



THE UNIVERSITY OF  
**TOLEDO**  
1872

## AUDITED FINANCIAL STATEMENTS

Fiscal Year Ended June 30, 2010





# Dave Yost • Auditor of State

Board of Trustees  
University of Toledo  
2801 W. Bancroft  
Toledo, Ohio 43606-3390

We have reviewed the *Independent Auditor's Report* of the University of Toledo, Lucas County, prepared by Plante & Moran, PLLC, for the audit period July 1, 2009 through June 30, 2010. 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

February 22, 2011

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## Independent Auditor's Report

To the Board of Trustees  
University of Toledo

We have audited the accompanying basic financial statements of University of Toledo and its discretely presented component units as of and for the years ended June 30, 2010 and 2009, as listed in the table of contents. These basic financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the discretely presented component units of the University for 2010 and 2009, with the exception of The University of Toledo Foundation in which we did audit. Those statements were audited by other auditors whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for the component units, is based solely on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audits and the reports of the other auditors, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of University of Toledo and its discretely presented component units as of June 30, 2010 and 2009 and the respective changes in financial position and cash flows for the years then ended, in conformity with generally accepted accounting principles in the United States of America.

As discussed in Note 15 to the financial statements, the University has changed its method of accounting for derivative instruments in 2010 and 2009 due to the adoption of GASB 53, *Accounting and Financial Reporting for Derivative Instruments*.

To the Board of Trustees  
University of Toledo

In accordance with *Government Auditing Standards*, we also have issued our report dated October 15, 2010 on our consideration of University of Toledo's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters for the year ended June 30, 2010. The purpose of that report is 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 opinions on the internal control or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a part of the basic financial statements. Such information has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The management's discussion and analysis presented on pages 4 through 15 is not a required part of the basic financial statements, but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

*Plante & Moran, PLLC*

October 15, 2010



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2010 with comparative information for the years ended June 30, 2009 and 2008. The MD&A should be read in conjunction with 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 23,000 students, 1,700 instructional faculty, and 4,300 staff members. The University is comprised of eleven colleges: Arts and Science, Business Administration, Education, Engineering, Graduate Studies, Health Science & Human Services, Law, Medicine, Nursing, Pharmacy, and University College. The University offers more than 250 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 provides services to more than 12,500 inpatients and approximately 185,000 outpatients including 30,000 emergency visits. UTMC specializes in kidney transplantation, cardiology, neurology, trauma care, orthopedic surgery, and cancer.

The University is governed by a board of trustees who are responsible for oversight of academic programs, budgets, general administration, and employment of faculty and staff. The University is currently governed by a 13-voting member board of trustees created through the combination of the previous existing boards of the University of Toledo and Medical University of Ohio. The board will eventually be reduced to nine members; as current members' terms expire only one new trustee will be appointed for every two that depart. The trustees are appointed by the Governor with the advice and consent of the State Senate for staggered nine-year terms. Two student non-voting members, who are appointed for two-year terms, also serve on the Board.

The following financial statements reflect all assets, liabilities, and net assets of the University and discretely present its legally separate entities including the University of Toledo Foundation (Foundation) and the University of Toledo Clinical Faculty, Inc (UTCF). The Foundation's primary function is 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 amount of receipts from the Foundation. UTCF provides administrative support, billing, and collection services for physician services at the University.

## 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 a Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Net Assets; Statement of Cash Flows; and the Notes to the Financial Statements. In accordance with GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which amends GASB Statement No. 14, the Foundation and UTCF are discretely presented as component units of the University.

## FINANCIAL HIGHLIGHTS AND KEY TRENDS

The University’s overall financial position improved in 2010 due to positive flow from operations and recoveries in the financial markets. There was solid growth in operating revenues from higher enrollments and increased research activity. Total unrestricted and restricted net assets increased \$31.3 million, to \$237.3 million at June 30, 2010 as a result. The following sections provide additional details on the University’s 2010 financial results and a look ahead at significant economic conditions that are expected to affect the University in the future.

### **Statements of Net Assets**

The Statement of Net Assets is the University’s balance sheet. It reports all financial and capital resources and presents the difference between assets and liabilities as net assets. 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. Net assets are displayed in the following categories:

- Invested in capital assets, net of related debt (presents the University’s equity in capital assets)
- Restricted – non-expendable (net assets available for investment purpose only and cannot be expended)
- Restricted – expendable (net assets available for use based on externally imposed restrictions)
- Unrestricted (net assets available to the University for any lawful purpose of the institution)



## Summary of Statements of Net Assets

(in thousands)

	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Assets</b>			
Cash and temporary investments	\$81,566	\$64,379	\$26,007
Current receivables, inventories, and prepaid expenses	125,787	131,766	157,630
<b>Total current assets</b>	<b>207,353</b>	<b>196,145</b>	<b>183,637</b>
Endowment and loan investments	43,220	39,486	46,719
Long-term investments	85,499	63,274	142,875
Capital assets, net of accumulated depreciation	609,803	572,650	535,302
Other non-current assets	98,990	64,264	39,163
<b>Total non-current assets</b>	<b>837,512</b>	<b>739,674</b>	<b>764,059</b>
<b>Total assets</b>	<b>1,044,865</b>	<b>935,819</b>	<b>947,696</b>
<b>Liabilities</b>			
Accounts payable and accrued expenses	74,501	66,291	65,697
Other current liabilities	101,326	67,008	60,501
<b>Total current liabilities</b>	<b>175,827</b>	<b>133,299</b>	<b>126,198</b>
Bonds, notes, and leases	285,541	266,065	251,777
Other long-term liabilities	18,154	15,605	15,202
<b>Total non-current liabilities</b>	<b>303,695</b>	<b>281,670</b>	<b>266,979</b>
<b>Total liabilities</b>	<b>479,522</b>	<b>414,969</b>	<b>393,177</b>
<b>Net assets</b>			
Invested in capital assets, net of related debt	328,092	314,908	298,013
Restricted – non-expendable net assets	13,661	13,661	10,070
Restricted - expendable net assets	101,999	87,000	81,037
Unrestricted net assets	121,592	105,281	165,399
<b>Total net assets</b>	<b>\$565,344</b>	<b>\$520,850</b>	<b>\$554,519</b>

### 2009-2010 Results

#### **Current Assets**

Currents Assets increased in 2010 by \$11 million to \$207 million as a result of the improvement in overall operations and the improvements in the investment markets.

## **Non-current Assets**

Total non-current assets increased from \$740 million in 2009 to \$838 million in 2010, an increase in assets of \$98 million, due to the improvement in the investment markets as well as an increase in Capital Assets of \$38 million, financed primarily by bond proceeds and State of Ohio funds. Major capital projects completed or underway include:

- **Pharmacy Building:** A \$26-million state of art facility for the College of Pharmacy was opened in fall 2010 on the Health Science Campus. The facility includes laboratories, lecture halls and offices to provide more space for the College of Pharmacy and offers students hands-on experience in an integrated medical community. The two-story building features modern professional development amenities and high-tech laboratory space. The modular design with movable laboratory elements enhances efficiency and flexibility in the new building, making it one of the most complete and clinically advanced facilities in the region.
- **Indoor Practice Facility:** In conjunction with the “Building Champions Campaign”, the University has completed an indoor practice facility adjacent to Savage Hall at a cost of \$11 million. The facility includes a football practice field, a basketball and volleyball practice court, and an indoor track designed to improve the competitive environment for the University’s student-athletes. The facility supports all 15 varsity sports as well as other campus groups.
- **Savage & Associates Complex for Business Learning and Engagement:** The \$15 million complex completed during the year provides the College of Business Administration faculty, staff, and students a cutting-edge learning environment with the latest educational technology and efficiency. The facility is the home to the College’s academic programs and various outreach programs. The complex features ten state of the art classrooms, five action learning labs, offices, lounges, breakout rooms, conference rooms, a board room, and provides wireless technology, video conferencing, the latest technology in visual equipment and distance learning.

## **Liabilities**

Current liabilities increased by \$43 million in 2010 related to \$32 million Bond Anticipation Notes issued June 2010, due June 2011, as well as higher deferred revenues related to increased enrollments.

Non-current liabilities increased by \$22 million in 2010 driven by the issuance of debt.

## **2008-2009 Results**

### **Current Assets**

Currents Assets increased in 2009 by \$13 million to \$197 million as a result of converting \$52 million of auction rate securities which had been classified as long-term investments to cash in January 2009, offset by a \$28 million reduction in deposits with bond trustees as the University completed and spent funds on capital projects.

### **Non-current Assets**

Total non-current assets declined from \$764 million in 2008 to \$739 million in 2009, a decrease in assets of \$25 million, due primarily to the overall decline in the investment markets, which saw a large decline in the University's investment portfolio. Capital assets increased by \$37 million, financed primarily by bond proceeds as previously discussed. Major capital projects completed or underway in 2009 included:

- Pharmacy Building: A \$26-million state of art facility for the College of Pharmacy as detailed above.
- Indoor Practice Facility: An indoor practice facility adjacent to the newly renovated Savage Hall as discussed previously.
- Memorial Field House Renovations: The Field House has underwent a \$27 million, 145,000 square foot renovation. The Field House includes 54 state-of-the-art classrooms, 70 faculty offices, a three-story central atrium, a 250-seat auditorium, and an educational incubator to develop innovative teaching methods. The departments of English and Foreign Languages are located in the Field House.
- John F. Savage Hall Renovations: The Savage Hall athletics facility renovation was completed during the year, undergoing a \$30 million renovation as part of the University's "Building Champions" campaign. The renovations include three tiers of luxury suites and loges, 3000-square foot training room, 6000-square foot weight room, and renovated playing area.
- Savage & Associates Complex for Business Learning and Engagement: The \$15 million complex described previously.

## Liabilities

Current liabilities increased by \$7 million in 2009 related to higher deferred revenues due to larger enrollments in summer 2009 and timing of the summer semester.

Non-current liabilities increased by \$15 million in 2009 related to adaption of GASB 53 for derivatives.

The Statement of Revenues, Expenses and Changes in Net Assets 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 assets. Tuition revenue is shown net of financial aid, 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; therefore, the University will typically reflect a net operating loss. However, the University and other public institutions have traditionally relied on these funds to support functional operations of the institution.

## 2009-2010 Results

In 2010, the University had operating revenues of \$634 million, an increase of \$30 million while operating expenses only increased \$2 million over the previous year as result of spending controls, resulting in an improvement of operating results of \$28 million. Positive results were also experienced from much higher non-operating research activity and a turnaround in the investment markets, culminating in net income of \$28 million as compared to a net loss of \$57 million in 2009.

<b>Summary of Revenues, Expenses, and Changes in Fund Balance</b>			
<i>(in thousands)</i>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Operating revenues:</b>			
Hospital	\$251,580	\$246,917	\$239,983
Tuition and fees, net	200,052	188,983	182,444
Grants and contracts	77,440	64,037	68,126
Auxiliary	70,882	70,543	62,870
Other operating revenues	34,451	34,216	33,782
<b>Total operating revenue</b>	<b>634,405</b>	<b>604,696</b>	<b>587,205</b>

<b>Operating expenses:</b>			
Salaries, wages, and benefits	456,458	458,609	426,148
Supplies	93,343	94,472	86,926
Outside purchased services	73,830	72,744	68,173
Depreciation	45,426	43,256	39,286
Other operating expenses	108,488	106,687	110,043
Total operating expenses	777,545	775,768	730,576
Operating Loss	(143,140)	(171,072)	(143,371)
<b>Non-operating revenues (expenses):</b>			
State share of instruction and grants & contracts	166,689	152,743	136,948
Investment income	16,890	(31,959)	3,430
Interest on debt	(12,968)	(14,470)	(13,055)
Change in value of Derivative Instrument	(1,115)	(1,792)	(2,876)
Other non-operating revenues (expenses)	1,218	9,429	2,166
Total non-operating revenues (expenses)	170,714	113,951	126,613
<b>Other changes</b>			
Capital appropriations	15,934	21,044	17,955
Other changes	987	5,284	245
Total other changes	16,921	26,328	18,200
Increase (decrease) in net assets	44,494	(30,793)	1,442
Net assets - beginning of the year	520,850	551,643	550,201
Net assets - end of the year	\$565,344	\$520,850	551,643

## Operating Revenues

Operating revenues increased by \$30 million in 2010. Net tuition and fees increased by \$11 million driven by enrollment growth and rate increases in undergraduate and graduate programs as well as lower scholarship expenses as a result of the greater availability of federal Pell Grant funds. The University increased undergraduate tuition rates by 3.5% in fiscal 2010. The University's credit hour FTE enrollment by term was as follows:

Term	FY 2010	FY 2009	FY 2008
Fall	19,622	18,769	17,727
Spring	18,583	17,577	16,421
Summer	4,532	4,344	4,283

Hospital revenue increased by \$5 million in 2010. The increase in hospital revenue is due primarily to increased outpatient services. Grant Revenue classified as operating increased by

\$13 million related to much higher activity in sponsored programs from federal sources.

### **Operating Expenses**

Total operating expenses increased by \$2 million to \$778 million in 2010. Salaries & benefits declined by \$2 million in 2010 reflecting tighter position controls. This was offset by increases in spending directly related to the increased grant activity and depreciation, which increased \$2 million related to the newly completed capital projects.

### **Non-operating Revenue and Expense**

Total non-operating revenues and expenses resulted in a net revenue of \$171 million, a large increase of \$57 million from 2009. Investment gain was \$17 million as opposed to a \$32 million loss in 2009. Non-operating grant related activity increased in 2010, while there was a reduction of \$7 million in income from other sources.

### **Other Changes**

Other changes resulted in an increase in assets of \$17 million during 2010, primarily a result of state funded capital appropriations.

### **2008-2009 Results**

In 2009, the University had operating revenues of \$605 million and operating expenses of \$776 million resulting in an operating loss of \$171 million. Comparatively, the University had operating revenues of \$587 million and operating expenses of \$731 million resulting in operating loss of \$144 million for the period ending June 30, 2008.

### **Operating Revenues**

Operating revenues increased by \$17.5 million in 2009. Net tuition and fees increased by \$6.5 million driven by enrollment growth and rate increases in graduate and professional programs. The University did not increase undergraduate tuition rates in fiscal 2009.

Hospital revenue increased by \$6.9 million in 2009. The increase in hospital revenue is due primarily to increased outpatient services. Grant Revenue classified as operating decreased by \$4 million related to a decrease in sponsored programs from federal sources Revenue from auxiliary enterprises increased by \$7.7 million in 2009, primarily in residence life and food services as a result of the increased enrollment.

### **Operating Expenses**

Total operating expenses increased by \$45.2 million to \$776 million in 2009. Salaries & benefits increased by \$32.5 million in 2009 reflecting salary adjustments, rising benefit costs, and higher volumes in both students and patients. Other increases in expenses in 2009 included supplies increase of \$7.5 million related to a more expensive mix in patient services, and depreciation, which increased \$4 million related to the newly completed capital projects.

## Non-operating Revenue and Expense

Total non-operating revenues and expenses were a net revenue of \$116 million, a net decrease of \$13.7 million from 2008. Investment **loss** for 2009 was \$32 million compared to income of \$3.4 million in 2008, and State Share of Instruction and other Grants was \$153 million, a \$16 million increase over 2008.

## Other Changes

Other changes netted to an increase in assets of \$26 million during 2009, an increase of \$8 million over the comparable amount in 2008. \$5 million of the net change for the year was related to a transfer of assets from the Foundation to the Science, Technology and Innovation Enterprises unit of the University. The remaining increase in fund balance is due to higher capital appropriations.

## Interest Rate Swaps

Effective with these financial statements, the University adopted GASB 53 to account for certain interest rate swaps. This accounting has an effect on fund balance. The following table details that effect:

Summary of Change in Net Assets			
<i>(in thousands)</i>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net Assets beginning of year	\$520,850	\$551,643	\$550,201
Increase (decrease) before derivatives	45,609	(29,001)	4,318
Decrease related to derivatives	(1,115)	(1,792)	(2,876)
Total change in net assets	44,494	(30,793)	1,442
Net Assets end of year	\$565,344	\$520,850	\$551,643

## Statements of Cash Flows

The **Statement of Cash Flows** presents the sources and uses of cash in the following categories:

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

Cash flows associated with the University's expendable net assets 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.

## Summary of Cash Flows

(in thousands)

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net cash flows from operating activities	\$ (63,386)	\$ (97,828)	\$ (105,017)
Net cash flows from non-capital financing activities	157,737	164,072	147,752
Net cash flows from capital and related financing activities	(35,684)	(83,263)	(66,753)
Net cash flows from investing activities	(41,480)	60,694	26,956
Net increase in cash	<u>\$ 17,187</u>	<u>\$ 43,675</u>	<u>\$ 2,938</u>

### 2009-2010 Results

Total University cash and cash equivalents increased by \$17 million in 2010. The University had net cash used in operating activities of \$63 million before adding in state share of instruction and gifts grants and contracts of \$158 million, included in non-capital financing activity, which resulted in a net increase of cash related to traditional operations of \$95 million. Total net cash flows from capital and related financing activities was \$36 million including funds expended on capital assets which netted to a \$68 million outflow during 2010, a \$12 million increase over 2009, related to the large capital projects completed during 2010. There was also net cash inflow of \$29 million on debt and related interest in 2010, a result of issuance of additional debt in 2010. Net cash outflow to investments resulted in a reduction of \$41 million in 2010, as positive operations allowed movement of cash to interest earning investments.

### 2008-2009 Results

Total University cash and cash equivalents increased by \$44 million in 2009. The University had net cash used in operating activities of \$98 million before adding in state share of instruction and gifts grants and contracts of \$164 million, included in non-capital financing activity, which resulted in a net increase of cash related to traditional operations of \$66 million. Total net cash flows from capital and related financing activities was \$83 million including funds expended on capital assets which netted to a \$56 million outflow during 2009, a \$7 million increase over 2008, related to the large capital projects completed and begun in 2009. There was also net cash outflow of \$27 million on debt and related interest in 2009, a \$10 million increase over 2008. Net cash inflow from investments contributed \$61 million in 2009, an increase of \$31 million. This was driven by the conversion of the failed auction rate securities to cash in January 2009.



## ECONOMIC FACTORS

### Higher Education

The most serious economic downturn since the Great Depression had a significant impact on financial results in fiscal year 2009, particularly in the value of the University's investments. While there has been recovery in the financial markets from the low points of 2009, the markets have still not recovered to the levels prior to 2009 and the future market returns are uncertain.

There exists a significant economic risk to higher education across the country and in Ohio. A significant portion (over 20% of the non-hospital revenue) of the University's revenue comes via support from the State of Ohio and from the Federal Government through the American Recovery and Reinvestment Act (ARRA). The ARRA funding is only authorized through the current biennium expiring in FY11. That amounts to \$19 million of funding that will need to be offset by other revenue or reduced spending in FY12. University leadership is working through methods to balance the budget given that potential.

### Healthcare

The healthcare industry in general is subject to regulation by a number of governmental agencies, including those which administer the Medicare and Medicaid programs, federal, state, and local agencies responsible for administration of health planning programs and the license of health care providers, and payors and other federal, state, and local agencies. Among the types of regulatory requirements faced by health care providers are air and water quality control requirements applicable to asbestos, polychlorinated biphenyls, and radioactive substances; requirements for providing notice to employees and members of the public about hazardous materials handled by or located at a health care facility; and requirements for training employees in the proper handling and management of hazardous materials and wastes.

In the future, the following factors, among others, may affect the operations and financial performance of health care providers:

- Decreased usage of inpatient facilities from future medical and scientific advances, changes in third-party reimbursement programs, preventive medicine, improved occupational health and safety; and improved outpatient care.
- State legislation or other requirements could establish a rate-setting agency with statutory control over hospitals, hospital costs, and rates.
- An inflationary economy and difficulties in increasing room charges and other fees, while at the same time maintaining the amount of quality of health services.
- Demand for services of hospital could be reduced if population residing in the service area of the health care provider decreases.
- Increased unemployment or other adverse economic conditions in the service area could increase the proportion of patients unable to pay fully for the cost of their care.
- The number of nurses and other qualified health care technicians and personnel available may not be sufficient to support a hospital's operations. Shortages in nursing or other health care professionals may result in the need for increased compensation expenses to obtain or retain such personnel.
- The inability to obtain future governmental approvals to undertake projects which the

hospital deems necessary to remain competitive as to rates and charges and the quality and scope of care.

## UNIVERSITY INITIATIVES

Looking ahead, the University is committed to identifying opportunities to expand investments in facilities and programs to strengthen the institution in its efforts to accomplish its mission of improving the human condition, advancing knowledge through excellence in learning, discovery, and engagement; and to serve as a diverse, student-centered public metropolitan research university. Future initiatives include:

- ❑ Science, Technology & Innovation Enterprises, Inc – perform the following kinds of economic development activities: develop a Research Institute to conduct applied research, continue investment and support of UT’s incubation and commercialization efforts through foundation and grant support, use prudent investment in UT spin-offs and other economic development opportunities to generate funds with which to sustain the broad range of UT’s economic development efforts and recruit and attract innovation enterprises to Toledo.
- ❑ School of Solar and Advanced Renewable Energy – As the renewable energy field is changing rapidly the University will be educating students for jobs not created yet and preparing them for a changing economy. The new school will consist of faculty members from multiple disciplines, including physics, chemistry, engineering and business. A group of deans and faculty members are working out the details, including the types of degrees the school will offer and the number of students it will accept.
- ❑ Minority Business Incubator - The University of Toledo, already instrumental in assisting the transformation of ideas into commercial businesses in the alternative energy and technology fields, is extending its expertise to other businesses with the establishment of a Minority Business Incubator. UT’s business incubators nurture entrepreneurial and economic development by providing office space and conference rooms, furniture, utilities, data package/broadband Internet, security, a mentoring program and a network of professional advisors.
- ❑ The Scott Park Campus of Energy and Innovation – The redesign of the Scott Park Campus will serve as a hands-on alternative energy laboratory used for teaching, research and demonstration, as well as to generate energy and reduce the University’s carbon footprint. In addition to the many educational opportunities, the Scott Park Campus of Energy and Innovation is expected to foster regional economic development through commercialization and business incubation efforts.

**THE UNIVERSITY OF TOLEDO**

**Statements of Net Assets**

**June 30, 2010**

**(Dollars in thousands)**

	<u>University</u>	<u>UT Foundation</u>	<u>UT Clinical Faculty, Inc</u>
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents	\$81,566	\$406	\$1,280
Accounts Receivable, net	112,778	169	17,238
Contributions Receivable, net		4,076	
Inventories	6,946		
Notes Receivable, net	2,040		
Other Assets	4,023	132	173
Total Current Assets	<u>207,353</u>	<u>4,783</u>	<u>18,691</u>
Non-Current Assets:			
Endowment and Loan Investments	43,220		
Notes Receivable, net	18,566		
Long-term Investments	85,499	135,014	753
Contributions Receivable, net		19,194	
Deferred Bond Issuance Costs	5,012		
Deferred outflow of resources – Derivatives	21,118		
Investments Held by Bond Trustee	19,842		
Capital Assets, net	609,803	6,163	395
Science, Technology & Innovation Enterprises, Inc.	9,361		
UT Medical Assurance Company Assets	25,091		
Charitable Remainder Trusts and Annuity Contracts		4,880	
Prepaid Rent		372	
Cash Surrender Value of Life Insurance Policies		1,413	
Total Non-Current Assets	<u>837,512</u>	<u>167,036</u>	<u>1,148</u>
<b>Total Assets</b>	<b><u>\$1,044,865</u></b>	<b><u>\$171,819</u></b>	<b><u>\$19,839</u></b>

See notes to financial statements

**THE UNIVERSITY OF TOLEDO**  
**Statements of Net Assets**  
**June 30, 2010**  
**(Dollars in thousands)**

	<u>University</u>	<u>UT Foundation</u>	<u>UT Clinical Faculty, Inc</u>
Accounts Payable	\$36,604	\$932	\$5,132
Accrued Liabilities	37,897	136	7,688
Deferred Revenue	39,977		
Medical Professional Liability – Current Portion	1,000		
Deposits	608		
Compensated Absences - Current Portion	22,820		
Long-term Liabilities - Current Portion	36,921	6	
<b>Total Current Liabilities</b>	<b>175,827</b>	<b>1,074</b>	<b>12,820</b>
<b>Non-Current Liabilities:</b>			
Compensated Absences	6,244		
Medical Professional Liability – Long-Term Portion	1,415		
UT Medical Assurance Company Liabilities	10,494		
Fair Value of Derivative Investment	26,901		
Long-term Liabilities	258,640	3,925	
<b>Total Non-Current Liabilities</b>	<b>303,694</b>	<b>3,925</b>	
<b>Total Liabilities</b>	<b>479,521</b>	<b>4,999</b>	<b>12,820</b>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	328,092	5,140	
<b>Restricted for:</b>			
Non-expendable	13,661	67,735	
Expendable	101,999	93,097	
Unrestricted	121,592	848	7,019
<b>Total Net Assets</b>	<b>\$565,344</b>	<b>\$166,820</b>	<b>\$7,019</b>

See notes to financial statements

**THE UNIVERSITY OF TOLEDO**

**Statements of Net Assets**

**June 30, 2009**

**(Dollars in thousands)**

	<u>University</u>	<u>UT Foundation</u>	<u>UT Clinical Faculty, Inc</u>
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents	\$64,379	\$1,084	\$1,979
Accounts Receivable, net	118,486	618	11,280
Contributions Receivable, net		4,594	
Inventories	7,069		
Notes Receivable, net	2,524	57	
Other Assets	3,687	1,303	268
<b>Total Current Assets</b>	<b>196,145</b>	<b>7,656</b>	<b>13,527</b>
Non-Current Assets:			
Endowment and Loan Investments	39,486		
Notes Receivable, net	18,738	158	
Long-term Investments	63,274	120,852	755
Contributions Receivable, net		21,346	
Deferred Bond Issuance Costs	4,372		
Investments Held by Bond Trustee	438		
Capital Assets, net	572,650	5,242	396
Science, Technology & Innovation Enterprises, Inc.	5,071		
UT Medical Assurance Company Assets	20,072		
Charitable Remainder Trusts and Annuity Contracts		4,800	
Prepaid Rent		419	
Asset Held for Sale		1,200	
Cash Surrender Value of Life Insurance Policies		1,382	
Deferred outflow of resources – Derivatives	15,573		
<b>Total Non-Current Assets</b>	<b>739,674</b>	<b>155,399</b>	<b>1,151</b>
<b>Total Assets</b>	<b>\$935,819</b>	<b>\$163,055</b>	<b>\$14,678</b>

See notes to financial statements

**THE UNIVERSITY OF TOLEDO**  
**Statements of Net Assets**  
**June 30, 2009**  
(Dollars in thousands)

	<u>University</u>	<u>UT Foundation</u>	<u>UT Clinical Faculty, Inc</u>
Accounts Payable	\$33,706	\$1,617	\$3,103
Accrued Liabilities	32,585	1,271	8,127
Contribution Payable		110	
Deferred Revenue	35,413	172	
Medical Professional Liability – Current Portion	1,000		
Deposits	478		
Compensated Absences - Current Portion	23,018		
Long-term Liabilities - Current Portion	7,099	1,320	
<b>Total Current Liabilities</b>	<b>133,299</b>	<b>4,490</b>	<b>11,230</b>
<b>Non-Current Liabilities:</b>			
Compensated Absences	5,778		
Medical Professional Liability – Long-Term Portion	1,428		
UT Medical Assurance Company Liabilities	8,399		
Fair Value of Derivative `	20,240		
Long-term Liabilities	245,825	3,949	
<b>Total Non-Current Liabilities</b>	<b>281,670</b>	<b>3,949</b>	<b>0</b>
<b>Total Liabilities</b>	<b>414,969</b>	<b>8,439</b>	<b>11,230</b>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt as restated	314,906	5,242	
Restricted for:			
Non-expendable	13,661	65,486	
Expendable	87,002	86,102	
Unrestricted	105,281	(2,214)	3,448
<b>Total Net Assets</b>	<b>\$520,850</b>	<b>\$154,616</b>	<b>\$3,448</b>

See notes to financial statements

**THE UNIVERSITY OF TOLEDO**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Year Ended June 30, 2010**  
**(Dollars in thousands)**

	<u>University</u>	<u>UT Foundation</u>	<u>UT Clinical Faculty, Inc</u>
<b>Revenues</b>			
Operating Revenues:			
Hospital	\$251,580		
Student Tuition and Fees, net of Student Aid of \$57,622	200,052		
Federal Grants and Contracts	41,719		
State Grants and Contracts	15,801		
Local Grants and Contracts	751		
Private Grants and Contracts	19,169		
Sales and Services	7,106		
Auxiliary Enterprises , net of Student Aid of \$4,129	70,882		
Other Patient Services Revenue			65,561
Contributions and Support		8,643	
Residency Reimbursement	4,862		
UT Medical Assurance Company Net Revenue	2,924		
Other Operating Revenues	19,559	380	7,541
Total Operating Revenues	634,405	9,023	73,102
<b>Expenses</b>			
Operating Expenses:			
Salaries and Wages	337,760		42,242
Benefits	118,698		5,425
Supplies	93,343		809
Travel and Entertainment	9,821		861
Information and Communication	19,323		286
Occupancy	20,206		442
Scholarship	28,497		
Outside Purchased Services	73,830		11,275
Provision for Doubtful Accounts	18,110		4,240
Support to University		10,850	
Fund Raising and Development		626	
Management		2,692	
Depreciation	45,426	100	72
Other	12,531	72	4,083
Total Operating Expenses	777,545	14,340	69,735
Operating Income (Loss)	(\$143,140)	(\$5,317)	\$3,367

**THE UNIVERSITY OF TOLEDO**  
**Statements of Revenues, Expenses, and Changes in Net Assets – Continued**  
**Year Ended June 30, 2010**  
**(Dollars in thousands)**

	<u>University</u>	<u>UT Foundation</u>	<u>UT Clinical Faculty, Inc</u>
Operating Income (Loss)	(\$143,140)	(\$5,317)	\$3,367
<b>Non-operating Revenues (Expenses)</b>			
State Share of Instruction	106,980		
ARRA Stimulus	17,617		
Income After State Share of Instruction	(18,543)		
Federal Grants and Contracts	29,161		
State Grants and Contracts	11,816		
Gifts	1,115		
Investment Income	16,890	15,975	205
Interest ARRA Subsidy	545		
Interest on Debt	(13,513)		(1)
Change in Value of Derivative Instruments	(1,115)		
Other Non-operating Revenues	1,216	1,546	
Total Non-operating Revenue	46,116	17,521	204
Income before Other Changes	27,573	12,204	3,571
<b>Other Changes</b>			
Capital Appropriations	15,934		
Capital Grants, Gifts, and Contracts	1,127		
Addition to Permanent Endowment	1		
Asset Disposal	(141)		
Total Other Changes	16,921		
Increase in Net Assets	44,494	12,204	3,571
<b>Net Assets</b>			
Net Assets at Beginning of Year	520,850	154,616	3,448
Net Assets at End of Year	<u>565,344</u>	<u>\$166,820</u>	<u>\$7,019</u>

See notes to financial statements



**THE UNIVERSITY OF TOLEDO**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Year Ended June 30, 2009**  
**(Dollars in thousands)**

<b>Revenues</b>	<b>University</b>	<b>UT Foundation</b>	<b>UT Clinical Faculty, Inc</b>
Operating Revenues:			
Hospital	\$246,917		
Student Tuition and Fees, net of Student Aid of \$46,491	188,983		
Federal Grants and Contracts	32,221		
State Grants and Contracts	12,595		
Local Grants and Contracts	922		
Private Grants and Contracts	18,299		
Sales and Services	7,336		
Auxiliary Enterprises , net of Student Aid of \$4,014	70,543		
Other Patient Services Revenue			61,675
Contributions and Support		16,434	
Residency Reimbursement	4,574		
UT Medical Assurance Company Net Revenue	2,393		
Other Operating Revenues	19,913	1,544	7,022
Total Operating Revenues	604,696	17,978	68,697
<b>Expenses</b>			
Operating Expenses:			
Salaries and Wages	342,933		40,802
Benefits	115,676		6,371
Supplies	94,472		1,175
Travel and Entertainment	11,106		745
Information and Communication	18,703		269
Occupancy	26,342		475
Scholarship	23,348		
Outside Purchased Services	72,744		11,533
Provision for Doubtful Accounts	14,008		3,900
Support to University		17,008	65
Fund Raising and Development		609	
Management		2,331	
Depreciation	43,256	100	88
Other	13,180	112	4,355
Total Operating Expenses	775,768	20,160	69,778
Operating Loss	(\$171,072)	(\$2,182)	(\$1,081)

**Statements of Revenues, Expenses, and Changes in Net Assets – Continued**  
**Year Ended June 30, 2009**  
(Dollars in thousands)

<b>Non-operating Revenues (Expenses)</b>	<b>University</b>	<b>UT Foundation</b>	<b>UT Clinical Faculty, Inc</b>
State Share of Instruction	114,497		
Federal Grants and Contracts	17,216		
State Grants and Contracts	21,030		
Gifts	10,367		
Investment Income (Loss)	(31,959)	(30,748)	201
Interest on Debt	(14,470)		(4)
Other Non-operating Expense	(1,792)		
Change in Value of Derivative Instruments	(938)	(2,993)	
<b>Total Non-operating Revenues</b>	<b>113,951</b>	<b>(33,741)</b>	<b>197</b>
Loss before Other Changes	(57,121)	(35,923)	(884)
<b>Other Changes</b>			
Capital Appropriations	21,044		
Capital Grants, Gifts, and Contracts	2,667		
Addition to Permanent Endowment	3,506		
Asset Disposal	(889)		
<b>Total Other Changes</b>	<b>26,328</b>		
Decrease in Net Assets	(30,793)	(35,923)	(884)
<b>Net Assets</b>			
Net Assets at Beginning of Year	551,643	190,538	4,332
Net Assets at End of Year	<b>\$520,850</b>	<b>\$154,615</b>	<b>\$3,448</b>

See notes to financial statements

**THE UNIVERSITY OF TOLEDO**

**Statements of Cash Flows**

**Year Ended June 30, 2010**

(Dollars in thousands)

	<u>2010</u>	<u>2009</u>
<b>Cash Flows from Operating Activities</b>		
Tuition and Fees	\$ 202,949	\$ 191,571
Grants and Contracts	79,355	59,062
Hospital Revenues	251,888	249,444
Sales and Services of Educational Activities	8,777	12,266
Payments to Suppliers and Outside Purchased Services	(270,259)	(274,728)
Payments to Employees	(431,579)	(433,906)
Loans Issued to Students	(2,571)	(2,726)
Collection of Loans from Students	2,255	1,904
Auxiliary Enterprise Charges	70,907	69,303
Other	24,892	29,982
Net Cash Used in Operating Activities	<u>(63,386)</u>	<u>(97,828)</u>
<b>Cash Flows from Non-capital Financing Activities</b>		
State Share of Instruction	106,980	114,497
ARRA Stimulus	17,617	
Student Direct Lending Receipts	170,536	144,373
Student Direct Lending Disbursements	(179,370)	(146,894)
Gifts, Grants, and Contracts	42,093	52,119
Agency Transactions	(119)	(23)
Net Cash Provided by Non-Capital Financing Activities	<u>157,737</u>	<u>164,072</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchases of Capital Assets	(85,973)	(80,802)
Principal Paid on Capital Debt	(49,685)	(106,468)
Capital Appropriations	18,114	23,367
Proceeds from Debt Issuance	92,322	93,983
Capital Grants and Gifts	2,198	1,477
Interest Paid on Capital Debt	(12,660)	(14,820)
Net Cash Used In Capital and Related Financing Activities	<u>(35,684)</u>	<u>(83,263)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sales and Maturities of Investments		118,549
Interest on Investments	(43)	2,730
Purchase of Investments	(41,437)	(60,585)
Net Cash Provided (Used) by Investing Activities	<u>(41,480)</u>	<u>60,694</u>

**THE UNIVERSITY OF TOLEDO**  
**Statements of Cash Flows – Continued**  
**Year Ended June 30, 2010**  
(Dollars in thousands)

	<b>2010</b>	<b>2009</b>
<b>Net Increase in Cash</b>	<b>17,187</b>	<b>43,675</b>
Cash and Cash Equivalents – Beginning of Year	64,379	20,704
Cash and Cash Equivalents – End of Year	\$ 81,566	\$ 64,379

	<b>2010</b>	<b>2009</b>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities:</b>		
Operating Loss	\$ (143,140)	\$ (171,072)
Adjustments to Reconcile Operating Loss to		
Net Cash Used in Operating Activities:		
Depreciation	45,426	43,256
Provision for Patient Bad Debt	18,110	14,008
(Increase) Decrease in Assets:		
Accounts Receivable, net	2,247	(2,727)
Inventories	123	(210)
Other Current Assets	(230)	352
Notes Receivable, net	656	(343)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Liabilities	8,600	6,297
Deferred Revenue	4,564	10,360
Compensated Absences	271	1,851
Medical Professional Liability Accrual	(13)	400
Net cash used in operating activities	\$ (63,386)	\$ (97,828)

**THE UNIVERSITY OF TOLEDO**  
**NOTES TO THE FINANCIAL STATEMENTS**

Year Ended June 30, 2010

(Dollars in Thousands)

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

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**ORGANIZATION**

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On December 6, 2005, the Boards of Trustees of both the former University of Toledo (UT) and the former Medical University of Ohio (MUO) adopted resolutions in favor of a proposed combination of UT and MUO. On December 17, 2005, the Ohio Board of Regents adopted a resolution in support of the proposed combination. House Bill 478, signed on March 31, 2006 by then Governor Bob Taft, combined UT and MUO as one state university, effective July 1, 2006, and named the resulting entity the University of Toledo (the University). The University is one of several state-supported universities in Ohio. The University is a component unit of the State of Ohio and is discretely presented in the State of Ohio's Comprehensive Annual Financial Report.

The University is classified as a state instrumentality under Internal Revenue Code Section 115, and is also classified as a charitable organization under Internal Revenue Code Section 501 (c) (3), 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 University is governed by a Board of Trustees who are responsible for oversight of academic programs, budgets, general administration, and employment of faculty and staff. The University is currently governed by a 13-voting member board of trustees created through the combination of the previous existing boards of the two universities. The Board will eventually be reduced to nine members, as current members' terms expire, only one new trustee will be appointed for every two that depart. The trustees are appointed to by the Governor with the advice and consent of the State Senate for overlapping nine-year terms. The Board includes two student non-voting members that are appointed for two-year terms.

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**BASIS OF PRESENTATION**

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The financial statements have been prepared in accordance with generally accepted accounting principles in the United States as prescribed by the GASB. The University is a public institution engaged in Business-type Activities. In accordance with GASB Statement No. 35 – *Basic Financial Statements and Management Discussion and Analysis for Public Colleges and Universities*, the University presents Management's Discussion and Analysis; Statements of Net Assets; Statements of Revenue, Expenses, and Changes in Net Assets; Statements of Cash Flow; and Notes to the Financial Statements.

**THE UNIVERSITY OF TOLEDO**  
**NOTES TO THE FINANCIAL STATEMENTS**

Year Ended June 30, 2010  
(Dollars in Thousands)

**NOTE 1 – ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The University follows all GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles (APB) Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The University has elected not to apply FASB Statements and Interpretations issued after November 30, 1989.

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 assets are available, it is the University's practice to use restricted first.

Governmental Accounting Standards Board (GASB) Statement No. 39 *Determining Whether Certain Organizations are Component Units*, requires the University to reflect the Foundation and the University of Toledo Clinical Faculty, Inc. (UTCF) as discretely presented component units in the financial statements based on the significance of the relationships with the University. The Foundation and UTCF are private nonprofit organizations that report under Financial Accounting Standards Board (FASB) standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. 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 Foundations' or UTCF financial information in the University's financial reporting entity for these differences.

The Foundation is a legally separate, tax-exempt entity that acts primarily as a fund-raising organization to supplement the resources available to the University in support of its programs. The Foundation transferred approximately \$10,800 and \$17,000, during fiscal year 2010 and 2009, 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. A complete copy of the audited financial statements of the Foundation is available at the Foundation offices located near the campus of the University.

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**SIGNIFICANT ACCOUNTING POLICIES**

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**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand and demand deposits with banks. All investments with maturities less than 90 days are considered cash and cash equivalents.

**THE UNIVERSITY OF TOLEDO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2010  
(Dollars in Thousands)

**NOTE 1 – ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 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 payments 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.

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.

**THE UNIVERSITY OF TOLEDO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2010  
(Dollars in Thousands)

**NOTE 1 – ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

**Patient Revenue and Accounts Receivable (continued)**

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

	Year Ended 6/30/2010	Year Ended 6/30/2009
Traditional charity care	\$ 4,441	\$ 7,141
Unpaid costs of traditional Medicaid programs	3,937	7,431
Unpaid costs of other welfare programs	2,099	358
Total charity and uncompensated care	\$ 10,477	\$ 14,930

**Capital Assets**

Capital assets are stated at historical cost or fair 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 GASB. 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 in any means.

**Deferred Issuance Cost**

Deferred bond issuance costs for the General Receipts Bonds have been capitalized and are included on the Statements of Net Assets, and are being amortized over the life of the bonds on the straight-line method, which approximates the interest method.

**Deferred 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 deferred revenue and prepaid expenses in the Statements of Net Assets and will be recognized in the following year.



**THE UNIVERSITY OF TOLEDO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2010  
(Dollars in Thousands)

**NOTE 1 – ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Net Assets**

Net assets are classified into the three following categories:

Invested in capital assets, net of related debt: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement in those assets.

Restricted: Net assets subject to externally imposed constraints that they may be maintained permanently by the University, or net assets 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 assets are classified further as non-expendable and expendable. Expendable restricted net assets are 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.

Unrestricted: Net assets available to the University for any lawful purpose of the institution. Unrestricted net assets 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 assets to provide for identified future needs, such as debt service, contractual obligations, capital outlay, academic programming, and post employment benefits.

**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 year end.

**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 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-

**THE UNIVERSITY OF TOLEDO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2010  
(Dollars in Thousands)

**NOTE 1 – ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

end as long-term and short-term liabilities in the Statements of Net Assets, and as a component of operating expense in the Statements of Revenues, Expenses, and Changes in Net Assets.

**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 OMB Circular A-133 audit.

**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 Board of Regents.

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

**Capitalized Interest**

Interest on construction projects is capitalized until substantial completion of the project.

**Endowments**

The University's and the Foundation's Board of Trustees established an investment policy for the endowment 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, (established at 4.5% for Fiscal Year 2010) of the three year market average, which ensures a proper balance between

**THE UNIVERSITY OF TOLEDO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2010  
(Dollars in Thousands)

**NOTE 1 – ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

the preservation of corpus and enhancement of the purchasing power of investment earnings.

**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 2010 fiscal year end. 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 assets, 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 non-operating revenue (expense). See Note 7 for relevant disclosures.

**Investments Held By Bond Trustee**

Investments held by bond trustee represent funds held by a third party to pay for capital additions and improvements.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

At June 30, 2010, the carrying amount of the University's cash and cash equivalents for all funds is \$81,566 as compared to bank balances of \$79,659. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$250 is covered by federal deposit insurance. This reflects an increase in the basic limit on federal deposit insurance coverage from \$100 to \$250 per depositor originally set to expire June 30, 2010 and since extended permanently with the passage of the Dodd-Frank Wall Street

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**NOTE 2 – CASH AND CASH EQUIVALENTS (continued)**

Reform and Consumer Protection Act. The remaining balances of cash and cash equivalents are collateralized the depository institution per Ohio Revised Code 135.181B which requires that the total market value of the securities so pledged is at least equal to one hundred five percent of the total amount of all public deposits.

**NOTE 3 – INVESTMENTS**

University investments are categorized by the following: restricted investments, and long-term investments. Short-term investments are funds available for current operating expenses and capital projects with the vast majority of assets invested in fixed income instruments. Restricted 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. The long-term investments consist of a mix of fixed income instruments and equities.

The Board approved revisions to the University's investment policy effective May 2009. The policy establishes investment objectives, strategies and measures for evaluation. The University's policy complies with the State of Ohio regulations provided by legislation.

The University's investment policy authorizes the investment of non-endowed funds in the following investments:

- Obligation of the US Treasury and other federal agencies
- Municipal and state bonds
- Certificate of deposit
- Repurchase agreements
- Mutual funds and mutual fund pools
- Money market funds
- Commercial paper
- Bankers acceptances
- Corporate bonds and stock
- Asset backed securities
- Mortgage pools and mortgage related securities
- Guaranteed investment contract

**THE UNIVERSITY OF TOLEDO**  
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**NOTE 3 – INVESTMENTS (continued)**

The University's investment policy authorizes the investment of endowed funds in the following investments:

- Obligation of the US Treasury and other federal agencies
- Municipal and state bonds
- Certificate 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 cost and fair values, exclusive of accrued interest, of investments at June 30, consisted of the following:

	<u>2010</u>		<u>2009</u>	
	Cost	Fair Value	Cost	Fair Value
Money Market	\$ 105,430	\$ 105,430	\$ 62,753	\$ 62,753
Corporate bonds and mortgage-backed	5,316	5,349	352	366
Corporate stock	99,050	93,576	96,915	82,342
Mutual funds – fixed income	13,334	13,985	7,208	7,136
Mutual funds – equity	1,459	1,353	1,428	1,212
Partnerships and hedge funds	7,154	7,048	7,005	6,221
U.S. Government	389	430	304	326
U.S. Government agency	10,926	10,859	517	534
Real estate	1,296	1,296	1,107	1,107
<b>Total Investments</b>	<b>244,354</b>	<b>239,326</b>	<b>177,589</b>	<b>161,997</b>
Less: Investments considered cash equivalents	90,764	90,764	58,866	58,866
<b>Total investments less cash equivalents</b>	<b>\$ 153,590</b>	<b>\$ 148,562</b>	<b>\$ 118,723</b>	<b>\$ 103,131</b>

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 as of June 30, 2010. At the present time, the University does not have formal policies addressing these types of risk.

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**NOTE 3 – INVESTMENTS (continued)**

*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, 2010, the University had the following interest-bearing investments and maturities.

Investment Type	Fair Value	Investment Maturities (in years)			
		< 1	1 - 5	6 - 10	> 10
US Government	\$ 430	\$	\$ 96	\$ 334	
US Government Agencies	10,859		1,324	538	\$ 8,997
Corporate Bonds	5,349		215	324	4,810
<b>Total</b>	<b>\$ 16,638</b>	<b>\$</b>	<b>\$ 1,635</b>	<b>\$ 1,196</b>	<b>\$ 13,807</b>

As of June 30, 2009, the University had the following interest-bearing investments and maturities.

Investment Type	Fair Value	Investment Maturities (in years)			
		< 1	1 - 5	6 - 10	> 10
US Government	\$ 326	\$	\$ 64	\$ 194	\$ 68
US Government Agencies	534	25	26	100	383
Corporate Bonds	366		171	146	49
<b>Total</b>	<b>\$ 1,226</b>	<b>\$ 25</b>	<b>\$ 261</b>	<b>\$ 440</b>	<b>\$ 500</b>

*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 (NRSRO's) such as Moody's Investors Service, Standard & Poor's, or Fitch Ratings – provides a current depiction of potential variable cash flows and credit risk.

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**NOTE 3 – INVESTMENTS (continued)**

The credit ratings of the University’s interest-bearing investments at June 30, 2010 are as follows:

<u>Credit Rating</u> (Moody's)	<u>Total</u>	<u>US</u> <u>Government</u>	<u>US</u> <u>Agencies</u>	<u>Corporate</u> <u>Bonds</u>
Aaa	\$ 11,289	\$ 10,859	\$ 430	
Aa	74			\$ 74
A	373			373
Baa	23			23
BBB	4,879			4,879
<b>Total</b>	<b>\$ 16,638</b>	<b>\$ 10,859</b>	<b>\$ 430</b>	<b>\$ 5,349</b>

The credit ratings of the University’s interest-bearing investments at June 30, 2009 are as follows:

<u>Credit Rating</u> (Moody's)	<u>Total</u>	<u>US</u> <u>Government</u>	<u>US</u> <u>Agencies</u>	<u>Corporate</u> <u>Bonds</u>
Aaa	\$ 860	\$ 326	\$ 534	
Aa	97			\$ 97
A	269			269
<b>Total</b>	<b>\$ 1,226</b>	<b>\$ 326</b>	<b>\$ 534</b>	<b>\$ 366</b>

*Concentration Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The University’s cash investment policy provides that investment pool direct placements are to be sufficiently diversified and provides that no more than 10 percent of its assets can be in any particular 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 percent or more in 2010 or 2009.

*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. At June 30, 2010, the University had no exposure to foreign currency risk as it holds no securities denominated in foreign currencies.

**THE UNIVERSITY OF TOLEDO**  
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**NOTE 3 – INVESTMENTS (continued)**

*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's investment of \$1.3 million in real estate is not evidenced by securities that exist in physical or book entry form. The remaining investments are uninsured and unregistered with securities held by the counter party's trust department or agent in the University's name.

**NOTE 4 – ACCOUNTS AND NOTES RECEIVABLE**

The accounts and notes receivable, shown net of allowances for uncollectible accounts at June 30, 2010 and 2009 respectively, are summarized as follows:

	2010	2009
Accounts receivable:		
Tuition and fees	\$ 9,961	\$ 10,151
Patient services	47,234	47,542
Sales and services	5,943	5,585
Auxiliary services	2,958	3,455
Grants and contracts	45,523	47,375
Interest receivable	0	205
Interest receivable – endowments	31	38
Plant fund	1,128	4,135
Total accounts receivable - net of allowances	112,778	118,486
Notes receivable:		
Current	2,040	2,524
Non-current	18,566	18,738
Total notes receivable - net of allowances	20,606	21,262
Total accounts and notes receivables - net of allowances	\$ 133,384	\$ 139,748

Accounts receivable are 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 \$16,294 and \$12,429 for fiscal years 2010 and 2009, respectively. Student notes receivable are recorded net of allowance for uncollectible accounts of \$760 as of June 30, 2010 and 2009, respectively.



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**NOTE 5 – CAPITAL ASSETS**

Capital assets are recorded at cost or if acquired by gift at the fair market value as of the date of donation. Capital assets consist of the following as of June 30, 2010:

	Balance 2009	Additions	Reallocation/ Reductions	Balance 2010
<b>Capital assets, not being depreciated:</b>				
Land and land improvements	\$ 22,363			\$ 22,363
Construction in progress	28,946	\$ 74,982	\$ (51,521)	52,407
Total capital assets, not being depreciated	51,309	74,982	(51,521)	74,770
<b>Capital assets, being depreciated:</b>				
Land improvements	11,594		118	11,712
Infrastructure	133,539	674	7,596	141,809
Buildings	797,279	669	36,816	834,764
Equipment	175,765	8,826	(14,653)	169,938
Total capital assets, being depreciated	1,118,177	10,169	29,877	1,158,223
	596,836	45,445	(19,091)	623,190
Less accumulated depreciation:				
Total capital assets, being depreciated, net	521,341	(35,276)	48,968	535,033
<b>Capital Assets, net</b>	<b>\$ 572,650</b>	<b>\$39,706</b>	<b>\$ (2,553)</b>	<b>\$ 609,803</b>

Capital assets consist of the following as of June 30, 2009:

	Balance 2008	Additions	Reallocation/ Reductions	Balance 2009
<b>Capital assets, not being depreciated:</b>				
Land and land improvements	\$ 22,363			\$ 22,363
Construction in progress	51,230	\$ 68,087	\$ (90,371)	28,946
Total capital assets, not being depreciated	73,593	68,087	(90,371)	51,309
<b>Capital assets, being depreciated:</b>				
Land improvements	6,479	21	5,094	11,594
Infrastructure	132,605	356	578	133,539
Buildings	718,666	93	78,520	797,279
Equipment	166,851	12,962	(4,048)	175,765
Total capital assets, being depreciated	1,024,601	13,432	80,144	1,118,177
Less accumulated depreciation:	562,892	43,157	(9,213)	596,836
Total capital assets, being depreciated, net	461,709	(29,725)	89,357	521,341
<b>Capital Assets, net</b>	<b>\$ 535,302</b>	<b>\$ 38,362</b>	<b>\$ (1,014)</b>	<b>\$ 572,650</b>

**THE UNIVERSITY OF TOLEDO**  
**NOTES TO THE FINANCIAL STATEMENTS**

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(Dollars in Thousands)

**NOTE 5 – 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:

<u>Classification</u>	<u>Life</u>
Infrastructure	15 to 25 years
Buildings	40 years
Building Additions	15 to 40 years
Equipment	5 years
Computer Software	5 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:

<u>Classification</u>	<u>Life</u>
Infrastructure	2 to 40 years
Buildings	5 to 40 years
Building Additions	5 to 40 years
Equipment	3 to 20 years

**NOTE 6 – DEBT**

On June 16, 2010 the University issued \$32,390 in General Receipts Bond Anticipation Notes (Series 2010). Proceeds of the Series 2010 Bond Anticipation Notes were used to fund the purchase of a portion of the Series 2007B Bonds and a portion of the Series 2005 Bonds at a specific price pursuant to a public tender offer. The Series 2007B and Series 2005 Bonds purchased by the University under the public tender offer were delivered to the respective trustees. The liability from the portion of those cancelled bonds has been removed.

On July 15, 2009 the University issued \$22,390 in General Receipts Bonds, Series 2009A (Tax-Exempt) (Series 2009A) and \$37,430 in General Receipts Bonds, Series 2009B (Federally Taxable – Build America Bonds) (Series 2009B). Proceeds of the series 2009A Bonds will be used to pay a portion of the costs of certain improvements to University facilities and the cost of refunding the University’s Series 1998 General Receipts Bonds. Proceeds of the Series 2009B Bonds will be used to pay a portion of the costs of certain improvements to University facilities as well as the cost of issuance related to both series. The University elected the direct pay option when it issued the 2009B Series as Build America Bonds.

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**NOTE 6 – DEBT (continued)**

As a result, the University receives a direct payment from the federal government equal to 35 percent of the interest paid to bond holders. This interest subsidy is reflected in the schedule of principal and interest payable. Bonds maturing on or after June 1, 2020 are subject to redemption at the option of the University prior to their stated maturities, on any date on or after June 1, 2019, in whole or in part, at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the redemption date. In addition, the University has the right to redeem at par the Series 2009B Bonds if the federal subsidy is repealed.

On July 21, 2008 the University issued \$58,450 in General Receipts Bonds, Series 2008B (Series 2008B) and \$35,480 in General Receipts Bonds, Series 2008A (Series 2008A), to refund the Series 2008 Bond Anticipation Note. Additional proceeds were used to pay for related issuance cost. Series 2008B bears interest at a daily rate determined by the Remarketing Agent as the lowest rate of interest, which in the judgment of the Remarketing Agent would cause the Series 2008B Bonds to have a market value as of the date of determination equal to the principal amount thereof. The remarketing agent takes many factors into account when setting the rate including but not limited to market conditions, rates on comparable securities being traded and other financial market rates and indexes.

In conjunction with Series 2008B, JPMorgan Chase issued an irrevocable direct pay letter of credit. The original letter of credit agreement has been amended twice and is currently set to expire July 17, 2011. The Series 2008B incorporated a partial optional redemption in the amount of \$4,680 which was exercised by the University in June 2009 with the remaining balance of \$53,770 scheduled to be paid in full at maturity in 2032.

Series 2008A Bonds bear a fixed rate of interest with coupons ranging from 3% to 5% over the scheduled redemption period from June 1, 2009 through the final maturity of June 1, 2027. A financial guarantee insurance policy was issued concurrently with the delivery of the bonds by Assured Guaranty Corp. Bonds maturing on or after June 1, 2019 are subject to redemption at the option of the University prior to their stated maturities, on any date on or after June 1, 2018, in whole or in part, at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the redemption date.

The interest rate derivative agreements originally associated with the Series 2002 General Receipts Bonds remain in effect. In order to comply with State Law, the hedged amount over and above the value of the 2008B Variable Rate Bonds were matched with the un-hedged portions of the Series 2005 Variable Rate Bonds and the Series 2010 Bond Anticipation Notes. As a result the University has \$148,570 in outstanding variable rate debt and \$146,905 in outstanding interest rate swaps. Of this amount, \$47,290 is considered fully integrated for tax purposes.

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**NOTE 6 – DEBT (continued)**

On April 26, 2007, the University issued \$49,900 in General Receipts Bonds, Series 2007B, (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 (APR) for each 35-day auction period. During fiscal year 2010 the University made two public tender offers for the 2007B Series Bonds.

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, 2031.

On April 17, 2007, the University entered into an interest rate swap agreement with JP Morgan Chase, with an effective date of April 26, 2007, 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. Based on the swap agreement, the University owes interest calculated at a fixed rate of 3.66% to the swap counterparty. In return, the counterparty owes the University interest at a variable rate based on 68% of one month LIBOR. Only the net difference in interest payments is actually exchanged with the counterparty. The University pays interest to the bondholders at the variable rate provided by the bonds. The swap agreement expires on June 1, 2036, the same maturity as the Series 2007B. The swap agreement may be terminated prior to its stated termination date under certain circumstances. Upon termination, 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 mark to market valuation of the swap agreement as of June 30, 2010 is a liability of \$6,179 compared to a liability of \$4,206 as of June 30, 2009. 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, then discounted using the spot rates implied by the current yield curve.

On January 23, 2007 the University issued \$46,595 in General Receipts Bonds, Series 2007A, with an average interest rate of 4.43%, to advance refund the General Receipts Bonds Series 2001, with an average interest rate of 5.1% and current refund the General Receipt Bond Anticipation Notes Series 2006, with an interest rate of 4.25%. Proceeds of \$32,900 were deposited into an escrow fund with Bank of New York Trust Company, N.A. to satisfy scheduled payments of principal and interest of Series 2001. The Series 2001 outstanding obligation of \$31,900 is considered defeased and the liability from those bonds has been removed. The University has a cash flow savings of \$1,300 and an economic gain of \$1,300 from the advance refunding of Series 2001. Proceeds of \$13,655 were used to extinguish Series 2006 outstanding obligations of \$13,100 plus accrued interest.

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**NOTE 6 – DEBT (continued)**

On March 29, 2005, the University issued \$50,000 in General Receipts Bonds, Series 2005 (Series 2005), at a variable rate of interest, for the construction and equipping of certain major expansions, renovations, and improvements at HSC. There projects included but were not limited to an ambulatory care center, an orthopedics center, an outpatient surgical center, an upgrade to HSC clinical information system to provide for a fully digital environment, and

miscellaneous routine capital expenditures. During fiscal year 2010 the University made two public tender offers for the 2005 Series Bonds. Bonds repurchased and subsequently cancelled under these tender offers have been credited against the mandatory redemption schedule of the

Series 2005 Bonds. The next scheduled principal redemption date on the series 2005 Bonds is currently July 1, 2011.

On March 29, 2005, the University entered into an interest rate swap agreement with Lehman Brothers Special Financing, Inc., with an effective date of April 1, 2005, in the notional amount of \$33,465, to hedge a portion of the exposure against interest rate fluctuations arising from the variable interest rates on the Series 2005.

On October 3, 2008 Lehman Brothers Special Financing (LBSF), Inc. the University's counterparty on the swap agreement associated with the Series 2005 General Receipts Bonds issued by the Medical College of Ohio (Medical University of Ohio) filed for Chapter 11 Bankruptcy. Under the International Swaps and Derivatives Association (ISDA), Inc. Master Agreement, this filing qualified as a terminable event. The University terminated the agreement with LBSF effective November 8, 2008 and concurrently entered into a replacement agreement with Wells Fargo Bank as counterparty under the same terms as the original LBSF agreement.

Based on the swap agreement, the University owes interest calculated at an average fixed rate of 3.564% to the swap counterparty. In return, the counterparty owes the University interest at a variable rate based on 67% of one month LIBOR. Only the net difference in interest payments is actually exchanged with the counterparty. The University continues to pay interest to the bondholders at the variable rate provided by the bonds. The swap agreement expires on July 1, 2030, the same maturity as the Series 2005. The swap agreement may be terminated prior to its stated termination date under certain circumstances. Upon termination, 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 mark to market valuation of the swap agreement as of June 30, 2010 is a liability of \$4,496 compared to a liability of \$3,240 as of June 30, 2009. 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, then discounted using the spot rates implied by the current yield curve.

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**NOTE 6 – DEBT (continued)**

On March 1, 2004, the University issued \$14,110 General Receipts Bonds, Series 2004 to refund and redeem the General Receipt Bonds, Series 1994 in the amount of \$13,200 with the remainder of the issue being used to fund the bond issuance cost and the call premium.

On December 1, 2002, the University entered into two different interest rate swap agreements with Bear Stearns & Co., Inc. and one with JPMorgan Chase (formerly Bank One N.A.) in the total notional amount of \$104,535 to hedge the exposure against interest rate fluctuations arising

from the variable interest rates on the Series 2002 Bonds. Based on the swap agreements, the University owes interest calculated at an average fixed rate of 4.35% to the counterparties to the swap agreements. In return, the counterparties owe the University interest at a variable rate based on two indices: (1) 67% of LIBOR rate on 42% of the notional amount; and (2) 71% of

LIBOR on 58% of the notional amount. Only the net difference in interest payments is actually exchanged with the counterparties. The University continues to pay interest to the bondholders at the variable rate provided by the bonds. In March of 2008 Bear Stearns was purchased by JPMorgan Chase on all stock transaction, as a result JPMorgan Chase is now the counterparty on the two former Bear Stearns swap agreements. However, the agreements remain governed by the original ISDA and CSA's entered into with Bear Stearns. These swap agreements were originally associated with the General Receipts Bonds, Series 2002 which were refinanced by the General Receipts Bonds, Series 2008A and Series 2008B.

The swaps maturing in 2032 are matched with the 2008B Bond maturing in the same year. The third swap maturing in 2020 is matched with the General Receipts Notes, Series 2010.

The swap agreements expire on (1) June 1, 2020 and (2) June 1, 2032 respectively but may be terminated prior to the stated termination date under certain circumstances. Upon termination, 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 combined mark to market valuation of the three swap agreements as of June 30, 2010 is a liability of \$15,955 compared to a liability of \$12,795 as of June 30, 2009. The swap agreements' fair value is estimated using the zero-coupon method, whereby the future net settlement payment as required by the swap is calculated, then discounted using the spot rates implied by the current yield curve.

On October 1, 1998, the University issued \$13,485 General Receipts Bonds, Series 1998. Of this amount, \$10,400, with an average interest rate of 4.8%, were used to advance-refund \$9,500 of outstanding Series 1992B Bonds with an average interest rate of 5.8%. The net proceeds of \$1,200 (after payment of issuance costs of \$146) were deposited with an escrow trustee for all future debt service payments on the Series 1992B Bonds. As a result, the Series 1992B Bonds

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**NOTE 6 – DEBT (continued)**

are considered defeased and the liability for those bonds has been removed from bonds outstanding as of June 30, 2004.

In previous years, the University defeased various bonds by placing the proceeds of new bonds into irrevocable trusts to provide for all further debt service payments of the defeased bonds. Neither the outstanding indebtedness nor the related trust account assets are included in the University's financial statements. The outstanding balance on the defeased bonds as of June 30, 2010 is \$49,080.

The principal and interest payments of all of 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.

The University entered into two debt agreements during fiscal 2003. In November 2002, the University entered into two debt agreements for the purchase of video equipment and land, which bear interest rates of 5.35% and 4.75% respectively. These agreements are classified as notes payable with an outstanding balance of \$234.

The University has master lease obligations with financial institutions and other lease obligations relating to a linear accelerator, a building, fiber optic network, athletic turf, and other equipment at interest rates ranging from 2.98% to 5.5%. An asset of \$8,061 representing the cost of the building and equipment, and a corresponding liability for the lease obligation are recorded in the financial statements.

Interest expense, net of interest income, related to the borrowing is capitalized as part of the cost of construction. Capitalized Interest was approximately \$2,394 and \$1,623 for 2010 and 2009, respectively. Interest expense paid on indebtedness was \$12,968 and \$14,470 for the years ended June 30, 2010 and 2009, respectively.

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**NOTE 6 – DEBT (continued)**

Long-term liabilities consist of the following as of June 30, 2010:

	Due Dates	Interest Rate	Balance June 30, 2009	Additions	Retirements	Balance June 30, 2010	Current
General Receipts, series 1998, serial and term bonds: Advance refund General Receipts Bonds, Series 1992A; Student Union Renovations	1999-2020	3.6% to 5.0%	\$ 8,095	\$ -	\$ 8,095	\$ -	\$ -
General Receipts series 2004, serial and term bonds: Advance refund General Receipts Bonds, Series 1994	2005-2025	2.0% to 4.125%	11,980	-	555	11,425	575
General Receipts series 2005, term bonds: HSC expansion and renovations	2030	Variable	49,140	-	3,105	46,035	170
General Receipts series 2007A, serial and term bonds: Advance refund General Receipts Bonds, Series 2001 and Current refund Bond Anticipation Notes, Series 2006.	2008-2036	4.0% to 5.0%	44,830	-	1,300	43,530	1,350
General Receipts series 2007B, term bonds: Renovations for athletic facilities, classrooms, and library.	2036	Variable	49,900	-	33,525	16,375	-
General Receipts series 2008A, term bonds: Current refund of Series 2008 Bond Anticipation Note.	2009-2027	3.0% to 5.0%	32,455	-	1,130	31,325	865
General Receipts series 2008B, serial and term bonds: Current refund of Series 2008 Bond Anticipation Note.	2009-2032	Variable	53,770	-	-	53,770	-
General Receipts series 2009A, serial and term bonds: Current refund of Series 1998 General Receipts Bonds, Hospital renovations and digital records project	2010-2020	3.0% to 4.375%	-	22,390	705	21,685	670
General Receipts series 2009B, serial and term bonds: College of Pharmacy and Indoor Athletics Practice Facility	2022-2031	6.75% to 7.875% Taxable BABs	-	37,430	-	37,430	-
General Receipts series 2010, bond anticipation notes Current refund of Series 2005 and 2007B General Receipts Bonds	2011	Variable	-	32,390	-	32,390	32,390
Capital lease obligation	2002-2017	Various	2,336	-	974	1,362	729
Notes payable	1999-2018	Various	418	112	296	234	172
Compensated absences			28,795	22,403	22,133	29,065	22,820
			<u>\$ 281,719</u>	<u>\$ 114,725</u>	<u>\$ 71,818</u>	<u>\$ 324,626</u>	<u>\$ 59,741</u>
Less current portion long-term liabilities						<u>59,741</u>	
Long-term liabilities						<u>\$ 264,885</u>	



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**NOTE 6 – DEBT (continued)**

Long-term liabilities consist of the following as of June 30, 2009:

	Due Dates	Interest Rate	Balance June 30, 2008	Additions	Retirements	Balance June 30, 2009	Current
General Receipts, series 1998, serial and term bonds: Advance refund General Receipts Bonds, Series 1992A; Student Union Renovations	1999-2020	3.6% to 5.0%	\$ 8,675	\$ -	\$ 580	\$ 8,095	\$ 600
General Receipts series 2004, serial and term bonds: Advance refund General Receipts Bonds, Series 1994	2005-2025	2.0% to 4.125%	12,530	-	550	11,980	555
General Receipts series 2005, term bonds: HSC expansion and renovations	2030	Variable	50,000	-	860	49,140	1,610
General Receipts series 2007A, serial and term bonds: Advance refund General Receipts Bonds, Series 2001 and Current refund Bond Anticipation Notes Series 2006	2008-2036	4.0% to 5.0%	45,820	-	990	44,830	1,300
General Receipts series 2007B, term bonds: Renovations for athletic facilities, classrooms, and Library.	2036	Variable	49,900	-	-	49,900	825
General Receipts series 2008, Anticipation Notes: Current refund of Series 2002.	2009	Variable	92,795		92,795	-	-
General Receipts series 2008A, term bonds: Current refund of Series 2008 Bond Anticipation Note	2009 - 2027	3.0% to 5.0%		35,480	3,025	32,455	1,130
General Receipts series 2008B, serial and term bonds: Current refund of Series 2008 Bond Anticipation Note	2009 - 2032	Variable		58,450	4,680	53,770	-
Capital lease obligation	1996-2017	Various	5,201	53	2,918	2,336	1,006
Notes payable	1999-2018	Various	488		70	418	73
Compensated absences			26,944	18,236	16,385	28,795	23,018
			<u>\$ 292,353</u>	<u>\$ 112,219</u>	<u>\$ 122,853</u>	<u>281,719</u>	<u>\$ 30,117</u>
Less current portion long-term liabilities						<u>30,117</u>	
Long-term liabilities						<u>\$ 251,602</u>	

**THE UNIVERSITY OF TOLEDO**  
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**NOTE 6 – 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:

	<b>Principal</b>	<b>Interest</b>	<b>Interest Subsidy*</b>	<b>Swap Interest</b>	<b>Net Interest</b>	<b>Net Total</b>
2011	36,020	11,810	(967)	4,654	15,497	51,517
2012	7,210	10,836	(967)	5,114	14,983	22,193
2013	7,300	10,607	(967)	4,943	14,583	21,883
2014	7,760	10,370	(967)	4,762	14,165	21,925
2015	7,845	10,146	(967)	4,572	13,751	21,596
2016-2020	44,240	46,716	(4,796)	19,762	61,682	105,922
2021-2025	53,935	37,536	(3,772)	16,600	50,364	104,299
2026-2030	51,070	26,231	(1,935)	15,067	39,363	90,433
2031-2035	74,685	8,902	(106)	6,615	15,411	90,096
2036-2040	3,900	166	-	-	166	4,066
<b>Total</b>	<b>293,965</b>	<b>173,320</b>	<b>(15,444)</b>	<b>82,089</b>	<b>239,965</b>	<b>533,930</b>

\*Direct payment subsidy received from federal government on 2009B Build America Bonds

The future amounts of principal and interest payments required by the lease agreements are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	729	34	763
2012	122	18	140
2013	124	14	138
2014	129	10	139
2015-2017	258	9	267
<b>Total</b>	<b>\$ 1,362</b>	<b>\$ 85</b>	<b>\$ 1,447</b>

The future amounts of principal and interest payments required by the notes payable are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	172	2	174
2012	30	4	34
2013	32	2	34
<b>Total</b>	<b>\$ 234</b>	<b>\$ 8</b>	<b>\$ 242</b>

Contracts have been entered into for capital construction projects in an amount approximating \$83,905. The estimated cost to complete construction in progress at June 30, 2010 is \$27,116.

**THE UNIVERSITY OF TOLEDO**  
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**NOTE 6 – DEBT (continued)**

The University leases certain facilities and data processing, patient care, and other equipment under various non-cancelable operating lease agreements. Total operating lease expense was \$936 and \$1,161 in 2010 and 2009, respectively. At June 30, 2010, the University is committed to future minimum operating lease payments of \$744 in 2011; \$744 in 2012; \$670 in 2013 and \$174 in 2014.

At the expiration of various patient care equipment leases, the University has the option to make a termination payment, purchase the equipment at fair market value, or extend the lease term. Future minimum operating lease payments include \$41 in termination payments related to these lease agreements.

**NOTE 7 – INTEREST RATE SWAPS**

The University currently holds five interest rate swap instruments. The University entered into these interest rate hedge agreements at the same time and as the issuance of certain variable rate debt, with the intent of creating a partial synthetic fixed rate debt structure, at an interest rate that is lower than if fixed rate debt were to have been issued directly.

Effective Date	Type	Objective	Notional Amount	Pays	Receives*	Maturity Date	Counterparty		MTM 6/30/10	MTM 6/30/09
							Credit Rating			
19-Nov-02	Pay-Fix., Rec-Var.	Synthetic Fixed	\$24,690	3.888%	71% Libor	1-Jun-32	Aa3/A+		(\$5,334)	(\$3,806)
19-Nov-02	Pay-Fix., Rec-Var.	Synthetic Fixed	27,435	3.880%	71% Libor	1-Jun-32	Aa3/A+		(5,927)	(4,228)
26-Apr-07	Pay-Fix., Rec-Var.	Synthetic Fixed	33,250	3.660%	68% Libor	1-Jun-36	Aa3/A+		(6,179)	(4,206)
1-Jul-05	Pay-Fix., Rec-Var.	Synthetic Fixed	31,845	3.564%	67% Libor	1-Jul-30	Aa2/AA-		(4,497)	(3,240)
1-Dec-02	Pay-Fix., Rec-Var.	Synthetic Fixed	29,685	5.000%	67% Libor	1-Jun-20	Aa3/A+		(4,964)	(4,760)
\$146,905									(\$26,901)	(\$20,240)

Three of the swap agreements are effective hedges, and two of the swap agreements are determined to be partially effective. These portions of the swaps determined to be ineffective are now matched with variable rate debt that was issued at a later date than the existing swap agreement. The ineffective swap portions of the swap agreements did not utilize consistent critical terms as the underlying new variable rate debt to changes in market conditions, and a calculation of the synthetic method compared to the fixed rate payments on those swap agreements demonstrated a significant enough difference to be considered ineffective under GASB Standard no. 53.

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**NOTE 7 – INTEREST RATE SWAPS (continued)**

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

	Change in Fair Value		Fair Value at June 30, 2010			Fair Value at June 30, 2009		
	2010	2009	Classification	Amount	Notional	Classification	Amount	Notional
Business-type activities:								
<b>Cash flow hedges:</b>								
Pay-fixed interest rate swaps (receive-variable)	(\$5,545)	(\$8,059)	Deferred charge	(\$21,118)	114,297	Deferred charge	(\$15,573)	\$115,936
<b>Investment derivatives:</b>								
Pay-fixed interest rate swaps (receive-variable)	(\$1,115)	(\$1,792)	Investment Loss	(\$5,783)	32,608	Investment Loss	(\$4,668)	\$34,564

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.

Interest rate swaps are subject to the following risks:

Credit risk - The University can be exposed to credit risk on hedging derivative instruments that are in asset positions. To minimize its exposure to loss related to credit risk, it is the University's policy to require counterparty collateral posting provisions in its non-exchange-traded hedging derivative instruments. These terms require posting of collateral over and above certain thresholds fair value of hedging derivative instruments in asset positions (net of the effect of applicable netting arrangements) should the counterparty's credit rating fall below certain thresholds as governed by the individual agreements Credit Support Annex (CSA). Collateral posted is to be in an approved form as outlined by each CSA and held by a third-party custodian. The University has never failed to access collateral when required.

The University may also be required to post collateral on instruments that are in a liability position. If the University's credit rating falls below certain levels as outlined in the CSAs the counterparty has the same right to require that collateral be posted with a third party custodian. The two-way collateral posting thresholds are summarized below:

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 7 – INTEREST RATE SWAPS (continued)**

Rating	Bear Sterns* (JPM) 2002 (Swap A and B)	Bank One (JPM) 2002 (Swap C)	Wells Fargo 2005	JPM 2007B
Aaa/AAA	Infinity	Infinity	\$45,000	Infinity
Aa1, Aa2, Aa3/AA+, AA, AA-	Infinity	Infinity	\$45,000	Infinity
A1/A	\$10,000	Infinity	\$25,000	Infinity
A2/A	\$10,000	Infinity	\$20,000	Infinity
A3/A-	\$10,000	Infinity	\$15,000	Infinity
Baa1/BBB+	\$5,000	\$5,000	\$10,000	\$5,000
Baa2/BBB	\$500	\$3,000	\$5,000	\$3,000
Baa3/BBB-	\$0	\$0	\$0	\$0
Below Baa3/BBB- or suspended, withdrawn or unrated	\$0	\$0	\$0	\$0

As of June 30, 2010 the University's net liability position is \$26,901. The University has not been required to post collateral with any counterparty as of June 30, 2010. 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 non-defaulting 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 non-defaulting party.

Although the University originally executed interest rate swap agreements with multiple counterparties, four contracts, comprising approximately 88 percent 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 1, 30 or 35 days. As of June 30, 2010, the weighted-average interest rate paid

**THE UNIVERSITY OF TOLEDO**  
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**NOTE 7 – INTEREST RATE SWAPS (continued)**

on the University's hedged variable-rate debt is .34 percent, while the weighted-average percentage of LIBOR received (68.6%) is .24 percent.

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.

Rollover risk - The University is exposed to rollover risk on its LIBOR-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. The University is exposed to rollover risk on portions of the receive-variable, pay-fixed interest rate swap scheduled to mature on June 1, 2020 which is matched with variable rate debt maturing June 1, 2032.

**NOTE 8 – RETIREMENT BENEFITS**

University employees are covered by one of three retirement systems. The University faculty is covered by the State Teachers Retirement System of Ohio (STRS). Other employees are covered by the Public Employees Retirement System of Ohio (PERS). Employees may opt out of STRS or PERS and participate in the Alternative Retirement Plan (ARP) if they meet certain eligibility requirements.

A retiree of STRS or PERS is eligible for reemployment following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for a money-purchase benefit or a lump-sum payment in addition to the original retirement allowance. Effective April 11, 2005, a reemployed retiree may alternatively receive a refund of member contributions with interest before age 65, once employment is terminated.

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**Public Employees Retirement System of Ohio**

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PERS administers three separate pension plans as described below:

**Traditional Pension Plan** – a cost sharing, multiple-employer defined benefit pension plan.

**Member-Directed Plan** – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulated retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.

**THE UNIVERSITY OF TOLEDO**  
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**NOTE 8 – RETIREMENT BENEFITS (continued)**

**Combined Plan** – a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, employer contributions are invested by PERS to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulated retirement assets in a manner similar to the Member-Directed Plan.

PERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code (ORC).

The ORC provides statutory authority for member and employer contributions. For 2009, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plan, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

The 2009 member contribution rates were 10.0% for members in state and local classifications. Public safety members and members in law enforcement classification contributed 10.1%. The 2009 employer contribution rate for state and local employees was 14.0% of covered payroll. For both law enforcement and public safety divisions, the employer contribution rate for 2009 was 17.6%. Total required employer contributions for all plans are equal to 100% of employer charges and should be extracted from the employer's records.

The University's total employer contributions to PERS for the years ended June 30, 2010 and 2009 were \$26,465 and \$23,593, respectively.

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**State Teachers Retirement System of Ohio**

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STRS is a statewide retirement plan for licensed teachers and other faculty members and provides a choice of three retirement plan options.

**Defined Benefit Plan (DB Plan)** – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The maximum annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is determined by multiplying final average salary by 2.2% for the first 30 years of credited service.

**THE UNIVERSITY OF TOLEDO**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 8 – RETIREMENT BENEFITS (continued)**

Each year over 30 years is incrementally increased by .1%, starting at 2.5% for the 31<sup>st</sup> year of contributing service up to a maximum allowance of 100% of final average salary. Upon reaching 35 years of Ohio service, the first 31 years of Ohio contributing service is multiplied by 2.5% , and each year over 31 years is incrementally increased by .1% starting at 2.6% for the 32<sup>nd</sup> year. Members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit amounts. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from contributed employer funds. This total is then divided by an actuarially determined annuity factor to compute the maximum annual retirement allowance. Since the plan is tax-qualified, benefits are subject to limits established by Section 415 of the Internal Revenue Code. Benefits are increased annually by 3% of the original based amount.

**Defined Contribution Plan (DC Plan)** – Benefits are established under Sections 3307.80 to 3307.89 of the ORC. For members who select the DC Plan all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. The remaining 3.5% 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. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

**Combined Plan** – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member’s defined benefit is determined by multiplying 1% of the member’s final average salary by the member’s years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity.

A DB or Combined Plan member with five or more years’ credited service who becomes disabled may qualify for a disability benefit. Eligible survivors of members who die before retirement may qualify for survivor benefits. A death benefit of \$1 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members’ beneficiaries.



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**NOTE 8 – RETIREMENT BENEFITS (continued)**

The ORC provides statutory authority for employee and employer contributions. During 2010 and 2009, STRS employees contributed 10% of their salary to the plan and the University contributed 14% of covered payrolls to the plan. The University's total employer contributions to STRS for the years ended June 30, 2010 and 2009 were \$13,245 and \$14,056, respectively.

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Alternative Retirement Plan

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Ohio Amended Substitute House Bill 586 (Ohio Revised Code 3305.2) became effective March 31, 1998, authorizing an alternative retirement plan (ARP) for academic and administrative university employees of public institutions of higher education who are currently covered by the State Teachers Retirement System or Public Employees Retirement System. The University of Toledo board of trustees adopted such a plan effective April 1999.

Eligible employees (those who are full-time and salaried) have 120 days from their date of hire to make an irrevocable election to participate in the alternate retirement plan. Under this plan, employees who would have otherwise been required to be in STRS or PERS and who elect to participate in the alternate retirement plan must contribute their share of retirement contributions (10% STRS or 9% PERS) to one of eight private providers approved by the State Department of Insurance. For employees who elect an ARP, employers are required to remit employer contributions to STRS Ohio at a rate of 3.5%. The employer contribution is the lower of a rate determined by independent actuarial study or the portion of the STRS Ohio DC Plan employer contribution rate that is allocated to the defined benefit unfunded liability. PERS does not require an employer contribution for employees electing an ARP. The University plan provides these employees with immediate plan vesting.

ARP is a defined contribution plan under IRS section 401(a). The University's total employer contribution to ARP for the years ended June 30, 2010 and 2009 were \$5,646 and \$5,816, respectively.

**THE UNIVERSITY OF TOLEDO**  
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**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS**

In addition to the pension benefits described in note 8, the Ohio Revised Code provides the statutory authority requiring the University to fund post-retirement health care through employer contributions to PERS and STRS.

PERS provides post-retirement health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. In order to qualify for post-retirement health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit.

Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available.

The Health care coverage provided by PERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. In 2009, state employers contributed at a rate of 14% of covered payroll, local government employer units contributed at 14% of covered payroll, and public safety and law enforcement employer units contributed at 17.6%. The portion of employer contributions, for all employers, allocated to health care was 7% from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009.

OPEB's are advance-funded on an actuarially determined basis. Summary of assumptions are as follows:

*Actuarial Review* – The assumptions and calculations were based on the latest actuarial review performed as of December 31, 2008.

*Funding Method* – The individual entry age actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

*Assess Valuation Method* – All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

*Investment Return* – The investment assumption rate for 2008 was 6.5%.

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**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (continued)**

*Active Employee Total Payroll* – An annual increase of 4%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. In addition, annual pay increases over and above the 4% base increase, were assumed to range from .5% to 6.3%.

*Health Care* – Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5% to 3% for the next 6 years. In subsequent years (7 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

The Traditional Pension and Combined Plans had 357,584 active contributing participants as of December 31, 2009. The number of active contributing participants for both plans used in December 31, 2008, actuarial valuation was 356,503.

The amount of \$10.7 billion represents the actuarial value of PERS' net assets available for OPEB at December 31, 2008. Based on the actuarial cost method used, the Actuarial Valuation as of December 31, 2008, reported the actuarial accrued liability and the unfunded actuarial liability for OPEB at \$29.6 billion and \$18.9 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the PERS Board of Trustees on September 9, 2004 was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 for each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

STRS provides access to health care coverage to eligible retirees who participated in the DB or Combined Plans and their eligible family members. Coverage under the current plan includes hospitalization, physician fees, prescription drugs, and reimbursement of monthly Medicare Part B premiums. Pursuant to the ORC, the Retirement Board has discretionary authority over how much, if any, of the associate health care costs will be absorbed by the plan. Under Ohio law, the funds to pay the health care costs may be deducted from the employer contributions. The STRS board currently allocates employer contributions equal to 1% of covered payroll to the Health Care Reserve Fund, from which payments for health care benefits are paid. The balance in the Health Care Funding Progress was \$2.7 billion at January 1, 2009.

**THE UNIVERSITY OF TOLEDO**  
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**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (continued)**

For the years ended June 30, 2009 and 2008, the net health care costs paid by STRS were \$332,717 and \$325,793, respectively. There were 129,659 and 126,506 eligible benefit recipients in 2009 and 2008, respectively.

**NOTE 10 – TERMINATION BENEFITS**

The University offered a voluntary early retirement incentive program for certain faculty members over a three-year period beginning June 30, 2006 and ending June 30, 2008 with an annual effective election end date of June 30 for each year. Upon the conclusion of the three-years fifty-seven faculty had voluntarily accepted the early retirement incentive package. A second round of voluntary early retirement incentive program was offered for a two-year period beginning June 30, 2009 and ending June 30, 2010. Upon the conclusion of the two-years, forty-nine faculty members had voluntarily accepted the early retirement incentive package. The incentive consisted of a one-time payout based on years of service and current annual salary, and a continuation of health care benefits over the next two years. The University recorded a liability in accordance with GASB Statement No. 47, *Accounting for Termination Benefits* of approximately \$1,687 and \$1,574 for its obligation related to the early retirement incentive program as of June 30, 2010 and June 30, 2009, respectively.

**NOTE 11 – 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 Insurance Consortium (IUC-IC). Since 1994, the IUC-IC Universities have purchased their property and casualty insurance on a group basis. The IUC-IC 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 3 committees 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-IC and act as a facilitator to other IUC committees and university departments to address insurance and risk related issues.

Through the IUC-IC group, the University maintains property insurance with a \$100 deductible and a pre-funded group pool deductible of \$350 per occurrence; with an annual group aggregate stop loss of \$700. Total insurable value is approximately \$2,200,000.

**THE UNIVERSITY OF TOLEDO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2010  
(Dollars in Thousands)

**NOTE 11 – CONTINGENCIES AND COMMITMENTS (continued)**

The casualty portion of the IUC-IC program provides educator's legal liability, general liability and other miscellaneous coverage. The University has a \$100 deductible and a pre-funded group

pool deductible of \$900 per occurrence. There is a dedicated general excess coverage for the University of \$4,000 and shared excess limits totaling \$45,000. The educator's legal liability excess coverage has a dedicated limit of \$4 million for the University and shared excess limits totaling \$25,000.

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 5-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 worker's compensation liability based on rates set by the Bureau to collect the cash needed in subsequent fiscal years to pay the worker's compensation claims of participating State agencies and universities.

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. Settlements have not exceeded insurance coverage in each of the past three years.

**NOTE 12 – MEDICAL PROFESSIONAL LIABILITY**

In August 2005, the University created a captive insurance company, The University of Toledo Medical Assurance Company (SPC) ("UTMAC"), through a trust that is controlled by the Board of Trustees of UT. UTMAC was incorporated in the Cayman Islands and operates subject to the provisions of the Companies Law of the Cayman Islands. Under current Cayman Islands law, UTMAC is not obligated to pay taxes in the Cayman Islands on either income or capital gains. UTMAC provides an insurance vehicle for the insurance needs of the University, its staff, and affiliated physicians. UTMAC is blended in the University results.

UTMAC provides professional liability coverage to the University. The primary limit of liability is \$2,000 per occurrence and \$4,500 in aggregate for the policy period July 1, 2009 to July 1, 2010. The retroactive date is July 1, 1987. UTMAC also provides excess coverage through commercial insurers for the University's professional liabilities with limits of \$10,000 per occurrence and \$10,000 in aggregate.

**THE UNIVERSITY OF TOLEDO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2010  
(Dollars in Thousands)

**NOTE 12 – MEDICAL PROFESSIONAL LIABILITY (continued)**

General liability coverage is provided by UTMAC for the period between the retroactive date of July 1, 1987 to July 1, 2006. Limits of general liability, both primary and excess, are the same as professional liability limits.

UTMAC also provides professional liability coverage to the University of Toledo Clinical Faculty, Inc (UTCF), which is an affiliated nonprofit, multi-specialty physician practice of UTMAC. The primary professional liability limit of liability to each physician is \$1,000 per occurrence and \$3,000 in aggregate, with a group aggregate of \$10,000, for the policy period July 1, 2009 to July 1, 2010. UTMAC provides excess professional liability coverage for the physicians with limits of \$2,000 per occurrence with a shared \$4,000 in aggregate. UTMAC also provides tail coverage to physicians leaving UTCF employment.

At June 30, 2010 and 2009, the University has accrued \$12,487 discounted at 4% and \$10,674 discounted at 4%, respectively, for asserted and unasserted claims based on the University's experience and studies performed by a consulting actuary. With respect to pending malpractice claims and legal action where the University is a defendant, it is the opinion of management that any potential liability in such actions will not materially affect the financial position of the University. Settlements have not exceeded insurance coverage in each of the past three years.

	2010	2009
Medical Professional Liability :		
Beginning balance	\$ 10,638	\$ 9,576
Provision for incurred claims	3,194	1,503
Payments for claims	(1,345)	(405)
Ending balance	<u>\$ 12,487</u>	<u>\$ 10,674</u>

The above liability includes insurance coverage for UTCF and has been funded by premiums paid by UTCF to UTMAC. The UTMAC Liabilities presented in the Statement of Net Assets include other trade liabilities in the amount of \$300 and \$153 for 2010 and 2009, respectively.

**NOTE 13 – JOINT VENTURE**

In February 2009, the University formed a nonprofit corporation called Science, Technology, and Innovation Enterprises (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 UNIVERSITY OF TOLEDO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2010  
(Dollars in Thousands)

**NOTE 13 – JOINT VENTURE (continued)**

The Corporation will support the University through investment in public and private economic development projects and promote the interests of the University.

At June 30, 2010 the Corporation consists of investments in common stock valued at approx \$9,000. In addition, the University has committed to provide \$10,000 in cash to help fund future investments. The Corporation is blended with University results.

**NOTE 14 – FUNCTIONAL CLASSIFICATION OF EXPENSES**

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

	<b>2010</b>	<b>2009</b>
Patient Services	\$ 227,286	\$ 234,309
Instruction	194,077	195,076
Research	60,897	51,577
Public Service	12,993	6,497
Academic Support	33,424	32,821
Student Services	20,876	21,721
Institutional Support	42,931	48,260
Student Aid	28,497	25,037
Operation and Maintenance of Plant	27,039	33,752
Depreciation	45,426	43,256
Provision for Bad Debt	18,110	14,008
Auxiliary Enterprises	65,989	69,454
Total operating expenses	<u>\$ 777,545</u>	<u>\$ 775,768</u>

**NOTE 15 - SUBSEQUENT EVENTS**

On September 24, 2010 the University initiated a public tender offer for the remainder of the outstanding 2005 Series and 2007B Series Bonds. The University intends to issue tax exempt bonds to fund the purchase of any bonds tendered. The size and form of the bond issue will be determined by the amount of the bonds tendered and the current economic environment.

**NOTE 16 – RESTATEMENT OF NET ASSETS DUE TO ACCOUNTING CHANGE**

Change in accounting policy – Effective with the fiscal year ended June 30, 2010 the University adopted GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments. This statement requires derivative instruments to be measured and recorded at fair

**THE UNIVERSITY OF TOLEDO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2010  
(Dollars in Thousands)

**NOTE 16 – RESTATEMENT OF NET ASSETS DUE TO ACCOUNTING CHANGE**  
**(continued)**

value. To the extent the derivative instruments are effective hedges, recognition of annual changes in fair value are deferred (deferred inflow or outflow); otherwise, the annual changes are recognized as a component of net investment income (loss). Prior to the change, the University's derivative instruments (interest rate swaps) were disclosed in the footnotes without recognition on the balance sheet.

This new pronouncement will recognize the asset or liability that is represented by the derivative instruments, and will better match the income or loss to the appropriate reporting period. In accordance with the Statement, the University has also retroactively applied and restated prior periods presented in these financial statements. Net assets as of July 1, 2008 were reduced by \$2,876, while the July 1, 2009 net assets were reduced by \$1,792. This change has impacted the amount reported as change in net assets by reducing the year ended June 30, 2009 by \$4,669, while reducing the year ended June 30, 2010 by \$5,783.



## Independent Auditor's Report

To the Board of Trustees  
University of Toledo

We have audited the basic financial statements of the University of Toledo as of and for the year ended June 30, 2010 and have issued our report thereon dated October 15, 2010. Those basic financial statements are the responsibility of the management of University of Toledo. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of UT Clinical Faculty, Inc., which represent approximately 1.2 percent and 11.5 percent of the net assets and revenue of the University, respectively. Those financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for UT Clinical Faculty, Inc., is based on the report of the other auditors.

We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the University of Toledo taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Plante & Moran, PLLC*

October 15, 2010

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*

To the Board of Trustees  
University of Toledo

We have audited the financial statements of the University of Toledo as of and for the year ended June 30, 2010 and have issued our report thereon dated October 15, 2010. Our report was modified to include reference to other auditors. We conducted our audit in accordance with 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. Other auditors audited the financial statements of UT Clinical Faculty, Inc., as described in our report on the University of Toledo's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of UT Clinical Faculty, Inc. and the University of Toledo Foundation were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the University of Toledo's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

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.

To the Board of Trustees  
University of Toledo

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as items 2010-01 and 2010-02 that we consider to be significant deficiencies in internal control over financial reporting. 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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University of Toledo's financial statements are free of 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 determination of financial statement amounts. 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*.

The University of Toledo's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the University of Toledo's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Trustees, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Plante & Moran, PLLC*

October 15, 2010

Report on Compliance with Requirements Applicable to Each Major Program and  
on Internal Control Over Compliance in Accordance with OMB Circular A-133

To the Board of Trustees  
University of Toledo

**Compliance**

We have audited the compliance of the University of Toledo with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2010. The major federal programs of the University of Toledo are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the University of Toledo's management. Our responsibility is to express an opinion on the University of Toledo's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University of Toledo's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the University of Toledo's compliance with those requirements.

In our opinion, the University of Toledo complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

To the Board of Trustees  
University of Toledo

### **Internal Control Over Compliance**

The management of the University of Toledo is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the University of Toledo's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the board of trustees, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Plante & Moran, PLLC*

October 15, 2010

# University of Toledo

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
<b>STUDENT FINANCIAL AID CLUSTER</b>			
Federal Teach Grant	84.379	P375A090350	\$ 305,646
USDOED JLD 2007	84.033	P033A083381	(39)
Federal Workstudy	84.033	P033A093381	986,715
JLD	84.033	P033A093381	42,570
JLD FY 2009	84.033	P033A093381	38
Smart Grant	84.376	P376S080350	315,848
Scholarships for Disadvantaged Students	93.925	TO8HP09428	22,000
Smart Grant Federal	84.376	P376S090350	368,688
Academic Competiveness	84.375	P375A090350	294,661
Academic Competiveness	84.375	P375A080350	925,214
FSEOG	84.007	P007A093381	793,366
PELL Grant	84.063	P063P090350	25,768,990
ARRA: Federal Work Study	84.033	P033A093381	407,085
<b>TOTAL STUDENT FINANCIAL AID CLUSTER</b>			<b>30,230,782</b>

### RESEARCH AND DEVELOPMENT CLUSTER

#### Department of Agriculture

Biomonitoring of Nutritional and Environmental Stress in Plants	10.001	58-3607-9-741	84,610
Support of Agricultural Research of Mutual Interest	10.001	58-3067-7-111	1,479
Support of Agricultural Research of Mutual Interest	10.001		2,605
Support of Agricultural Research of Mutual Interest	10.001	58-3607-0-111	8,934
USDA SCA environmental Effects of Virus Infection on Bedding Plants	10.001	58-3607-7-611	170,094
Fate of Agrochemicals in the Greenhouse	10.001	58-3607-5-147	13,690
Biomonitoring of Nutritional and Environmental Stress in Plants	10.001	58-3607-4-119	(43,880)
Building a Water-Holding Gel for Horticultural Applications	10.001	58-3607-8-716	79,813
Determine Natural Product Induction in Legumes and the Pharmacologic Consequences in Human Model Systems	10.001	58-6435-3-073 02	(21,289)
Determine Natural Product Induction in Legumes and the Pharmacologic Consequences in Human Model Systems	10.001	58-6435-8-323	334,106
Monitoring Agricultural Sewage Sludge	10.200	2006-38898-03485	263,952
Monitoring Agricultural Sewage Sludge Application, OH	10.200	2004-38898-02140	(100,845)
Phytoremediation Plant Research	10.200	2003-38894-02032	20
Dietary and Genetic Risk Factors in Obesity and Diabetes	10.200	2005-38903-02315	14,581
Genetic Detection and Geographic Analysis of Great Lakes Fish Infection by Viral Hemorrhagic Septicemia - Part 2	10.200	2009-38927-20043	54,478
Lake Erie Wetlands and Shoreline Restoration: MBSP Phytoremediation	10.200	2009-3889-20171	109,053
Monitoring Agricultural Sewage Sludge, 2009	10.200	2009-38898-20002	167,279
Phytoremediation Plant Research	10.200	2005-38894-02307	(39,015)

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
Department of Agriculture - continued:			
Monitoring Agricultural Sewage Sludge	10.200	2005-38898-03269	145,810
Investigating Potential Human Health Impacts of Sewage Sludge Applied to Agricultural Fields	10.200	2008-38898-19239	375,607
Plant Phytoremediation Research	10.200	2006-38894-03732	360,489
Phytoremediation Plant Research, OH	10.200	2008-38894-19277	168,670
Dietary and Genetic Risk Factors in Obesity and Diabetes	10.200	2010-38903-20740	7,497
Dietary and Genetic Risk Factors in Obesity and Diabetes	10.200		44,055
Dietary and Genetic Risk Factors in Obesity and Diabetes	10.200	2009-38903-19826	314,737
Genetic Detection and Geographic Analysis of Great Lakes Fish Infection by Viral Hemorrhagic Septicemia	10.200	2008-38927-19156	108,755
Interacting Microbial x Chemical x Nitrogen Controls on Litter-to-Human Transformation	10.206	2005-35107-16281	2,581
Evaluating the Economic Costs and Benefits of Slowing the Spread of the Emerald Ash Borer in Ohio and Michigan	10.250	58-7000-6-0080	8,984
Maumee River Watershed GIS and Remote Sensing	10.921		45,647
Using Radar Interferometry to Investigate the Rates of Subsidence in the Nile Delta	10.961	58-314-8-106	3,828
Pass Through Center for Innovative Food Technology: Biodiesel from Algae: A Pilot Study on the Feasibility of Lake Erie Algae	10.500		1,036
Pass Through Maumee Valley Resource Conservation & Development: Lake Erie Algae Study	10.903		10,432
Pass Through Ohio State University: Dietary Intervention	10.200		(5,505)
Pass Through Ohio State University: Enhancing the Economic Competitiveness of Ohio's Greenhouse Industry	10.200	RF01037938	992
Pass Through Ohio State University Research Foundation: Monitoring Agricultural Sewer Sludge	10.200		43,666
Pass Through Ohio State University Research Foundation: Phytoremediation	10.200		54
Pass Through Ohio State University Research Foundation: Greenhouse Nurseries	10.200	Project No. 60009794	56,593
Pass Through Ohio State University Research Foundation: Greenhouse Nurseries	10.200	2008-03852	243,247
Pass Through Ohio State University Research Foundation: Greenhouse Nurseries	10.200	60024441	159,130
Pass Through Ohio State University Research Foundation: Greenhouse Nurseries	10.203		7,840
Pass Through Suginit Systems, Inc.: Development of Co-immobilized Enzyme Pellets to Replace GMOs for Cellulosic Ethanol	10.212		16,481
Pass Through University of Toledo, Main Campus: Monitoring Agricultural Sewage Sludge	10.200		74,461
Pass Through University of Wisconsin-Milwaukee: USDA/ARS VHS Research	10.001	58-3655-9-748 A01	59,296
U.S. Forest Service: Coupling the Effects of Management and Climate on Carbon and Water Fluxes in the Forests of Eastern U.S. and P.R.C.	10.652	SRS 04-CA-11330147-0	(1,054)
Total Department of Agriculture			3,352,994

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
Department of Commerce			
Pass Through Xunlight Corporation: Ultrahigh Rate Fabrication of Thin-Film Silicon Solar Cells Using Roll-to-roll Hybrid CVD Technologies with RTSE Monitoring and Control	11.612	7QNANB7H7017	97,786
National Oceanic and Atmospheric Administration; Pass Through Ohio State University Research Foundation; Assessing the Role of Turbid River Plumes in the Development of Microcystis Blooms in Lake Erie with Molecular Techniques	11.417	60013420	13,505
National Oceanic and Atmospheric Administration: Effects of Bayshore Powerplant on Ecosystem Function in Maumee Bay, western Lake Erie	11.417	NA09OAR4170182	145,065
National Oceanic and Atmospheric Administration; Pass Through Ohio State University Research Foundation; Temporal and Spatial Analyses of Walleye and Yellow Perch Genetic Stock Structure: A High-Resolution Data Base for Fishery Management (Part II)	11.417	NA06OAR4170020	29,239
National Oceanic and Atmospheric Administration; Pass Through University of Michigan; What are the Causes, Consequences and Correctives of Fish Contamination in the Detroit River AOC that Cause Health Consumption Advisories?	11.417		27,264
Total Department of Commerce			312,859
Department of Defense			
Novel Sensors for Chemical and Bio-Defense	12.910	HR0011-07-1-0003	487
Defense Advanced Research Projects Agency; Pass Through Innovative Technology Applications Company, LLC; Novel Methods for Sensor Quieting in Turbulent Flows	12.910	NI0PC20088	17,430
Pass Through Advanced Technology Institute: Forging Advanced Systems & Technologies Program	12.910	SP4701-08-C-0003	168,441
Pass Through Prohydro, Inc.: An Assessment of Aquifer/Well Flow Dynamics: Identification of Parameters Key to Passive Sampling and Application of Downhole Sensor Technologies	12.000		44,648
Air Force Research Lab-Kirkland: Rapidly Deployable Solar Electricity and Fuel Sources	12.000		1,477,356
U.S. Army Corps of Engineers; Pass Through Marshall University Research Corporation; Develop New Process for Collecting Information on Piers, Wharves, Docks and Facilities	12.100		63,698
U.S. Army/Battelle ARO; Pass Through University of Cincinnati; Remote Sensing of Submerged Algae Beds	12.100		49,971
U.S. Army Corps of Engineers: 2008 Great Lake Navigation System: Transportation Rate Update for Great Lakes Waterway Movement	12.107	2009-081/209102	47,623
Pass through Teledyne Continental Motors: Small Turbine Institute	12.118	P06-01599	14,361
U.S. Army Medical Research and Material Command; Pass Through Van Andel Research Institute; Diaphanous-Related Formins in Ovarian Cancer Metastasis	12.420	AA-18-40144-1	50,216
U.S. Army Medical Research and Material Command: Functional Analysis of the Beclin-1 Tumor Suppressor Interaction with hVps34 (Type-III PI 3'-Kinase) in Breast Cancer Cells	12.420	W81XWH-04-1-0493	(4,779)
U.S. Army Medical Research and Material Command; Pass Through University Hospitals of Cleveland; Risk and Resilience Factors for Combat-Related Posttraumatic Psychopathology and Post Combat Adjustment	12.420	W81XWH-07-1-0409	396,748
Army Research Office; Pass Through Southwest Research Institute; Hybrid Hydraulic Comp Test and Ctrl Meth. Dvlp.	12.910	B99028X	36,339
Army Research Office; Pass Through Southwest Research Institute; Support of Military Hydraulic Hybrid Vehicle Analysis and Design Activities	12.910	DAAE7-99-L053	515,697

See Notes to Schedule of Expenditures  
of Federal Awards.



# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
Department of Defense - continued:			
U.S. Department of the Navy; Pass Through Orbital Research Inc.; Aerodynamic Maneuvering and Control Actuation System for a Guided Destructive Expendable	12.300		10,933
U.S. Naval Oceanographic Office: A Lithium Ion Battery Management System for Autonomous Undersea Vehicles	12.300	N62306-06-P-7035	11,988
Office of Naval Research; Pass Through Orbital Research Inc.; Actuator Integrated Missile Steering System (AIMSS) For Supersonic Missiles	12.300		42,540
U.S. Department of the Navy: Enhancement for an AUV Battery Management System	12.300	N65236-08-P-2970	30,977
U.S. Department of the Navy: Enhancement for an AUV Battery Management System	12.300	N65236-08-P-3309	4,963
Office of Naval Research; Pass Through AHL-Tech Inc.; Hydraulic Locomotive	12.300		8,867
Office of Naval Research: Intermolecular Interactions in Energetic Materials	12.300	N00014-08-M-0357	11,331
U.S. Department of the Navy; Pass Through Orbital Research Inc.; Plasma On-Demand (POD) Flow Control for Rotocraft Drag Reduction	12.300	N00014-09-M-0467	15,278
U.S. Naval Oceanographic Office: A Lithium Ion Battery Management System for Autonomous Undersea Vehicles (Supplement #1)	12.300	N62306-07-P-9005	0
U.S. Department of the Army; Pass Through Orbital Research Inc.; Low-Cost Miniature Control Actuation System (MCAS) for Gun-Fired Munitions	12.431	W15QKN-08-C-0012	106,228
U.S. Department of the Army: Development of Clean Sources of Hydrogen for Fuel Cells	12.431	W909MY-06-C-0048	(7,068)
U.S. Department of the Army; Pass Through SkySentry LLC; Stratospheric Power System Development	12.431		74,180
Air Force Research Lab-Kirkland; Pass Through Ascent Solar; CdSe Top Cells Enabling CdSe/CIGS Tandem Junction Photovoltaics	12.800		87,183
Air Force Research Lab-Kirkland: Fast Fourier Transform FPGA/ASIC Architecture Simulator/Generator	12.800	RY1-UT-09-1	56,688
Air Force Research Lab-Kirkland; Pass Through Center for Innovative Food Technology; Processing of Algal Feedstocks for Fuels	12.800		76,818
Air Force Research Lab-Kirkland: Rapidly Deployable Solar Electricity and Fuel Sources	12.800	FA9453-08-C-0172	1,091,029
Department of Airforce and Material Command; Pass Through Advanced Virtual Engine Test Cell, Inc.; Zooming Methodologies for Gas Turbine Engine Simulations	12.800	AV07-U-001	(110,238)

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
Department of Defense - continued:			
Department of Airforce and Material Command; Pass Through Advanced Virtual Engine Test Cell, Inc.; Advanced Design Techniques for MDAO of Turbomachinery with Emphasis on Component Optimization for the Engine System	12.800	FA9550-07-1-0259	70,741
Department of Airforce and Material Command; Pass Through Bell Helicopter; Physics-Based Analytical Tools for Anhedral Tip Design	12.800		23,376
Department of Airforce and Material Command; Pass Through Teledyne;	12.800	TSI 2276-08077991	(75)
U.S. Department of Airforce Material Command; Pass Through Teledyne; VTOL UAV NPSS Model Updates for Lift to Cruise Transition Power Split Study	12.800		8,778
Wright-Patterson Air Force Base; Pass Through Center for Innovative Food Technology; Renewable Hydrocarbon Fuels from Algae	12.800		70,024
Wright-Patterson Air Force Base; Pass Through Center for Innovative Food Technology; Biofuels from Algae	12.800		119,497
Total Department of Defense			4,682,274
Department of the Interior			
Desalination Pretreatment Using Controlled-Chain PEGMA-Enhanced Cellulose Acetate Ultrafiltration Membranes	15.506		(14,809)
Bureau of Land Management; PZP Immunocontraception in Free-Roaming Feral Horses	15.229	FAA040011	362,828
National Park Service; Geomorphic and Hydrogeomorphic Maps for Assateague Island National Seashore	15.915	PZP Immunocontraception in Free-R	11,601
U.S. Geological Survey; Pass Through Ohio State University: Quantitative Analysis to Monitor the Role of Biofilm Biopolymers Against Disinfectants in Water Distribution Systems	15.805	60021020	25,720
U.S. Geological Survey; Pass Through Ohio State University Research Foundation; Sustainability Analysis of the Water Infrastructure in Ohio	15.805	60012688	21,996
U.S. Geological Survey; Pass Through Ohio State University Research Foundation; State-of-the-Art Membrane Characterization Toward Bio-Fouling Prediction and Improved Membrane Performance	15.805		5,226
Total Department of Interior			412,562

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
Department of Justice			
Increase Effective Services for Child Victims of Commercial Sexual Exploitation	16.556	2008-DD-BX-0266	209,168
Pass Through Ohio Criminal Justice System: Batterer Intervention Research	16.738	2006-JG-EOV-6465	9,112
Total Department of Justice			218,280
Department of Transportation			
Developing a Global Supply Chain Management/Transportation System Efficiency Graduate Degree Program	20.704		2
Transportation for Economic Security and Development	20.760	UTUTC-IU-18	437,061
Pass Through Michigan-Ohio University Transportation Center: Advanced Road Scene Image Segmentation and Pavement Evaluation Using Neural Networks	20.701		12,992
Pass Through Michigan-Ohio University Transportation Center: Characterization and Speciation of Fine Particulate Matter inside the Public Transport Buses Running on Bio-Diesel	20.701	AF 21	13,399
Pass Through Michigan-Ohio University Transportation Center: Improving the Energy Density of Hydraulic Hybrid Vehicles (HHVs) and Evaluating Plug-in HHVs	20.701		10,747
Pass Through Michigan-Ohio University Transportation Center: Improving the Energy Density of Hydraulic Hybrid Vehicles (HHVs) and Evaluating Plug-in HHVs	20.701		21,213
Pass Through Michigan-Ohio University Transportation Center: Transportation Informatics: Advanced Image Processing Techniques for Automated Pavement Distress Evaluation	20.701	TS18p2	6,583
Pass Through Ohio Department of Transportation: Cost Benefit Models to Support PMS Decisions	20.205	21729	83,442
Pass Through Ohio Department of Transportation: Veteran's Glass City Skyway Solar Array Performance Evaluation	20.205	23339	44,837
Pass Through Ohio Department of Transportation: Veteran's Glass City Skyway Solar Array Performance Evaluation	20.205	23339	335,069
Pass Through Toledo Area Regional Transportation Authority: Biodiesel Study	20.505		163,313
Pass Through University of Cincinnati: Instrumentation of the Maumee River Crossing	20.205	20359 B	18,631
Pass Through University of Toledo-University Transportation Center: Magnetic Sensor for Nondestructive Evaluation of Deteriorated Prestressing Strand	20.000	UTUTC-IU-12	51,346

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
Department of Transportation - continued:			
Pass Through University of Toledo-University Transportation Center: Reducing Noise and Vibration of Hydraulic Hybrid and Plug-In Hybrid Electric Vehicles	20.701	UTUTC-AE-2	44,456
Pass Through University of Wisconsin: Analyzing Regional Freight Information Resources	20.000	995B772	53,907
Pass Through University of Wisconsin: Supply Chain Case Study Automotive Supply Chain	20.701	160K086	20,519
Pass Through University of Wisconsin: Expanding Regional Freight Information Resources For The Upper Midwest: The Great Lakes Maritime Information Delivery System Phase III	20.801	DTMAIG06005	(46,420)
Pass Through University of Wisconsin: Expanding Regional Freight Information Resources For The Upper Midwest Phase IV	20.931	DTMAIG06005	79,791
Pass Through University of Wisconsin-Superior: Develop New Process for Collecting Information on Piers, Wharves, Docks and Facilities	20.806	DTMAIH08007	66,257
Total Department of Transportation			1,417,145
National Aeronautical Space Administration			
Pass Through Ohio Space Institute: Ohio Space Grant Consortium (OSGC) Scholarships and Fellowships for Fellowships for 2006-2007 to University of Toledo	43.002		26,454
Jet Propulsion Laboratory; Pass Through Jet Propulsion Laboratory; PAHs, Interacting Galaxies, Nearby AGN, and Massive Stars	43.002	1332056	88,516
Jet Propulsion Laboratory; Pass Through Jet Propulsion Laboratory; Herschel Orion Protostar Survey (HOPS)	43.002		83,274
Jet Propulsion Laboratory; Pass Through Jet Propulsion Laboratory; Key Insights on Nearby Galaxies: A Far-Infrared Survey with Herschel	43.002	1372803	42,562
Jet Propulsion Laboratory; Pass Through Jet Propulsion Laboratory; Evolution of Infall and Envelope-disk Accretion in Proostars	43.002		30,116
Jet Propulsion Laboratory; Pass Through Jet Propulsion Laboratory; Dust Formation of Near Hot Non-Supergiant Stars	43.002		3,001
Jet Propulsion Laboratory; Pass Through Jet Propulsion Laboratory; An IRS Survey Of Spitzer Identified Protostars In The Orion A Cloud	43.002	1289605	41,125
NASA Goddard Space Flight Center: Effects of Land Use Change on the Energy and Water Balance of the Semi-Arid Region of Inner Mongolia	43.002	NNG06GA70G	5,836
NASA Goddard Space Flight Center: Massive Stars with Dusty Disks: A FUSE Survey of the Most Metal-Poor B[e] Supergiants	43.002	NNX07AU47G	3,559
NASA Goddard Space Flight Center: Oscillator Strengths for Ultraviolet Atomic and Molecular Transitions	43.002	NNG06GC70G	4,635
NASA Goddard Space Flight Center: The Transition from Diffuse Molecular Clouds to Dark Clouds Through Ultraviolet CO Measurements	43.002	NNX10AD80G	8,807
NASA Goddard Space Flight Center: Effects of Land Use Change on the Energy and Water Balance of the Semi-Arid Region of Inner Mongolia	43.002	NNG06GA70G	23,648

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
Department of National Aeronautical Space Administration - continued:			
NASA John H. Glenn Research Center at Lewis Field: Development and Investigation of Multiple Phenomena in Turbomachinery and Propeller Aeroelasticity	43.002	NNC05AA18A	1,242
NASA John H. Glenn Research Center at Lewis Field: Evaluation of Several Space Lubricants Using the Spiral Orbit Tribometer	43.002	NNC05AA45A	1,329
NASA John H. Glenn Research Center at Lewis Field: Technology Validation and Risk Reduction Research for Flywheel Technology	43.002	NCC05AA57A	1,363
NASA John H. Glenn Research Center at Lewis Field: Damping Concepts for Rotating Blades and Rotordynamic Analysis	43.002	NNC06AA04A	1,464
NASA John H. Glenn Research Center at Lewis Field: Validation, Enhancement, and Application of Computational Models for Comprehensive Combustion Simulations	43.002	NNC06AA06A	1,540
NASA John H. Glenn Research Center at Lewis Field: Investigation of a Heavy Loaded Bearing for Aero Application	43.002	NCC3-924	1,540
NASA John H. Glenn Research Center at Lewis Field: Research in Controls for Flywheel Technology Applications	43.002	NNC05AA12A	1,702
NASA John H. Glenn Research Center at Lewis Field: Extended Durability of Materials in Advanced Power Systems for Space Explorations	43.002	NNC05AA42A	1,914
NASA John H. Glenn Research Center at Lewis Field: Particulates Measurements and Measurement-System Development for Aircraft Engines	43.002	NNC05AA09A	1,928
NASA John H. Glenn Research Center at Lewis Field: Development of Fuel Cell/Reformers Technology	43.002	NNC04AA67A	1,972
NASA John H. Glenn Research Center at Lewis Field: Computed Tomography and Digital Radiography Based Research for Aerospace Materials	43.002	NNC04AA53A	2,167
NASA John H. Glenn Research Center at Lewis Field: CFD Simulations of Turbomachinery	43.002	NNC05GA69G	2,264
NASA John H. Glenn Research Center at Lewis Field: Component Development for Structural Seals	43.002	NNC05AA21A	2,300
NASA John H. Glenn Research Center at Lewis Field: Life Prediction Modeling and Structural Analysis of Ceramic Matrix Composite Materials	43.002	NNC05AA08A	2,431
NASA John H. Glenn Research Center at Lewis Field: Improved Modeling for Turbine Cooling Analysis	43.002	NNC05AA48A	2,549
NASA John H. Glenn Research Center at Lewis Field: Extreme Temperature Magnetic Bearings	43.002	NNC04AA24A	2,766
NASA John H. Glenn Research Center at Lewis Field: Experimental Studies of Traction Drives, Magnetic Bearings, and Mechanical backup Bearings for Space Applications	43.002	NNC05AA51A	263
NASA John H. Glenn Research Center at Lewis Field: Development and Investigation of Multiple Phenomena in Turbomachinery and Propeller Aeroelasticity	43.002	NNC05GA52G	902
NASA John H. Glenn Research Center at Lewis Field: NASA-GRC Solid Oxide Fuel Cell Technology for Aeronautic Applications	43.002	NNC05AA10A	4,791
NASA John H. Glenn Research Center at Lewis Field: Keith NASA Wage Account	43.002		63,332

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
Department of National Aeronautical Space Administration - continued:			
NASA John H. Glenn Research Center at Lewis Field: Smart Damping for Turbomachinery Blades	43.002	NNC07TA60T	86,436
NASA John H. Glenn Research Center at Lewis Field: Development of Computed Tomography and Digital Radiography for Aerospace Materials and Facilities Operations	43.002	NNC07TA68T	128,306
NASA John H. Glenn Research Center at Lewis Field: Development of Life Prediction and Probabilistic Analysis Tools for High Temperature Composites	43.002	NNC07TA69T	179,525
NASA John H. Glenn Research Center at Lewis Field: Advanced Wave Fluid Film Bearing Technology for Geared Transmission Systems	43.002	NNC07TA70T	184,217
NASA John H. Glenn Research Center at Lewis Field: Extended Durability of Materials in Advanced Propulsion and Power Systems for Aeronautic and Space Exploration	43.002	NNC007TA62T	202,882
NASA John H. Glenn Research Center at Lewis Field: Development of Advanced Computational Tools for the Simulation of Multistage Turbomachinery in Support of Aero propulsion	43.002	NNC07T61T	204,029
NASA John H. Glenn Research Center at Lewis Field: Turbomachinery Aeroelastic Analysis Tools for Aerospace Propulsion Application	43.002	NNC07TA64T	205,373
NASA John H. Glenn Research Center at Lewis Field: Unsteady CFD Simulations	43.002	NNC07TA66T	221,753
NASA John H. Glenn Research Center at Lewis Field: Microstructural Analysis and Structure-Property Correlation in Advanced High-Temperature Materials Developed for Improved Material Performance	43.002	NNC07TA63T	236,170
NASA John H. Glenn Research Center at Lewis Field: A Workplan for Testing Aerospace Components and Advanced Materials	43.002	NNC07TA67T	237,599
NASA John H. Glenn Research Center at Lewis Field: NASA-GRC Solid Oxide Fuel Cell Technology for High Power Density Aeronautic and Applications	43.002	NNC07TA65T	411,663
NASA John H. Glenn Research Center at Lewis Field: Ohio Photovoltaic Materials and Module Test Facility	43.002	NNX08AP18G	575,921
NASA John H. Glenn Research Center at Lewis Field; Pass Through Analox Corporation; EHL Film Thickness Measurements and Fixture Design	43.002	AS 2781	408
NASA John H. Glenn Research Center at Lewis Field; Pass Through Analox Corporation; Orion Electrical Power System Development Testing	43.002		2,965

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
Department of National Aeronautical Space Administration - continued:			
NASA John H. Glenn Research Center at Lewis Field; Pass Through Analex Corporation; Tribological Investigations Involving Mechanical and Thermomechanical Systems	43.002		5,735
NASA John H. Glenn Research Center at Lewis Field; Pass Through Analex Corporation; Tribological Investigations Involving Mechanical and Thermomechanical Systems	43.002		6,782
NASA John H. Glenn Research Center at Lewis Field; Pass Through Analex Corporation; Tribological Investigations Involving Mechanical and Thermomechanical Systems	43.002		8,571
NASA John H. Glenn Research Center at Lewis Field; Pass Through Analex Corporation; Tribological Investigations Involving Mechanical and Thermomechanical Systems	43.002	TS-2014	27,343
NASA John H. Glenn Research Center at Lewis Field; Pass Through ASRC Aerospace Corporation; Turbomachinery Computational AeroAcoustics (CAA)	43.002	AS3458	131,937
NASA John H. Glenn Research Center at Lewis Field; Pass Through Ohio Space Institute; Study of Reaction Chemistry and Thermophysics on Hypersonic Reacting Flows	43.002	NNC08-TA48T	85,924
NASA John H. Glenn Research Center at Lewis Field; Pass Through QinetiQ North America Operation, LLC; Tribological Investigations Involving Mechanical and Thermomechanical Systems	43.002		119
NASA John H. Glenn Research Center at Lewis Field; Pass Through University of Akron; Advanced Aerospace Seals Research	43.002	NNC08CA35C	291,027
NASA Marshall Space Flight Center; Pass Through Smithsonian Astrophysical Observatory; The Nature of Optical Counterparts to X-ray Binaries in M101	43.002	AR0-11012X	5,700
Ohio Space Grant Consortium; Pass Through Ohio Space Grant Consortium; Enhancing Physics Education with Open-Ended Engineering Design Projects	43.002		2,095
Space Telescope Science Institute; Pass Through Space Telescope Science Institute; Anatomy of the Nuclear Starburst in M83 from Integral Field Spectroscopy	43.002	HSF-AR-10960.04A	3,591
Space Telescope Science Institute; Pass Through Space Telescope Science Institute; The Effect of Multiplicity on the Evolution of Young Stellar Objects	43.002	HST-GO-11205.03-A	3,746
Space Telescope Science Institute; Pass Through Space Telescope Science Institute; Structural Properties of Star Clusters in M33	43.002	HST-AR-11748.01-A	4,096
Space Telescope Science Institute; Pass Through Space Telescope Science Institute; A Database of Young Star Clusters for Five hundred Galaxies	43.001	HST-AR-11781.02-A	4,279
Space Telescope Science Institute; Pass Through Space Telescope Science Institute; Be Stars and Circumstellar Disks in NGC 346	43.002	HST-AR-10936.01A	71
Space Telescope Science Institute; Pass Through Space Telescope Science Institute; NICMOS Imaging of Protostars in the Orion A Cloud: The Role of Environment in Star Formation	43.002	HST GO 11548.01-A	18,980
Space Telescope Science Institute; Pass Through Space Telescope Science Institute; Light Element Nucleosynthesis through Measurements of Interstellar Boron	43.002	HST-AR-11247.01-A	22,820

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
Department of National Aeronautical Space Administration - continued:			
Pass Through Analex Corporation: Electrical and Mechanical Modeling of Constellation Power Systems	43.002		60,332
Pass Through California Institute of Technology Spitzer Science Center: Spitzer/IRS Spectral Mapping Support: CUBISM	43.002	NAS7-03001	25,338
Pass Through Jet Propulsion Laboratory: After the Fall: Dust and PAHs in Post-Starburst Galaxies	43.002	1315270	6,203
Pass Through Jet Propulsion Laboratory: Probing Dust Grain Emission in High Latitude Molecular Clouds	43.002		32,079
Pass Through Smithsonian Astrophysical Observatory: Evolution of Young Stars in the Large Massive Cluster Cep OB3b	43.002		20,687
Pass Through Teledyne Continental Motors: Small Turbine Institute	43.002	P06-01682 05	271,699
Pass Through University of Kentucky Research Foundation: Basic Studies for the Production and Upgrading of Fischer-Tropsch Synthesis Products to Fuels	43.002	NNX07AB93A	201,166
Jet Propulsion Laboratory; Pass Through Jet Propulsion Laboratory; SAGE Spectroscopy: The Life Cycle of Dust and Gas in the Large Magellanic Cloud	43.002	NM0710076	510
Jet Propulsion Laboratory; Pass Through Jet Propulsion Laboratory; A Spitzer Legacy Survey of the Cygnus X Complex	43.002	1315240	24,953
NASA Goddard Space Flight Center: Interactive Changes of Ecosystems and Societies on the Mongolian Plateau: From Coupled Regulations of Land Use and Changing Climate to Adaptation	43.001	NNX09AM55G	109,487
Space Telescope Science Institute; Pass Through Space Telescope Science Institute; Extending the Heritage: Clusters, Dust, and Star Formation in M51	43.002	HST-GO-10501.07-A	42,251
MRI: Acquisition of Instrumentation for Digital Imaging and Fluorescent Detection	43.002		4,555
Developing a Catalytic Aldehyde Olefination Reaction	43.002	0829263	56,175
Pass Through Jarvis Christian College: Cytosolic SULTs and Environmental Xenoestrogen Metabolism: A Zebrafish Model	43.002	0542235	11,509
Total Department of National Aeronautics and Space Administration			4,828,299



# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
ARRA - II-New: High-Performance Scalable Computing Infrastructure	47.070	CNS-0855134	135,197
ARRA - Collaborative Research: Single Walled Nanotubes and Graphene Based Multiplexed Sensors for Hypergolic Fuel Detection	47.082	0925783	11,410
ARRA - CAREER: The Life Cycle of Star Clusters: New Windows into Star Formation and Galaxy Evolution	47.082	AST-0847467	53,315
ARRA - Theoretical and Numerical Investigation of a Unified Astrophysical Rotating Black Hole Model for Active Galactic Nuclei, Microquasars, and Gamma-Ray Bursters	47.082	AST-0909098	90,773
ARRA - Collaborative Research: The Changing Seasonality of Tundra Nutrient Cycling: Implications for Ecosystem and Arctic System Functioning	47.082	ARC-0902096	101,871
ARRA - Acquisition of a Cyber-enabled Scanning Electron Microscope	47.082	CHE-0840474	459,783
CAREER: Investigation of Intron Cellular Roles	47.000	MCB-0643542	140,717
SGER: Nanoparticles in Personal Care Products and Their Impact on Digester Energy Production	47.041	0833213	3,414
Engineering Senior Design Projects to Aid Persons with Disabilities	47.041	CBET-0931643	11,561
Shape Memory Alloy Actuated Active Ankle Foot Orthosis	47.041	CBET-0731087	11,982
Fundamental Investigation of Pulsed Laser Irradiation Metal Oxide Gas Sensor Performance	47.041	CMMI-0933069	13,719
Processing and Evaluation of HA Nanocomposites	47.041	0753479	14,496
The Role of Extracellular Polymeric Substances of Biofilm on Pathogen Disinfection in Water Distribution Systems	47.041	CBET-0933288	14,554
A Study on the Microstructure and the Properties of Zinc Nitride and Zinc-Oxy-Nitride Films and Heterostructures for Photovoltaic and Other Applications	47.041	CMMI-0928440	20,868
A Facile Pretreatment Strategy for Recovering Sugars and Lignin Effectively from a Variety of Lignocellulosic Feedstocks	47.041	CBET-0933250	21,082
Undergraduate Senior Design Projects to Aid Individuals with Disabilities	47.041	BES 0625023	24,720
A New Approach to Regenerate Bone Using Microparticles Seeded with Mesenchymal Stem Cells and Macrophages	47.041	0652024	70,665
Toward Negative Poisson's Ratio Composites - Numerical and Experimental Study	47.041	CMMI - 0728109	80,414
The Fundamental Study of UV Bonding Abrasive Tools with Application to the Semiconductor Industry	47.041	CMMI 0855769	101,159
Development of Anti-Biofouling Nanocomposite Polypropylene Fibers for Membrane Feed Spacers	47.041	CBET 0754387-03	102,581
CAREER: Micromachined Surface Conduction Tuning Gas Sensors Year 4	47.041	ECCS 0401690-010	114,802
Evaluation of Novel Bisphosphonate Containing Coated Ti Foams for Osteoporosis Treatment	47.041		181,100
Development of Silver/Copper Coated Membrane Feed Spacers for Biofouling Control	47.041	CBET 0714539	(7,444)
A Novel Approach to Antibiotic and Anti-biofouling Activities of Natural Phenols	47.041	CBET-0626022	(1,082)
Development of Bacterial-Sensing Ultrafiltration Membranes with improved Permeability, Selectivity and Fouling Control	47.041	CTS-0610624	(384)

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
National Science Foundation - continued:			
CAREER: Syntheses of Hyaluronan Oligosaccharides as Biological Probes	47.049	CHE-0547504	(5,914)
Semiparametric Statistical Inferences for ROC Curves and Surfaces Under Density Ratio Models	47.049	DMS-0603873	2,857
Simulating Extended Time and Length Scales Using Parallel Accelerated Dynamics	47.049	DMR-0606307	5,994
REU Site: Research Experiences for Undergraduates in Physics and Astronomy	47.049	PHY0648963	27,310
REU Site: Research Experiences for Undergraduates in Physics and Astronomy at The University of Toledo	47.049	PHY-1004649	44,304
Collaborative Research: Using Nanoscale Patterning to Reveal the Atomic-scale Effects which Drive Unstable Growth on GaAs (001)	47.049	DMR-0705464	59,471
A Research and Training Center for Astronomical Spectroscopy	47.049	AST-0440784	61,674
Quantum Theory of Two-atom, Few-atom, and Many-atom Systems	47.049	PHY-0758042	68,165
CAREER: Exploration of Negative Thermal Expansion Materials: From Basis Properties to Formation of Composites	47.049	DMR-0545517	87,913
Simulating Non-equilibrium Processes Over Extended Time and Length-scales Using Parallel Accelerated Dynamics			
Simulating Extended Time and Length Scales Using Parallel Accelerated Dynamics	47.049	DMR-0907399	88,155
CAREER: Task-specific Microextractions Using Ionic Liquids	47.049		96,655
The Smallest Interstellar Grains: Optical/Near-IR Emission from Nanoparticles	47.049	AST-0606756	107,221
Creation of Tools for the Study of Reactive Intermediates in DNA and RNA	47.049		118,722
CAREER: 3-Iminophosphine Palladium Catalysts for Atom-efficient	47.049	CHE-0841611	131,233
Planning Proposal for the Lake Erie Center	47.074	DBI-0627254	(373)
Genetic Switch Controlled by an Unusual Family of Transcription Activators	47.074	MCB-0516692	2,346
Planning Proposal for the Lake Erie Center	47.074	DBI-0627254	3,378
EAGER: MSB: Collaborative Research: Chemical and Microbial Mechanisms Linking Litter Quality and Decomposition Rate	47.074	DEB-0946257	9,225
Regulation of Type II Restriction-Modification Systems	47.074	MCB-0964728	15,674
Mechanisms Controlling the Function and Development of Neuronal Nicotinic Synapses	47.074	IOS-0951549	24,609
Collaborative Research: MSB: Microbial Control of Litter Decay at the Cellulose-Lignin Interface	47.074	DEB-0918718	30,754
CAREER: Structural Analysis of Branched DNA Recognition	47.074	MCB-0346960	43,995
Solvent Structure and Function in Macromolecular Biological Systems	47.074	MCB-0446218	103,959
International US-Turkey Cooperative Research: Seismic Retrofitting of Reinforced Concrete Structural Members by Composite Materials	47.075	OISE-0352947	(2,293)
Individual Differences in Risk Perception and Risk Taking: The Role of Handedness and Interhemispheric Interaction	47.075		46,653
CAREER: Teaching Practices That Support Fraction-Based Algorithmic Thinking	47.076	DRL-0952661	6,050
LEADERS: Leadership for Educators: Academy for Driving Economic Revitalization in Science	47.076	DUE-0927996	392,125
US. -Singapore Planning Visit	47.079	OISE - 0832894	327
Pass Through Catacel, Inc.: A Simple Desulfurizing Component Enables Fuel Processing of Sulfur-Laden Logistic Fuels for Fuel Cells	47.041		(1,313)
Pass Through Catacel, Inc.: Compact, Lightweight Flexible Fuel Reformer for Solid Oxide Fuel Cells	47.041	0548677	2,030
Pass Through Kansas State University: Parallel Data Mining for Nanoscale Kinetic Monte Carlo Simulation Model	47.070	S05041	(59,001)

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
National Science Foundation - continued:			
Pass Through National Council for Science and the Environment: Creating Learning Community for Solutions to Climate Change	47.076		26,044
Pass Through Ohio State University Research Foundation: Subcontract to "TRPGR - The Grass Regulome Initiative: Integrating Control of Gene Expression and Agronomic Traits Across the Grasses"	47.074	DBI-0701405 - 60010915	148,069
Pass Through Regents of the University of California: Microbial Winter Survival Physiology: A Driver on Microbial Community Composition and Carbon Cycling	47.078	ARC-0733074	9,707
Pass Through University of Central Florida: Parallel Data Mining for Nanoscale Kinetic Monte Carlo Simulation Model	47.070	24086072	61,645
Pass Through University of Cincinnati: A Novel Integrated Scheme for Treatment of Hydrophobic Air Contaminants	47.041	COEUS 006190	25,791
Pass Through University of Delaware: Quantifying Geologic and Temporal Controls on Water and Chemical Exchange between Groundwater and Surface Water in Coastal Estuarine Systems	47.050	0910756	5,635
ARRA - MRI: Acquisition of a Matrix-Assisted Laser Desorption/Ionization Tandem Time-of-Flight (MALDI ToF-ToF) Mass Spectrometer (MS)	47.082	DBI-0923184	265,500
Total National Science Foundation			3,825,569
U.S. Environmental Protection Agency			
Design Optimization and Control of the Hydraulic Hybrid Vehicles	66.034	XA 83276001	39,456
Lake Erie Algal Source Tracking	66.469	GL 00E75701-0	87,407
Genetics of Lake Erie Fish Stocks	66.511	CR 83281401	3,069
The University of Toledo Pollution Prevention Grant Proposal	66.708	NP-00E90201-0	4,863
University of Toledo Pollution Prevention Incentives for States Grant Proposal	66.708	NP00E00701-2	50,306
Pass Through Heidelberg College: The Honey Creek Targeted Watershed Program Proposal	66.480		18,479
Pass Through Ohio Department of Health: Radon Web Site	66.032	048400221R0108	11,092
Pass Through Ohio Department of Health: Radon Web Site	66.032	048400221R0108	18,327
Pass Through Toledo Metropolitan Area Council of Governments: Dam Removal on the Ottawa River, Lucas County, Ohio	66.456		3,049
Total U.S. Environmental Protection Agency			236,048

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
U.S. Department of Energy			
A Novel Simultaneous-Saccharification-Fermentation Strategy for Efficient Co-fermentation of C5 and C6 Sugars Using Native, Non-GMO Yeasts	81.087	DE-FG36-08GO18163	119,239
National Renewable Energy Laboratory; Pass Through National Renewable Energy Laboratory; Electronic and Optical Studies of Hydrogenase Single-walled Carbon Nanotube Biohybrids	81.117	ZGB-9-99318-01	92,685
High-Rate Fabrication of a-Si-Based Thin-Film Solar Cells Using Large-Area VHF PECVD Technologies	81.087		527,950
Improved CdTe PV Modules by APVD	81.122	DE-FG36-08GO18067-00	460,876
Pass Through Battelle: Chemical Separations and Process Research to Enable Biorefinery Systems	81.121	DE-AC07-051D14517	4,673
Pass Through Bowling Green State University: A Comparative Study of Advanced Concept Offshore Floating Wind Turbines	81.089	DE-FG36-06G086096	256,127
Pass Through Consortium for Plant Biotechnology Research, Inc.: An Efficient Approach for Saccharification of Cellulose from Biomass for Fuel/Chemical Production	81.087		16,295
Pass Through Midwest Optoelectronics LLC: Novel Interconnection Process for Lightweight Flexible PV Modules	81.036		39,208
Pass Through Montana State University: Extremophilic Microalgae: Advanced Lipid and Biomass Production for Biofuels and Bioproducts	81.087	G243-10-W2498	19,513
Pass Through National Renewable Energy Laboratory: Novel Nanocrystal-Based Solar Cell to Exploit Multiple Exciton Generations	81.000	DE-AC36-08GO28308	105,745
Pass Through National Renewable Energy Laboratory: Nanocrystals and Nanocrystal Films	81.087	DE AC36-08G028308	35,231
Pass Through North Dakota State University: Recrystallization of Liquid Silane Derived Films	81.000	DE-FG36-08GO88160	155,410
Pass Through Suganit Systems, Inc.: Scale-up of IL Recovery Methods	81.000		24,413
Pass Through Suganit Systems, Inc.: Commercialization of a Pre-Pretreatment Process for Enhanced Biomass Saccharification	81.036		(7,664)
Pass Through Xunlight Corporation: Critical Research for Cost-Effective Photoelectrochemical Production of Hydrogen	81.105	DE-FG36-05GO15028	59,167
National Renewable Energy Laboratory; Pass Through National Renewable Energy Laboratory; Fabrication and Physics of CdTe Devices by Sputtering	81.087	ZXL-5-44205-01	850
National Renewable Energy Laboratory; Pass Through National Renewable Energy Laboratory; Fabrication and Characterization of Advanced Triple-Junction Amorphous Silicon Partnership Program	81.087	ZXL-5-44205-06	22,608
ARRA - Direct Assessment using Cluster Eddy-Covariance Towers	81.000	I09044	23,262
Total Department of Energy			1,955,588

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## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
U.S. Department of Education			
Maximizing the National Resource: Chinese as a Model for Heritage Language Development with Community Involvement	84.017	PO17A090314	121,982
Short-Cycle Higher Education (SCHE) in Europe and the United States: Addressing Social and Economic Needs	84.116	PI16J080023	46,228
Pass Through Bowling Green State University: Midwest Educational Research Consortium/East Toledo Gearup Initiative (Gearup II)	84.334		15,508
Pass Through MetroHealth System: Effects of Liners on the Dispersion of Backboard Interface Skin Pressures	84.133	HI33N060017-08A	9,579
Pass Through Ohio Board of Regents: Using Technology to Enhance Teaching and Learning of Mathematics: Let's Be Smart	84.367	09-42	3,596
Pass Through Ohio Department of Education: The Woodward MSP Partnership	84.366	EDU01-0000005207	118,356
Pass Through Ohio State University: Print Referencing Efficiency	84.305	60014652	6,146
Pass Through Ohio State University: STAR: ECSE	84.324A	60014328	286,907
Pass Through University of Virginia: Print Referencing Efficacy	84.305	R305G050057	(6,579)
Total Department of Education			601,723
U.S. Department of Health of Human Services			
Pass Through Hospital Council of Northwest Ohio: Tabletop Exercise to Pilot-Test Transitional Medical Care	93.889		5,415
Administration for Children and Families; Pass Through Ohio Developmental Disabilities Council - Federal Pass-through; Enhancing the Job Performance of SCOUT Employees	93.630	06-2/09	1,711
National Institutes of Health: Neuroprotein Effect of Ginkgo Biloba and its Bioactive Components in Ischemia	92.213	R00 - 4R00 - AT004197-03	21,981
National Institutes of Health: Long Term Toxicity of Di- and Tri-Chloracetate	93.113	I - R15 - ES - 013706	53,657
National Institutes of Health: Hearing in Bats	93.173	R15 - DC009321-01A1	(4,617)
National Institutes of Health: Regulation of NF-kappaB Transactivation Function	93.390	GM071405-02	31,273
National Institutes of Health: Zebrafish TPSTs and Tyrosine-sulfated Proteins	93.390	R15 - GM085756	85,472
National Institutes of Health: Role of hGBP-I in the Inhibition of Cell Growth by IFNs	93.395	R15CA106380-01A1	(89)
National Institutes of Health: Role of hGBP-I in the Inhibition of Cell Growth by IFNs	93.395	R15CA106380-01A1	165
National Institutes of Health: Role of JAK2-PAK1 Interaction in Human Breast Cancer	93.395	R15 - CA - I35378-01	92,924
National Institutes of Health: Evaluation of hGBP-I as a Marker for Paclitaxel Resistance in Ovarian Cancer	93.395	R21 - CA132016-	138,865
National Institutes of Health: Dissecting the Mechanisms of Tamoxifen Action	93.395	5 - R01 - CA - I40690	199,523
National Institutes of Health: Mechanosensory Role of Endothelial Cilia in Polycystic Kidney Disease	93.837	5 - R21 - HL - 084451	(41,615)
National Institutes of Health: Inhibition of CCRI/CCR5 mediated angiogenesis and joint destruction by EGCG	93.846	5 - R03 - AR - 055741	2,349
National Institutes of Health: Role of the serine-threonine kinase PAK1 in prolactin-dependent signaling	93.847	7 R21 DK074689-03	1,241
National Institutes of Health: c-Jun and Androgen Signaling in Prostate Cancer Cells	93.847	2R15DK067059-02	60,698
National Institutes of Health: The Roles of Primary Cilia in Cardiovascular System	93.847	I - R01 - DK - 080640	221,074
National Institutes of Health: Probing the Enzymatic Basis of Canavan Disease	93.853	R01 - NS - 5 R01 NS045664-05	105,562

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## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
U.S. Department of Health of Human Services - Continued:			
National Institutes of Health: Goal Activation, Expectations, and Placebo Analgesia	93.853	5 - R03 - NS - 051687	(1,720)
National Institutes of Health: Nanotechnology for Amyotrophic Lateral Sclerosis	93.853	5 - R21 - NS - 066279	66,749
National Institutes of Health: Muscarinic Agonists for Neurological Disorders	93.853	5 - R01 - NS - 031173	(11,147)
National Institutes of Health: Homeostatic Regulation of GABA Synapses	93.853	1R15NS067474-01	63,938
National Institutes of Health: Development of Aspartate Pathway Inhibitors as Novel Antibiotics	93.855	1R01Ai077720-01A2	34,658
National Institutes of Health: Structure and Dynamics of MHC Bound Peptides	93.855	R15 - AI - 1 R15 AI068758	59,656
National Institutes of Health: Impact of the Interferon Regulated Proteins XAF1 and ZNF313 on Innate Immunity	93.855	5 - R01 - AI - 068133	230,292
National Institutes of Health: Improvement in Paired Donation Program	93.855	1 - R01 - AI - 090244	1,647
National Institutes of Health: Regulation of Pharyngeal Pumping in Parasitic Nematodes	93.856	R01 - AI - 045147	253,094
National Institutes of Health: Transcriptional Repression in Response to p53	93.859	1R15GM073758-01	363
National Institutes of Health: Novel Role of Base Excision Repair and Mismatch Repair in Cisplatin Sensitivity	93.859	1 - R01 - GM - 088249	14,582
National Institutes of Health: Regulation of Borealin by Mitotic Phosphorylation	93.859	R15 - GM084410-01	74,063
National Institutes of Health: Hypothalamic Leptin and Insulin Signals Aligning Metabolic State and Fertility	93.865	5 - R00 - HD - 056491	254,861
National Institutes of Health; Pass Through Cognitive Pharmaceuticals Ltd.; Development of a Selective Muscarinic Agonist for the Treatment of Schizophrenia	93.242	6 - R44 - MH - 067430	195,803
National Institutes of Health; Pass Through Palmer Chiropractic University Foundation; Vertebral Displacements and Ligament Strains During Simulated Spinal Manipulation	93.213	1 - U19 - AT - 004137	20,495
National Institutes of Health; Pass Through Rush-Presbyterian-St. Luke's Medical Center; Epidemiologic Study of Brain VitaminE, Diet & Age-Related Neurologic Diseases	93.866	1 - R01 - AG - 031553	98,475
National Institutes of Health; Pass Through University of Cincinnati; Determinants and Consequences of MDMA Neurotoxicity	93.279	5 - R01 - DA - 007427	41,581
National Institutes of Health; Pass Through University of Cincinnati Children's Hospital Research Foundation; Multi-faceted Approach to Modeling ACL Injury Mechanisms	93.000	PO #3100177540	416,995
Administration for Children and Families; Pass Through Administration for Children and Families; Center for Excellence in Autism	93.647	90XP0327	96,969

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## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
U.S. Department of Health of Human Services - Continued:			
National Cancer Institute: The Chemoprevention of Colon Cancer in the Rat AOM Colon Model. Tissues for Surrogate Biomarker Studies and Testing of a Proliferative Index - Work	93.000	N01 - CN - HHSN261200433000C	522
National Cancer Institute: Testing Various Chemopreventive Agents in a Rat Model of Ovarian Cancer Employing DMBA Sutures (WS #87)	93.000	N01 - CN - 25103	18,341
National Cancer Institute: Preclinical in vitro and in vivo Screening Assays - Work Assignment #1 - Contract Administration and Management	93.000	N01 - CN - HHSN261200433000C	41,003
National Cancer Institute: Preclinical In Vitro and In Vivo Screening Assays for Cancer Preventative Agent Development Work Assignment #7	93.000		45,823
National Cancer Institute: Human Melanoma: Early Biomarkers/Targets of Progression and Prevention - Work Assignment #10	93.000	N01 - CN - HHSN261200433000C	60,366
National Cancer Institute: Effect of Chemopreventive Agents on the Development of BCC and SCC in the Ptch +/- Hairless Mouse-Work Assignment #5	93.000		106,674
National Cancer Institute: Mechanism-Based In Vitro Screening of Chemopreventive Agents for the Inhibition/Reversal of the Tumorigenic Phenotype in ERa-Negative Human Mammary	93.000		112,099
National Cancer Institute: Evaluation of the Modulation on Gene Expression by Chemopreventive Agents in Human Colon Polyp Adenoma Cells Using Gene Arrays	93.000	N01 - CN - HHSN261200433000C	276,450
National Cancer Institute: Regulation of a Tumor Target through Steroid Receptors	93.393	5 - R01 - CA - 103964	95,169
National Cancer Institute: Regulation of Mismatch Repair	93.393	5 - R01 - CA - 106575	173,842
National Cancer Institute: Standardized Gene Expression Core Facility Development	93.394	5 - R24 - CA - 095806	38
National Cancer Institute: Standardized NanoArray PCR for Gene Expression Profiling of Lung Cancer	93.394		7,247
National Cancer Institute: Implementation of Innovative RNA Sample Quality Control Methods	93.394	1 - R21 - CA - 138397	15,867
National Cancer Institute: Regulation of MLK3 by Merlin	93.395	1 - R15 - CA - 132006	72,611
National Cancer Institute: The Tumor Suppression Potential of NF-kB2 p100	93.396	5 - R01 - CA - 106550	6,309
National Cancer Institute: bHLH Transcription Factors in Prostate Cancer Malignancy	93.396	5 - R01 - CA - 098141	32,272
National Cancer Institute: RI-alpha/RIAZ on Cell Growth in Breast Cancer	93.396	5 - R01 - CA - 102204	149,771
National Cancer Institute: Gene Regulation for Drug Targeting in AML	93.396	5 - R01 - CA - 080183	265,433
National Cancer Institute: Androgen and Soluble Guanylyl Cyclase Signaling in Prostate Cancer Cells	93.396	R01 - CA - 127873	271,578
National Cancer Institute: Molecular Mechanisms of Ras-Induced Autophagy in Glioblastoma	93.396	5 - R01 - CA - 115495	277,838

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
U.S. Department of Health of Human Services - Continued:			
National Cancer Institute; Pass Through BioTrove, Inc.; Standardized NanoArray PCR for Gene Expression Profiling of Lung Cancer	93.394	1 - R21 - CA - 132806	(3,881)
National Cancer Institute; Pass Through Medical College of Georgia; The Oncogenic Basis of Bmi-1 in Neuroblastoma Development	93.396	7 - R01 - CA - 124982	472
National Cancer Institute; Pass Through Medical College of Georgia; The Oncogenic Basis of Bmi-1 in Neuroblastoma Development	93.396	7 - R01 - CA - 106550	2,330
National Cancer Institute; Pass Through Toledo Community Hospital Oncology Program; Toledo Community Clinical Oncology Program (TCCOP)	93.399		376
National Cancer Institute; Pass Through University of Cincinnati; Genetic Epidemiology of Lung Cancer: Gene Identification in High Risk Families	93.393	3 - U01 - CA - 076293	(4,117)
National Cancer Institute; Pass Through University of Cincinnati; Genetic Epidemiology of Lung Cancer: Gene Identification in High Risk Families	93.393	U01 - CA - 076293	20,560
National Cancer Institute; Pass Through University of Cincinnati; Genetic Epidemiology of Lung Cancer: Gene Identification in High Risk Families	93.393	U01 - CA - 076293	50,520
National Center for Research Resources; Pass Through Texas Tech University; Physiological Significance of Na, K-pump Diversity	93.849	5 - R01 - RR - 010799	11,276
National Heart, Lung and Blood Institute: Polyunsaturated Fatty Acid Metabolism via Lipoxygenase Catalysis	93.390	1R15HL091482-01	60,729
National Heart, Lung and Blood Institute: Gfi-1 in the Regulation of p21 Cip	93.390	1 - R15 - HL091511-01	97,455
National Heart, Lung and Blood Institute: Control Mechanisms of Cardiac Proteins & Enzymes	93.837		(192,124)
National Heart, Lung and Blood Institute: Functional Genomic Dissection of Rat Blood Pressure QTL	93.837		(114)
National Heart, Lung and Blood Institute: CORAL: Clinical Coordinating Center	93.837	5 - U01 - HL - 071556	234
National Heart, Lung and Blood Institute: Biochemistry and Genetics of Hypertension	93.837	5 - R01 - HL - 020176	1,803
National Heart, Lung and Blood Institute: The Role of ROS and Na/K-ATPase in Uremic Cardiomyopathy	93.837	5 - R01 - HL - 067963	32,666
National Heart, Lung and Blood Institute: Cardiovascular Outcomes in Renal Atherosclerotic Lesions (CORAL)	93.837	5 - U01 - HL - 071556	209,008
National Heart, Lung and Blood Institute: Genetics of Hypertension	93.837	5 - R01 - HL - 076709	487,087
National Heart, Lung and Blood Institute: Genetic Elements Controlling Blood Pressure	93.837	5 - R01 - HL - 020176	702,168
National Heart, Lung and Blood Institute: Digitalis-Induced Signaling by Cardiac Na <sup>+</sup> /K <sup>+</sup> -ATPase	93.837	5 - P01 - HL - 036573	1,239,374
National Heart, Lung and Blood Institute: Cardiovascular Outcomes in Renal Atherosclerotic Lesions (CORAL)	93.837	3 - U01 - HL - 071556	2,204,493
National Heart, Lung and Blood Institute: LPS Signaling and Lung Innate Immunity	93.838		215



# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
U.S. Department of Health of Human Services - Continued:			
National Heart, Lung and Blood Institute; Pass Through Boston Medical Center Corporation; Statistical analysis for the study of the relationship between thrombin production and vein graft failure	93.837	7 - R01 - HL - 084080	9,805
National Heart, Lung and Blood Institute; Pass Through Case Western Reserve University/Case Medical Center; Prevention of Cardiovascular Disease in Diabetes Mellitus	93.830	N01 - HC - 95181	6,621
National Heart, Lung and Blood Institute; Pass Through Case Western Reserve University/Case Medical Center; Prevention of Cardiovascular Disease in Diabetes Mellitus	93.838	N01 - HC - 95181	(2,162)
National Heart, Lung and Blood Institute; Pass Through Case Western Reserve University/Case Medical Center; Prevention of Cardiovascular Disease in Diabetes Mellitus	93.838	N01 - HC - 95181	(52)
National Heart, Lung and Blood Institute; Pass Through Case Western Reserve University/Case Medical Center; Prevention of Cardiovascular Disease in Diabetes Mellitus	93.838	N01 - HC - 95181	33
National Heart, Lung and Blood Institute; Pass Through Case Western Reserve University/Case Medical Center; Prevention of Cardiovascular Disease in Diabetes Mellitus	93.838	N01 - HC - 95181	88,886
National Heart, Lung and Blood Institute; Pass Through Duke University; Effect of Exercise Training on Ventricular Function, Dyssynchrony, Resting Myocardial Perfusion and Clinical Outcomes in HF Patients: A Nuclear Ancillary Study	93.837		13,322
National Heart, Lung and Blood Institute; Pass Through Duke University; A CHF Trial Investigating Outcomes of Exercise Training (ACTION)	93.838		21,725
National Heart, Lung and Blood Institute; Pass Through Medical University of Ohio at Toledo; Cardiovascular Outcomes in Renal Atherosclerotic Lesions (CORAL)	93.837	I - U01 - HL - 071556	6,340
National Heart, Lung and Blood Institute; Pass Through Mount Sinai School of Medicine - New York City;	93.837	I - R01 - HL - 071988	4,626
National Heart, Lung and Blood Institute; Pass Through New York Medical College; Hormonal Regulation of Blood Pressure	93.837	5 - P01 - HL - 034300	16,846
National Heart, Lung and Blood Institute; Pass Through Rhode Island Hospital; Claudication: Exercise vs. Endoluminal Revascularization	93.837	I - U01 - HL - 077221-01A1	(2,957)
National Heart, Lung and Blood Institute; Pass Through Rhode Island Hospital; Claudication: Exercise vs. Endoluminal Revascularization	93.837	5 - U01 - HL - 077221	3,410
National Institute for Occupational Safety and Health: Mechanical Lifting Assist	93.262	19277404	122
National Institute for Occupational Safety and Health: Crystalline Silica and RSP Control Methods Effectiveness During Concrete Grinding	93.262	I - R01 - OH - 009271	10,382
National Institute of Allergy & Infectious Diseases: Regulation of AAV Rep Protein Function	93.855	5 - R01 - AI - 051471	(16,047)
National Institute of Allergy & Infectious Diseases: The Role of T Cell Repertoire Selection in the NOD mouse model of MOG-Induced EAE	93.855	I R15 AI072755-01A1	(3,171)
National Institute of Allergy & Infectious Diseases: Dendritic Cell-based Biosensor System	93.855	7 - R01 - AI - 055885	(869)

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## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
U.S. Department of Health of Human Services - Continued:			
National Institute of Allergy & Infectious Diseases: Alphavirus Minus Strand RNA Synthesis and Rnase L	93.855		212,440
National Institute of Allergy & Infectious Diseases: Determinants of RNA Virus Evolution	93.855		276,757
National Institute of Allergy & Infectious Diseases: Deletion of T and B Cells to Induce Tolerance	93.855	5 - R01 - AI - 061052	290,551
National Institute of Allergy & Infectious Diseases: Dysregulation of Innate Immune Responses by Borrelia burgdorferi: A Role for IL-10	93.855	5 - R01 - AI - 073452	302,897
National Institute of Allergy & Infectious Diseases: Bacterial, Signaling, & Leukocyte Transcription Activation	93.855	5 - R01 - AI - 043524	377,468
National Institute of Allergy & Infectious Diseases: Locomotion in Parasitic Nematodes	93.855	R01 - AI - 072644	391,826
National Institute of Allergy & Infectious Diseases: Pass Through Duke University; Randomized Open-label Phase II/III Multicenter Study of High-dose Immunosuppressive Therapy of Irradiation, Cyclophosphamide, ATGAM & Autologous Transplantation c/Auto-CD34+HPC vs IV Pulse Cyclophosphamide for Treatment of Severe Systemic Sclerosis(SCOT)	93.855	N01 - AI - 05419	531
National Institute of Allergy & Infectious Diseases: Pass Through University of Calgary; Glanders Vaccine Development	93.855	I - U01 - AI - 077764	7,383
National Institute of Allergy & Infectious Diseases: Pass Through University of Calgary; Glanders Vaccine Development	93.855	I - U01 - AI - 077764	174,742
National Institute of Allergy & Infectious Diseases: Pass Through University of Georgia at Athens; Identification of B. Pseudomallei & B. Mallei Adhesins	93.855	RAI062775B	(1)
National Institute of Arthritis & Musculoskeletal & Skin Diseases; Role of Calpains in Plasma Membrane Repair	93.846		184,767
National Institute of Arthritis & Musculoskeletal & Skin Diseases; Behavioral Dynamics of Langerhans Cells in Skin	93.846	3 - R01 - AR - 053355	324,984
National Institute of Arthritis & Musculoskeletal & Skin Diseases; Pass Through Pacific Research Laboratories; Development and Validation of Instrumented Synthetic Mechanical Analogue Lumbar Spine Model	93.846	2R44AR054289-02	10,065
National Institute of Deafness & Other Communication Disorders; Pass Through Bowling Green State University; Aerodynamic and Acoustic Models of Phonation	97.173	2 - R56 - DC - 3577	1,530
National Institute of Deafness & Other Communication Disorders; Pass Through Cleveland Clinic Foundation; Central Auditory Plasticity as a Basis of Tinnitus	93.173	I - R01 - DC - 009097	147,424
National Institute of Dental and Craniofacial Research; Pass Through University of Rochester; [Ca2+]i and Secretory Dynamics in Parotid Acinar Cells	93.121	2 - R01 - DE - 014756	53,471
National Institute of Diabetes, Digestive & Kidney Diseases: Ceacam and Insulin Action	93.847	3 - R01 - DK - 054254	(28,152)
National Institute of Diabetes, Digestive & Kidney Diseases: Fatty Acids Control Obesity and the Metabolic Syndrome via TPR Proteins	93.847	I - F3I - DK - 084958	35,328

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## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
U.S. Department of Health of Human Services - Continued:			
National Institute of Diabetes, Digestive & Kidney Diseases:TPR Proteins in Steroid Receptor Signaling and Physiology	93.847	3 - R01 - DK - 070127	138,457
National Institute of Diabetes, Digestive & Kidney Diseases: Innate Cellular Lectin-Mediated Binding of Xenoantigens	93.847	5 - R01 - DK - 066160	139,952
National Institute of Diabetes, Digestive & Kidney Diseases: Mechanisms of Enteric Nervous System Development	93.847	5 - R01 - DK - 067064	371,751
National Institute of Diabetes, Digestive & Kidney Diseases: Pass Through Indiana University; Role of FKBP52 in Androgen Signaling and Hypospadias	93.849	5 - R01 - DK - 073402	133
National Institute of Environmental Health Sciences: Chromatin Remodeling in UVR Induced Melanogenesis	93.113	5 - K22 - ES - 012981	165
National Institute of General Medical Sciences: Agonists & Antagonists of Vasopressin & Oxytocin	93.859		26
National Institute of General Medical Sciences: Na,K-ATPase as an Integrator of the Calcium Signaling Machinery	93.859	GM078565	260,209
National Institute of Neurological Disorders and Stroke: Targeted Treatments for Invasive CNS Tumors	93.853	I - R21 - NS - 065809	20,634
National Institute of Neurological Disorders and Stroke: UNC-73/Trio Signaling in Axon Guidance and Neurotransmission	93.853	I - R15 - NS - 062406	74,932
National Institute of Neurological Disorders and Stroke: Post-Hypoxic Regulation of GABA-A Receptor Function	93.853	5 - R01 - NS - 049389	165,138
National Institute of Neurological Disorders and Stroke: Mechanisms of Sympathetic Neuron Development	93.853	5 - R01 - NS - 040644	172,505
National Institute of Neurological Disorders and Stroke; Pass Through Cornell University; Effects of Coenzyme Q10 in Early Parkinson's Disease - Phase III QE3 Study	93.853	U01 - NS - 050324	193
National Institute of Neurological Disorders and Stroke; Pass Through Mount Sinai School of Medicine - New York City; A Multi-Center, Double-Blind, Randomized Study Comparing the Combined Use of Interferon Beta-1a and Glatiramer Acetate to Either Agent Alone in Patients with Relapsing Remitting Multiple Sclerosis (CombiRx-Phase III)	93.853	I - U01 - NS - 045719	18,814
National Institute of Neurological Disorders and Stroke; Pass Through University of Rochester; A Longitudinal Observational Follow-up of the PRECEPT Study Cohort (PostCEPT)	93.853		232
National Institute of Neurological Disorders and Stroke; Pass Through University of Rochester; Parkinson's Disease Collaborative Study of Genetic Linkage, 'PROGENI'	93.853	5 - R01 - NS - 037167	36,765
National Institute of Neurological Disorders and Stroke; Pass Through Washington University in St. Louis; Thalamocortical Boundary Markers and the Influence of Serotonin	93.853	PNS049048A	99,260
National Institute of Neurological Disorders and Stroke; Pass Through Washington University in St. Louis; Thalamocortical Boundary Markers and the Influence of Serotonin	93.853	5 - P01 - NS - 049048	(953)
National Institute of Neurological Disorders and Stroke; Pass Through Yale University; Insulin Resistance Intervention after Stroke (IRIS) Trial	93.853	2 - U01 - NS - 44876	2,135

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
U.S. Department of Health of Human Services - Continued:			
National Institute on Aging: Marinobufagenin as a Target for DIGIBIND in Hypertensive Patients with End-Stage Renal Disease	93.000	263-MA-707136	6,654
National Institute on Aging: Bone Loss with Aging Occurs Due to Increased PPAR-g Activity in Marrