
Near-IR Spectroscopy of Protostars: Determining the Boundary Conditions of Planet Formation					
The First Ever Low Metallicity PDR Benchmark					
Passed-Through from National Aeronautics and Space Administration					

See Notes to the Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF TOLEDO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Primary Sponsor	Award Number	Passed Through to Subrecipients	Total Federal Expenditures
National Aeronautic Space Administration (Continued)					
Compact Gas Turbine Compressor CFD Analysis					
Passed-Through from NASA John H. Glenn Research Center	43.002	Hx5	Not Available	\$ -	\$ 125,484
Advanced Computational Tools for the Simulation of Multistage Turbomachinery in Support of Aeropropulsion					
Passed-Through from NASA John H. Glenn Research Center	43.002	Hx5	Not Available	-	125,485
Analysis for Future Aircraft Propulsion Systems	43.002	Hx5	Not Available	-	165,750
Passed-Through from NASA John H. Glenn Research Center					
High Temperature Materials & Coatings for Extreme Environments	43.002	Hx5	Not Available	-	196,786
Passed-Through from NASA John H. Glenn Research Center					
Nondestructive Evaluation for Aerospace Materials & Structures	43.002	Hx5	Not Available	-	172,987
Passed-Through from NASA John H. Glenn Research Center					
Advanced Microscopy and Microstructural Analysis	43.002	Hx5	Not Available	-	297,812
Passed-Through from NASA John H. Glenn Research Center					
Analysis and Testing of Advanced Materials & Structures	43.002	Hx5	Not Available	-	240,782
Passed-Through from NASA John H. Glenn Research Center					
Modeling Supermassive Black Hole Seed Formation and Growth on Cosmological Scales	43.RD	National Aeronautics and Space Administration	80NSSC22K0629	-	78,340
An HST Treasury of Stellar Feedback in Action: Sizes, Structures, and Power Sources for 50,000 ExtraGalactic HII Regions					
Passed-Through from National Aeronautics and Space Administration	43.RD	Association of Universities for Research in Astronomy	HST-GO-17126.001-A	-	104,449
Structure formation and baryonic cycling in the edge-on galaxy NGC891					
Passed-Through from National Aeronautics and Space Administration	43.RD	Association of Universities for Research in Astronomy	JWST-GO-02180.020-A	-	18,538
Come Out, Come Out, Wherever You Are: Seeking All the Massive Young Clusters Hidden in the Antennae					
Passed-Through from National Aeronautics and Space Administration	43.RD	Association of Universities for Research in Astronomy	JWST-GO-02581.001.A	-	4,690
A JWST-HST-VLT/MUSE-ALMA Treasury of Star Formation in Nearby Galaxies	43.RD	Space Telescope Science Institute	JWST-GO-02107.003-A	-	9,517
Bolometric Luminosities of Cool Brown Dwarfs:					
The Key to Their Effective Temperatures and the Mass unction	43.RD	Space Telescope Science Institute	JWST-GO-02302.001-A	-	106,950
Investigating Protostellar Accretion Across the Mass Spectrum	43.RD	Space Telescope Science Institute	JWST-GO-01802.001	-	63,112
The Vanishing Act: PAHs and Heavy Element Abundance in M101	43.RD	Association of Universities for Research in Astronomy	JWST-GO-02452.001-A	-	49,484
Dissecting the Prototypical Starbursts NGC 253 and M 82 and Their Cool Galactic Winds	43.RD	Association of Universities for Research in Astronomy	JWST-GO-01701.027-A	-	35,999
Total National Aeronautic Space Administration				1,196,283	3,997,216
National Science Foundation					
IPA Assignment	47.000	National Science Foundation	EEC-1948460-006	-	32,733
IPA	47.000	National Science Foundation	DUE-2344986	-	181,739
IPA	47.000	National Science Foundation	Not Available	-	133,811
PFI TT: A hand-held device for rapid and accurate determination of cancerous tumor margins during surgical resections	47.041	National Science Foundation	2141183	18,325	120,859
PFI TT: A hand-held device for rapid and accurate determination of cancerous tumor margins during surgical resections	47.041	National Science Foundation	2141183	-	6,318
Shear thickening under high shear using bimodal dispersions	47.041	National Science Foundation	2154284	-	61,800
Shear thickening under high shear using bimodal dispersions	47.041	National Science Foundation	2154284	-	4,089
Research Initiation: Measuring mental demand of interactive textbooks using wearables and web analytics	47.041	National Science Foundation	2025088	-	10,190
Ultra-High Efficiency Microwave Plasma for Extreme Low-Power Applications	47.041	National Science Foundation	2102100	-	155,223
Collaborative Research: Dry-Wet Phase Inversion Pathway of Graphene Oxide (GO)-Based Mixed-Matrix Membranes for Mineral Ions Separation by Membrane Distillation	47.041	National Science Foundation	2002310	-	17,821
NSF I-Corps Hub: Great Lakes Region					
Passed-Through from National Science Foundation	47.041	University of Michigan	2048612	-	55,678
NSF I-Corps Hub: Great Lakes Region					
Passed-Through from National Science Foundation	47.041	University of Michigan	2048612	-	2,000
Collaborative Research: Dry-Wet Phase Inversion Pathway of Graphene Oxide (GO)-Based Mixed-Matrix Membranes for Mineral Ions Separation by Membrane Distillation	47.041	National Science Foundation	2002310	-	41,018
ERI: Additive Manufacturing of Iron based Shape Memory Alloy	47.041	National Science Foundation		-	64,007
Phase II IUARC The University of Toledo: Center for Disruptive Musculoskeletal Innovations (CDMI)	47.041	National Science Foundation	1916636	-	120,550
Investigating the Effectiveness of DisCure? Treatment Using A Human Disc Organ Culture Under Physiologically Relevant Mechanical Loading Conditions					
Passed-Through from National Science Foundation	47.041	Rainbow Medical, Ltd.	Not Available	-	8,741
Biomechanics of Cervical Spine with Artificial Disc During Pilot Ejection					
Passed-Through from National Science Foundation	47.041	Infocitex	Not Available	-	10,377
Phase II IUARC The University of Toledo: Center for Disruptive Musculoskeletal Innovations (CDMI)	47.041	Rosie's Base Inc.	Not Available	-	1,811
Developing a sex-specific finite element model with and without total shoulder arthroplasty (Email 5-2f) Passed-Through from National Science Foundation	47.041	Multiple Sponsors	Not Available	-	10,410
Evaluating biomechanics of the novel active apex correction technique in pediatric scoliosis (Email# 1-2A) Passed-Through from National Science Foundation	47.041	Multiple Sponsors	Not Available	-	2,761
Phase II IUARC The University of Toledo: Center for Disruptive Musculoskeletal Innovations (CDMI)	47.041	National Science Foundation	1916636	-	41,711
CAREER: Novel Microplasmas for Highly Compact and Versatile RF Electronics	47.041	National Science Foundation	Not Available	-	7,501
ERI: Additive Manufacturing of Iron based Shape Memory Alloy	47.041	National Science Foundation	Not Available	-	4,996
REU Site: Research Experiences for Undergraduates in Physics and Astronomy at the University of Toledo	47.049	National Science Foundation	Not Available	-	111,641
Modeling the Abundance and Distribution of the First Stars and Galaxies	47.049	National Science Foundation	2009309	-	45,002
Tracking the Causes and Effects of Galactic Winds with Resolved Spectroscopy	47.049	National Science Foundation	2009416	-	125,106
Collaborative Research: The End of Star Formation: Gauging the Impact of Feedback on Dense Gas	47.049	National Science Foundation	2107827	-	17,490
Direct Tests of Black Hole Accretion Rate Prescriptions					
Passed-Through from National Science Foundation	47.049	National Radio Astronomy Observatory	1519126	-	30,071
Direct Tests of Black Hole Accretion Rate Prescriptions	47.049	National Science Foundation	2239807	-	18,175
Fundamental study of synthetic and transformational reactions of molecular silver and gold nanoparticles	47.049	National Science Foundation	1905262	-	10,195
CAREER: Expanding the Toolbox for Olefin Functionalization and Difunctionalization Reactions	47.049	National Science Foundation	2047725	-	124,376
Understanding molecular mechanisms underlying chemical behavior of pollutants in heterogeneous environmental systems	47.049	National Science Foundation	2144591	-	47,826
LEAPS-MPS: Harnessing materials from nature: from biomaterials to metal oxides	47.049	National Science Foundation	2316861	-	54,964
Acquisition of Helium Recovery Equipment to Establish a Sustainable NMR Facility at the University of Toledo	47.049	National Science Foundation	2320218	-	170,514
Lead free organic-inorganic halide perovskite ferroelectrics with large piezoelectric responses	47.049	National Science Foundation	1807818	-	28,284
REU Site: Research Experiences for Undergraduates in Physics and Astronomy at the University of Toledo	47.049	National Science Foundation	1950785	-	73,460

See Notes to the Schedule of Expenditures of Federal Awards.

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Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Primary Sponsor	Award Number	Passed Through to Subrecipients	Total Federal Expenditures
National Science Foundation (Continued)					
LEAPS MPS: Surface subgroups of outer automorphism group of the free group and dynamics on the boundary	47.049	National Science Foundation	2137611	\$ -	\$ 42,281
Lake Erie Center for Fresh Waters and Human Health--BGSU NSF					
subaward Passed-Through from National Science Foundation	47.050	Bowling Green State University	SUBAWARD ID 10010192-UT08	-	70,979
Biological and Geochemical Controls on Phosphorus Bioavailability in Arctic Tundra	47.050	National Science Foundation	1914545	-	51,824
Sample Testing Agreement: Soil nitrogen and phosphorus analyses					
Passed-Through from National Science Foundation	47.050	University of Alaska, Anchorage	P0566113	-	15,971
CAREER: Electrical Signals in Soils across Terrestrial and Aquatic Interfaces	47.050	National Science Foundation	2340719	-	4,767
CPS: Breakthrough: Analysis, Identification and Mitigation of Delay Performance					
Bottlenecks of Network Infrastructure in Cyber-Physical Systems	47.070	National Science Foundation	2146968	-	13,581
CRIL: CNS: Auction Mechanism Design for Energy-Efficient					
High Performance Computing	47.070	National Science Foundation	2300124	-	87,379
CAREER: The regulation of cytokinesis by calcium	47.074	National Science Foundation	2144701	7,683	56,262
CAREER: The regulation of cytokinesis by calcium	47.074	National Science Foundation	2144701	-	1,008
Stress response mechanisms in Vibrio	47.074	National Science Foundation	2151127	-	214,972
Addressing Environmental Challenges and Proposing Sustainable Solutions					
at the Lake Erie Land-Lake Interface	47.074	National Science Foundation	IIP-1916364	-	103
Collaborative Research: Vegetation assimilation as a source of mercury in a salt marsh ecosystem and implications for soil and tidal water exposures	47.074	National Science Foundation	2329941	-	53,846
Collaborative Research: BoCP-Implementation: Quantifying the response of biodiverse freshwater ecosystems to abrupt and progress environmental change	47.074	National Science Foundation	2325894	-	1,014
Collaborative Research: MRA: Resolving and scaling litter decomposition controls from leaf to landscape in North American Drylands	47.074	National Science Foundation	2307197	-	18,531
Collaborative Research: Peripheral Neighborhoods in City Creation					
Passed-Through from University of Illinois at Urbana-Champaign	47.075	National Science Foundation	2002310	8,651	18,329
Greater, Equity Access, and Readiness for Success for Engineering and Technology (GEARSET)	47.076	National Science Foundation	1930478	-	34,071
Greater, Equity Access, and Readiness for Success for Engineering and Technology (GEARSET)	47.076	National Science Foundation	1930478	-	66,337
ADVANCE Catalyst: Transitioning from Anecdotal to Data-Driven Intersectional Approach for Institutional Change at the University of Toledo	47.076	National Science Foundation	2305245	-	37,393
SaTC: EDU: Collaborative: Visualization and Practice based Cybersecurity Curriculum and Training framework for transforming High School Students into the Next Generation Cyber-aware and Cyber-savvy Workforce	47.076	National Science Foundation	1903419	-	24,386
SaTC: EDU: Collaborative: Visualization and Practice based Cybersecurity Curriculum and Training framework for transforming High School Students into the Next Generation Cyber-aware and Cyber-savvy Workforce	47.076	National Science Foundation	1903419	-	8,652
Collaborative Research: CyberMUG: Cybersecurity Modules aligned with UG Computer Science and Engineering Curriculum	47.076	National Science Foundation	2021264	-	16,782
Collaborative Research: Gateway or Gatekeeper: Understanding Why Black Students Choose Engineering Technology or Engineering, and the Implications of this Choice	47.076	National Science Foundation	2224766	-	113,241
Cultivating Persistence and Leadership Development in Science Master Teachers (Robert Noyce Teacher Scholarship)	47.076	National Science Foundation	NOYCE	-	21,043
Development of flow sensor technology for fluid dynamics	47.084	National Science Foundation	2419922	-	18,066
PFI-TT: A new test for male fertility based on sperm neck structures	47.084	National Science Foundation	2323383	-	28,763
I-Corps: Web-based Platform for Real-time Crime Mapping	47.084	National Science Foundation	2329738	-	28,472
I-Corps: High efficiency multi-material heat sink/storage by additive manufacturing	47.084	National Science Foundation	2334125	-	46,909
PFI-TT: Biomimetic Engineered Space Technology Platform	47.084	National Science Foundation	2213958	-	107,708
A Novel COVID Detection System Using a DNA Cage-Embedded Microfluidics Sensor (I-Corps)	47.084	National Science Foundation	2323237	-	23,136
PFI-TT: Biomimetic Engineered Space Technology Platform	47.084	National Science Foundation	2213958	-	9,482
Total National Science Foundation				34,659	3,188,539
U.S. Environmental Protection Agency					
Reducing the impacts of Chloride on aquatic species in the Maumee Area of Concern Passed-Through from U.S. Environmental Protection Agency	66.469	Ohio Environmental Protection Agency	UNIVTOL-FDAQUA21	30,607	125,732
H2Ohio Wetland Monitoring: Sensor Infrastructure and Capacity					
Passed-Through from U.S. Environmental Protection Agency	66.469	36662	SPC-1000007572 GR130252	-	629,531
Improving our understanding of cyanotoxins in Lake Erie					
Passed-Through from U.S. Environmental Protection Agency	66.469	Ohio State University	SPC-10000011783 GR131514	-	70,815
Functional Litter-acy: Trash Trappers for a Cleaner Toledo					
Passed-Through from U.S. Environmental Protection Agency	66.469	City of Toledo	PO 4500128554	-	14,303
Clark Island Wetland Restoration Project					
Passed-Through from U.S. Environmental Protection Agency	66.469	Verdantas	TOLEDO MSA - 20230718	-	20,202
Total U.S. Environmental Protection Agency				30,607	860,583
U.S. Department of Energy					
COMPASS FME Passed-Through from Department of Energy	81.000	Pacific Northwest National Laboratory	PO567057	-	645,383
COMPASS FME Passed-Through from Department of Energy	81.000	Pacific Northwest National Laboratory	PO567057	-	261,382
COMPASS FME Passed-Through from Department of Energy	81.000	Pacific Northwest National Laboratory	PO567057	-	732,584
Microwave Photoconductance Spectrometer for Thin-Film Deposited Semiconductor Materials Passed-Through from Department of Energy	81.049	Tau Science Corporation	S1-DE-SC0020718	-	15,677
Integrating and Optimizing Red Rock Biofuels' Feedstock Handling & Feed System Using State-of-the-Art Computational Tools					
Passed-Through from Department of Energy	81.000	Alliance for Sustainable Energy LLC	NGZ-8-82127-01	-	1,216
A tale of two extremes: Temperature sensitivity of carbon loss from cool and hot soils Passed-Through from Department of Energy	81.049	Emory University	SUBAWARD NO: A912200	-	8,140
Gallium Nitride (GaN) Protected Tandem Photoelectrodes for High Efficiency, Low cost, and Stable Soar Water Splitting					
Passed-Through from Department of Energy	81.087	University of Michigan	SUBAWARD NO: SUBK00018856	-	16,166
Hydrogen Academic Programs to Enhance the Hydrogen Economy	81.087	Department of Energy	DE-EE0010706	-	57,238
Perovskite/Perovskite Tandem Photoelectrodes For Low-Cost Unassisted Photoelectrochemical Water Splitting	81.087	Department of Energy	DE-EE0008837	-	185,531
Toward Low-Cost, Efficient and Stable Perovskite Thin-Film Modules	81.087	Department of Energy	DE-EE0008970	-	521,843
Back-Contact Interface Engineering for Higher Efficiency CdTe PV					
Passed-Through from Department of Energy	81.087	Colorado State University	SUBAWARD NO: G-49011-02	-	59,803
Monolithic Bifacial Halide Perovskite-Cadmium Selenide Telluride (CST) Tandem Thin-Film Solar Cells	81.087	Department of Energy	EE0009832	-	105,176
Remanufacturable "Net-Zero Pb" Perovskite Solar Modules					
Passed-Through from Department of Energy	81.087	South Dakota School of Mines & Technology	SDSMT-UTOL 23-05	-	9,262
All-Perovskite Tandem Photoelectrodes for Low-Cost Solar Hydrogen Fuel Production from Water Splitting	81.087	Department of Energy	DE-EE0010740	-	162,094
A comprehensive strategy for stable, high productivity cultivation of microalgae with controllable biomass composition	81.087	Department of Energy	DE-EE0008247	44,473	44,473
High pH/high alkalinity cultivation for Direct Atmospheric Air Capture and Algae Bioproducts Passed-Through from Department of Energy	81.087	Montana State University	G282-22-W9180	-	107,406

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U.S. Department of Energy (Continued)					
Minimizing organic carbon losses to improve net productivity in direct air capture cultivation	81.087	Department of Energy	DE-EE0009676	\$ 221,673	\$ 367,698
Integrated LISS-RAMAN-AI System for Real Time, In-Situ Chemical Analysis of MSW Streams Passed-Through from Department of Energy	81.087	Lehigh University	SUBAWARD NO# 544533-78001	-	7,025
RARE EARTH AND CRITICAL ELEMENTS RECOVERY VIA SELECTIVE MEMBRANES: AI/ML-GUIDED MEMBRANE DEVELOPMENT	81.RD	Triton Systems, Inc.	Not Available	-	5,054
Center for Hybrid Organic-Inorganic Semiconductors for Energy (CHOISE)	81.RD	Alliance for Sustainable Energy LLC	SUB-2023-10118	-	168,008
Robust High-resolution Magnetic Resonance Sensors for In-situ Measurements of Soil Hydrogeology at Coastal Interfaces	81.RD	Vista Clara Inc.	DE-SC0021480	-	36,662
COMPASS FME Passed-Through from Department of Energy	81.RD	Batelle Energy Alliance, LLC (BEA)	SUBCONTRACT NO. 730017	-	55,924
Modeling of Components in Nuclear/Renewable Power Systems	81.RD	Idaho National Labs	290356	-	66,984
Shape memory alloy Passed-Through from Department of Energy	81.RD	Oak Ridge National Laboratory	4000194304	-	150,162
Facilitating Snow Removal from PV Modules	81.RD	National Renewable Energy Laboratory	Not Available	-	14,065
Cadmium Telluride Photovoltaics Accelerator Consortium	81.RD	Alliance for Sustainable Energy LLC	SUB-2021-10715	-	909,645
High Fidelity Simulations of Membrane Gas Separation Modules (Task 1)	81.RD	Leidos, Inc.	P010267273	-	29,294
Passed-Through from National Energy Technology Laboratory	81.RD	Leidos, Inc.	P010267273	-	5,163
Membrane Gas Separation Module Simulations for Process Simulators (Task 2)	81.RD	Leidos, Inc.	P010267273	-	22,208
Passed-Through from National Energy Technology Laboratory	81.RD	Argonne National Laboratory	SUBCONTRACT NO. 1F-60447	-	207,783
Industrial Carbon Capture Membrane Simulation (Task 3)	81.RD	National Technology and Engineering Solutions of Sandia, LLC	PO# 2294290	-	136,423
Passed-Through from National Energy Technology Laboratory	81.RD			266,146	5,115,470
Total U.S. Department of Energy					
U.S. Department of Health and Human Services					
National Institutes of Health					
A Multicenter Platform Evaluating Putative Therapeutics for the Treatment of COVID-19 in Hospitalized Adults Passed-Through from	93.000	Social & Scientific Systems, Inc.	Not Available	-	53,930
National Institute of Allergy & Infectious Disease	93.113	Bowling Green State University	SUBAWARD NO 10009736-UT08	-	15,600
Lake Erie Center for Fresh Waters and Human Health--BGSU NIH subaward	93.121	National Institute of Dental Craniofacial Research	5R01DE027343-05	-	216,102
Passed-Through from National Institutes of Health	93.121	University of Michigan	SUBK00018321 / 5R01DE03147602	-	45,457
The role of platelets in oral candidiasis	93.121	University of Texas Rio Grande Valley	1R01DE031117	-	96,190
Personalized Strategies for Periodontal Tissues Regeneration - A Converged Biofabrication Approach Passed-Through from	93.121	Georgia State University	Not Available	-	17,084
National Institute of Dental Craniofacial Research	93.121	Purdue University	11001228-039	-	88,562
Identifying the mechanisms of latent inhibition to prevent dental fear	93.136	National Institutes of Health	R01MH110483	-	6,581
Passed-Through from National Institute of Dental Craniofacial Research	93.143	University of Maryland at Baltimore	3000303	-	92,855
Engaging Fathers in Cross-Cutting Violence Prevention: A Dual Generation Evaluation of the ACT Raising Safe Kids Program to Prevent Multiple Forms of Violence Passed-Through from Centers for Disease Control and Prevention	93.242	National Institutes of Health	R01MH110483	-	6,456
Distance Education and Training on Emerging Contaminants and Technologies (DETECT) Passed-Through from National Institute of Environmental Health Science	93.242	National Institutes on Mental Health	R21MH127500	57,330	149,085
Study of early brain alterations that predict development of chronic PTSD	93.242	National Institutes on Mental Health	1R21MH125277-01A1	2,657	89,770
Passed-Through from National Institutes on Mental Health	93.242	National Institutes on Mental Health	5R21MH126172-02	-	118,159
Translational assessment of brain bioenergetic function in schizophrenia	93.243	Substance Abuse and Mental Health Services Administration	H79SM081323	-	500
Passed-Through from National Institutes of Health	93.273	National Institute on Alcohol Abuse and Alcoholism	1R21AA029767-01	6,965	56,502
Study of early brain alterations that predict development of chronic PTSD	93.273	National Institute on Alcohol Abuse and Alcoholism	1R01AA029674-01A1	260,795	520,240
The effect of SHANK3 mutation in transgenic prairie voles on natural social behaviors and genetic mechanisms	93.279	National Institute on Drug Abuse	1U01DA054330-01A1	-	750,351
A large sample machine learning network analysis of vertex cortical thickness measures for high resolution definition of PTSD related cortical structure abnormalities	93.279	National Institute on Drug Abuse	1R21DA055558-01A1	-	154,517
Using pre-pandemic baseline data in people with and without PTSD to study effects of the COVID-19 pandemic on mental health and brain emotion circuits	93.286	National Institute of Biomedical Imaging & Bioengineering	1R15EB034552-01	5,578	49,072
Educating a Community Within a Community: Mental Health First Aid and Green Zone Training at the University of Toledo and Beyond	93.286	National Institutes of Health	5R25EB029385-04	-	45,471
Phosphodiesterase 4B Inhibition as a Therapeutic Target for Alcohol-associated Liver Disease	93.323	Ohio Department of Health	CONTRACT# 51392/P000062332	-	14,583
Novel GLT-1 activators for the treatment of alcohol dependence: preclinical studies	93.323	Ohio Department of Health	POO0125588	-	379,457
Cross platform analysis of drug targets and toxicity of bath salts	93.354	Ohio Department of Health	ORDER NO: P000053174	765	879
Zebrafish Screens to Identify Agents which Reverse the Effects of Synthetic Opioids	93.393	National Cancer Institute	7R01CA219144-02	-	31,461
High-throughput high-resolution microscopy for mechanism based phenotypic drug discovery applications	93.393	National Cancer Institute	R01CA219342	-	193,413
Biosign-based learning platform fortified with clinical immersion and medical device commercialization pathway	93.393	Baylor Research Institute	PO # P70000160	-	35,724
Campus Wastewater Monitoring of University of Toledo Campus	93.394	Vanderbilt University	Not Available	-	66,362
Passed through from Centers for Disease Control and Prevention	93.394	National Institutes of Health	1R01CA276732-01A1	-	236,365
Campus Wastewater Monitoring of University of Toledo Campus	93.395	National Cancer Institute	1R21CA256462-01A1	-	95,170
Passed through from Centers for Disease Control and Prevention	93.395	National Cancer Institute	R01CA258682-01-A1	-	444,016
Community Health Worker Self-Care Project	93.395	National Cancer Institute	1R21CA277252-01A1	-	146,823
Interplay between Dietary Fiber and Gut Microbiota in Hepatocellular Carcinoma	93.396	National Cancer Institute	R15CA241898	-	26,581
ATR Isomerization in Cellular Responses to UV Damage of DNA	93.396	National Cancer Institute	R15CA238894	6,986	10,514
Sequencing Familial Lung Cancer Passed-Through from National Institutes of Health	93.396	National Cancer Institute	R15CA241898	-	5,373
Clinical Utility of a Combined Biomarker Approach to Diagnose Lung Cancer	93.396	National Cancer Institute	R15CA264735	-	101,255
Passed-Through from National Cancer Institute	93.396	National Cancer Institute	R121AI176323-01	-	124,734
Engineering of Exosomes for Pancreatic Cancer Targeting Therapy	93.396	National Cancer Institute	R01CA211904	-	16,491
Targeting of eIF4A along with immunotherapy to overcome chemoresistance	93.396	National Institutes of Health	7R01CA230744-03	-	431,310
Targeting eIF4A1 in drug-resistant breast cancer stem-like cells	93.398	National Cancer Institute	K22CA248616	-	146,071
Targeting FASN to eliminate metastatic breast cancer in the brain					
Regulation of MLK3 by LATS					
Understanding and targeting MELK overexpression in breast cancer cells					
Regulation of MLK3 by LATS					
CDHR5 tumor suppressor function in the intestine					
Role of prolactin in adipocyte-breast cancer cell crosstalk					
Molecular targeting the translational control axis in Wnt/β-catenin signaling pathway					
Influence of bone microenvironment on drug resistance in prostate cancer					
bone metastasis					
A transcription-independent role of HSF1 in tumorigenesis via suppression of AMPK					

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National Institutes of Health (Continued)					
Regulation of Ferroptosis by the p53/CDK/Rb Axis	93.859	National Institute of General Medical Sciences	R15GM141712	\$ -	\$ 11,967
Training in Molecular and Translational Cell Dynamics	93.859	National Institutes of Health	Not Available	-	4,930
The Role of Rabbit POC1B in Sperm Centrioles	93.865	National Institute of Child Health & Human Development	R15HD110863	-	108,817
Astrocyte insulin resistance-induced neuroendocrine defects in pubertal delay and hypogonadotropic hypogonadism	93.865	National Institutes of Health	5R01HD104418-02	-	604,568
Mechano-rehabilitation and Mesenchymal Stem Cell Assisted Annulus Fibrosus Repair Under IVD Organ Culture Conditions (ADVANCE: AR3T Pilot Studies)	93.865	Spaulding Rehabilitation Hospital Corporation	Not Available	-	75,901
Development of Attenuated Furoxans as Novel Therapies for Alzheimer's Disease	93.866	National Institutes of Health	1R01AG057598-01	-	78,835
PPARG regulates osteocyte bioenergetics and function during aging	93.866	National Institute on Aging	R56AG071332	576,032	1,261,456
Determining the context specificity of metformin treatment on mitochondria and healthspan	93.866	Oklahoma Medical Research Foundation	Not Available	-	72,376
Role of gut commensal Coprococcus comes in angiotensin-converting enzyme inhibitor resistant hypertension	93.866	National Institute on Aging	1R21AG079357-01	-	224,068
AMPK localization, expression, and activity in Alzheimer's Disease (N. Henkel Fellowship)	93.866	National Institute on Aging	1F30AG079633-01	-	39,578
Cerebrovascular endothelial cilia in the pathogenesis and therapy of Alzheimer's Disease	93.866	National Institute on Aging	1R03AG080418-01	-	147,459
Machine Learning and Network Science for Predicting Kidney Transplant Survival	93.879	National Institutes of Health	1R01M013311-01	23,445	35,285
Healthy Start Initiative: Eliminating Racial/Ethnic Disparities	93.926	Lucas County Regional Health District	PO# 306506/H49MC27825-10	-	52,090
Passed-Through from Health Resources & Services Administration	93.393			-	26,421
Toledo Clinic Affiliation Agreement	93.393				
Passed-Through from National Cancer Institute	93.393				
Clinical and Translational Science Collaborative of Northern Ohio, Catalyzing Linkages to Equity in Health (CLE Health)	93.393	Case Western Reserve University	RES602390	-	62,276
Passed-Through from National Institutes of Health	93.859	National Institutes of Health	Not Available	-	370,946
Training in Molecular and Translational Cell Dynamics	93.853	Ohio Department of Health	PO00115565	984	221,722
Self-Care for Community Health Workers and Neighborhood Navigators	93.977	Lucas County Regional Health District	Not Available	-	3,053
Passed-Through from Centers for Disease Control and Prevention	93.273	National Institutes of Health	7K01AA029763-04	-	101,102
STI Prevention: Syphilis					
Passed-Through from Centers for Disease Control and Prevention					
Targeting PI3K/BRD4 and Hedgehog Pathway in Alcohol Associated Liver Disease					
Total U.S. Department of Health and Human Services				1,641,828	17,579,469
National Institutes of Health					
TOTAL RESEARCH AND DEVELOPMENT CLUSTER				3,278,586	40,689,586
TRIO CLUSTER					
U.S. Department of Education					
Upward Bound Math & Science Program	84.047	US Department of Education	P047M220275	-	212,586
Upward Bound Math & Science Program	84.047	US Department of Education	P047M220275	-	95,443
Upward Bound Program	84.087	US Department of Education	P047A221073	-	324,810
Upward Bound Program	84.087	US Department of Education	P047A221073	-	132,898
Early Childhood Reading Proficiency Initiative Evaluation	84.215	Toledo Tomorrow	S215K230139	-	3,744
Passed-Through from US Department of Education	84.042	US Department of Education	P042A200760	-	247,899
UT Student Support Services	84.042	US Department of Education	Not Available	-	698
UT Student Support Services					
Total U.S. Department of Education				-	1,018,078
TOTAL TRIO CLUSTER				-	1,018,078
MEDICAID CLUSTER					
U.S. Department of Health and Human Services					
Cardi-OH Passed-Through from Ohio Department of Medicaid	93.778	Case Western Reserve University	RES514877	-	11,436
Cardi-OH Passed-Through from Ohio Department of Medicaid	93.778	Case Western Reserve University	Not Available	-	76,166
Addressing Implicit Bias and Cultural Humility in Healthcare through Cinematic Virtual Reality (MES)	93.778	Ohio University	Not Available	-	10,059
Passed-Through from Centers for Medicare and Medicaid Services	93.778	Case Western Reserve University	RES601925	-	221,294
Cardi-OH Passed-Through from Ohio Department of Medicaid					
Total U.S. Department of Health and Human Services				-	318,954
TOTAL MEDICAID CLUSTER				-	318,954
U.S. Highway Planning and Construction					
Using AI/Machine Learning and Computer Vision for Transportation Data Collection	20.205	Ohio Department of Transportation	33599	-	6,896
Passed-Through from U.S. Department of Transportation	20.205	Ohio University	PO 1135895 UT21640	-	57,237
Evaluation of the Perpetual Pavement Concept	20.205	Ohio Department of Transportation	37851	58,687	209,871
Passed-Through from U.S. Department of Transportation	20.205	Ohio Department of Transportation	39160	-	84,953
Innovative Evaluation of Prestressed Concrete Box Beam Bridge Designs (STAR Program)	20.205	Ohio Department of Transportation	40193	-	23,456
Passed-Through from U.S. Department of Transportation	20.530	Toledo Area Regional Transportation Authority	Not Available	-	15,952
FOCUS on Runways	20.205	Ohio Department of Transportation	40195	-	11,729
Passed-Through from Federal Highway Administration	20.205	National Academy of Sciences	SUB00001911 UNIT 913	-	18,499
From Data to Action: Leveraging Machine Learning/ Artificial Intelligence to Guide Proactive Pedestrian and Cyclist Safety Initiatives	20.205	Ohio Department of Transportation			
Passed-Through from U.S. Department of Transportation					
Quality Processes for Bridge Analysis Models	20.205	National Academy of Sciences	SUB00001911 UNIT 913	-	18,499
Passed-Through from Federal Highway Administration					
Total U.S. Highway Planning and Construction				58,687	428,593
OTHER AWARDS					
Department of Defense					
ASEE SMART Program Team	12.631		Not Available	-	7,127
STARTALK_UToledo L.E.A.D.E.R Program for Arabic, Chinese and Korean Teachers	12.900	National Security Agency	H98230-22-1-0080	-	107,517
STARTALK_UToledo L.E.A.D.E.R Program for Arabic, Chinese and Korean Teachers	12.900	National Security Agency	H98230-22-1-0080	-	25,431
STARTALK-UToledo Student-Centered Learning Program for Arabic, Chinese and Korean Teachers	12.900	National Security Agency	H98230-23-1-0130	-	42,740
Total Department of Defense				-	182,816

See Notes to the Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF TOLEDO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Primary Sponsor	Award Number	Passed Through to Subrecipients	Total Federal Expenditures
U. S. DEPARTMENT OF EDUCATION					
CTE Teacher Preparation and Retention					
Passed-Through from US Department of Education	84.048	Ohio Department of Education/Ohio Department of Human Svc	Not Available	\$ -	\$ 2
CTE Teacher Preparation and Retention					
Passed-Through from US Department of Education	84.048	Ohio Department of Education/Ohio Department of Human Svc	Not Available	-	100,185
Designing/redesigning Adolescent Literacy Coursework at Utoledo					
Passed-Through from US Department of Education	84.323	University of Cincinnati	Not Available	-	11,561
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)					
Passed-Through from US Department of Education	84.334	Ohio Department of Education/Ohio Department of Human Svc	Not Available	-	14,950
BVR - Bureau of Vocational Rehab	84.126	US Department of Education	Not Available	-	277,856
Project Prepare	84.325	US Department of Education	H325D130075	-	85,234
Project Prepare	84.325	US Department of Education	H325D130075	-	72,537
Ohio School Leaders Professional Development Grant					
Passed-Through from US Department of Education	84.048	Ohio Department of Education/Ohio Department of Human Svc	Not Available	-	47,388
High-Dosage Tutoring Project Passed-Through from US Department of Education	84.048	Ohio Department of Education/Ohio Department of Human Svc	Not Available	-	374,240
High-Dosage Tutoring Project Passed-Through from US Department of Education	84.048	Ohio Department of Education/Ohio Department of Human Svc	Not Available	-	518,469
Great Start Higher Education (GSHE)	84.325	US Department of Education	H325N180008	18,619	103,717
Bold Beginnings for Higher Education	84.325	US Department of Education	Not Available	-	96,957
Understanding and Responding to the Early Care and Learning Needs of Young Children and Families in Ohio Experiencing Homelessness	84.048	Ohio Department of Education/Ohio Department of Human Svc	Not Available	-	64,286
Understanding and Responding to the Early Care and Learning Needs of Young Children and Families in Ohio Experiencing Homelessness	84.048	Ohio Department of Education/Ohio Department of Human Svc	Not Available	-	4,826
Total U. S. DEPARTMENT OF EDUCATION				18,619	1,772,208
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
AHEC Point of Service Maintenance and Enhancement	93.107	Health Resources & Services Administration	5U77HP23072-13-00	582,438	607,362
AHEC Point of Service Maintenance and Enhancement	93.107	Health Resources & Services Administration	5U77HP23072-13-00	369,265	465,631
AHEC Point of Service Maintenance and Enhancement	93.107	Health Resources & Services Administration	5U77HP23072-13-00	-	11,088
NIOSH Training Grant Project: Industrial Hygiene-University Toledo	93.262	National Institute for Occupational Safety and Health	T03OH008605	-	124,818
Community Project Funding/Congressionally Directed Spending - Construction;					
UTMC Mobile Healthcare Community Project (Earmark)	93.493	Health Resources & Services Administration	1CE1HS46595-01-00	-	359,121
Community Project Funding/Congressionally Directed Spending (CPF/CDS)	93.493	U.S. Department of Health and Human Services	1CE1HS52617-01-00	-	153,529
Program Income Account for Ryan White Part D					
Passed-Through from HIV/AIDS Bureau	93.153	University of Toledo Physicians	Not Available	-	813,430
Ryan White Title IV Women, Infants, Children, Youth and Affected Family Members AIDS Healthcare (WIY-Part D)	93.153	U.S. Department of Health and Human Services	H1224838	-	800
University of Toledo Health Science Campus Ryan White Program Parts C and D	93.153	Health Resources & Services Administration	Not Available	-	85,286
University of Toledo Health Science Campus Ryan White Program Parts C and D	93.153	Health Resources & Services Administration	Not Available	-	468,219
Program Income Account for Ryan White Part C					
Passed-Through from HIV/AIDS Bureau	93.918	University of Toledo Physicians	Not Available	-	2,015,581
Ryan White 340b Pharmacy Revenue Program UTMc	93.918	HIV/AIDS Bureau	Not Available	-	191,258
Ryan White Part C (Title III) HIV Early Intervention Services (EIS) Program	93.918	HIV/AIDS Bureau	2 H76HA00732-21-00	-	487,884
Social Marketing Advertising CTR					
Passed-Through from Centers for Disease Control and Prevention	93.940	Lucas County Regional Health District	Not Available	-	47,450
Congenital Syphilis Warmline					
Passed-Through from Centers for Disease Control and Prevention	93.977	Lucas County Regional Health District	Not Available	-	106,986
Child Welfare Workforce Professional Education Program					
Passed-Through from Administration for Children and Families	93.667	Ohio Department of Jobs and Family Services	G-2223-06-0080	-	1,800
Child Welfare Workforce Professional Education Program					
Passed-Through from Administration for Children and Families	93.667	Ohio Department of Jobs and Family Services	PO00110192	-	93,348
Heart Healthy Ohio	93.840	Agency for Healthcare Research and Quality	Not Available	-	16
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				951,702	6,033,606
Corporation for National and Community Service					
Government Training (Americorp)	94.006		Not Available	-	20,241
Total Corporation for National and Community Service				-	20,241
Other					
Rocket Camp	12.420	Department of Defense	NAFIBI-22-C-0074	-	232,050
Rocket Camp	12.420	Department of Defense	NAFIBI-22-C-0074	-	381,034
Military Service Center Student Support	12.000	United States Department of Veterans Affairs		-	5,633
The University of Toledo Low Income Taxpayer Clinic	21.008	US Department of Treasury	22-LITC0597-02-01	-	181,627
The University of Toledo Low Income Taxpayer Clinic	21.008	US Department of Treasury	24-LITC0597-03-00	-	72,433
Department of Art-Recovery Fund Passed-Through from US Department of Treasury	21.027	Arts Commission of Greater Toledo Inc		-	63,541
Visiting Professor and guest artist support in Theatre and Film					
Passed-Through from US Department of Treasury	21.027	Arts Commission of Greater Toledo Inc	Not Available	-	50,084
"Glass House" a Magazine published by the UToledo Inside-Out Prison Exchange					
Program Passed-Through from National Endowment for the Humanities	45.129	Ohio Humanities Council	SO-276940-21	-	4,500
Krzysztof Wodiczko: The Art of Un-War					
Passed-Through from National Endowment for the Humanities	45.129	Ohio Humanities Council	Not Available	-	4,758
Toledo Tinkers Passed-Through from Institute of Museum and Library Services	45.301	Toledo Science Center DBA Imagination Station	Not Available	-	3,993
Lab-to-Market Inclusive Innovation Ecosystem Prize Competition		U.S. Small Business Administration	Not Available	-	5,986
The University of Toledo Program to Address Sexual Assault and Violence on Campus: UT Awareness & Prevention Project	16.525	U.S. Department of Justice	2020-WA-AX-0018	-	104,704
Broadening Data Fluency Through the Integration of NASA Assets and Place-Based Learning to Advance Connections, Education, and Stewardship (PLACES)					
Passed-Through from National Aeronautics and Space Administration	43.001	WestEd	S-00018984	-	36,386
Renewable Energy and Water for US and Serbia	19.900	U.S. Department of State	XA77NAJYELF1	12,160	51,342
Total Other				12,160	1,198,071
TOTAL FEDERAL EXPENDITURES				\$ 4,319,755	\$ 173,790,595

See Notes to the Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF TOLEDO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2024

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of The University of Toledo under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of The University of Toledo, it is not intended to and does not present the financial position, changes in net assets, or cash flows of The University of Toledo.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The University has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 ADJUSTMENTS AND TRANSFERS

During the year ended June 30, 2024, there were the following:

Transferred From	Amount	Transferred to
Federal Work Study	\$ 368,886	FSEOG

NOTE 4 LOAN BALANCES

Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the schedule of federal expenditures. The balances of loans outstanding at June 30, 2024 consists of the following:

Cluster/Program Title	ALN	Loan Balance
Federal Perkins Loans	84.038	\$ 205,801
Nurse Faculty Loan Program	93.264	56,480
Disadvantaged Student Loans	93.342	217,361
Primary Care Loans	93.342	168,487
Total Loans Outstanding		<u>\$ 648,129</u>

**THE UNIVERSITY OF TOLEDO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Number(s)

Various

Name of Federal Program or Cluster

Research and Development Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 3,000,000

Auditee qualified as low-risk auditee?

 x yes _____ no

THE UNIVERSITY OF TOLEDO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

Section II – Financial Statement Findings

2024-001 Type of Finding

- Significant Deficiency in Internal Control over Financial Reporting

Condition: The University of Toledo Medical Center (UTMC), had deficiencies in the internal control system related to payroll and time tracking processes, that together constitute a significant deficiency in internal controls.

The following issues were found in our review of management controls. We found that select Environmental Services employees had the ability to clock in for their shifts from a remote location via VPN access or on terminals located within the hospital in addition to those terminals available at the employee's worksite. On some occasions employees were able to clock-in without using their badge with no documentation about why this exception was made. There was not a consistent practice by management in reviewing timesheets or in verifying that the employees worked the shifts recorded. Edits made to clocking records were not always supported by documentation, such as what would have been created by the employee and approved by a supervisor. There was not always a critical review of pay differentials when pay differentials were utilized.

Criteria or specific requirement: Internal controls should be in place to provide reasonable assurance that payroll hours and codes are reviewed and approved to ensure proper compensation is being paid to employees.

Effect: Lack of effective controls over payroll process at UTMC poses a risk that employees could be compensated for hours not worked or at an incorrect rate.

Cause: Policies and procedures currently in place are not being followed in all circumstances or do not contain the appropriate internal controls.

Recommendation: UTMC should perform an evaluation of their internal practices and procedures surrounding the hourly employee payroll cycle and make the necessary changes.

Views of responsible officials: There is no disagreement with the audit finding.

THE UNIVERSITY OF TOLEDO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

Section II – Financial Statement Findings (Continued)

2024-002

Type of Finding

- Significant Deficiency in Internal Control over Financial Reporting

Condition: UTMC did not have a policy that requires formal documentation indicating the proper review and approval of manual journal entries.

Criteria or specific requirement: Internal controls should be in place to provide reasonable assurance that journal entries are reviewed and approved to ensure journal entries are appropriate and properly recorded.

Effect: While we did not identify any misstatements, fraud, or errors this lack of controls over manual journal entries increases the risk of misstatements, fraud, or errors occurring and not being detected and corrected.

Cause: Internal controls over manual journal entries at UTMC were not properly designed and implemented.

Recommendation: UTMC should evaluate their internal control practices and procedures to ensure there is proper review and approval of all manual journal entries and that this approval is documented.

Views of responsible officials: There is no disagreement with the audit finding.

**THE UNIVERSITY OF TOLEDO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).



The University of Toledo respectfully submits the following corrective action plan for the year ended June 30, 2024.

Audit period: July 1, 2023 – June 30, 2024

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

SIGNIFICANT DEFICIENCY

2024-001

Recommendation: UTMC should perform an evaluation of their internal practices and procedures surrounding the hourly employee payroll cycle and make the necessary changes.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned/taken in response to finding: The issues related to the tracking of time at UTMC were identified by management and proactive measures to address these issues were immediately implemented.

Name of the contact person responsible for corrective action: Troy Holmes, Chief Financial Officer – University of Toledo Medical Center

Planned completion date for corrective action plan: June 30, 2025

2024-002 UTMC Journal Entries

Recommendation: UTMC should evaluate their internal control practices and procedures to ensure there is proper review and approval of all manual journal entries and that this approval is documented.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned/taken in response to finding: Although there is no formal documentation of approval for journal entries, all manual entries are reviewed by management to ensure they are appropriate. In addition, extensive review of financial results and the underlying transactions occurs regularly as part of the month-end close process. Management will implement a process to formally document the approval of manual journal entries.

Name of the contact person responsible for corrective action: Troy Holmes, Chief Financial Officer – University of Toledo Medical Center

Planned completion date for corrective action plan: June 30, 2025

If the U.S. Department of Education has questions regarding this plan, please call Troy Holmes, Chief Financial Officer – University of Toledo Medical Center at 419-383-6376.

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OHIO AUDITOR OF STATE KEITH FABER



UNIVERSITY OF TOLEDO

LUCAS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 3/6/2025

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov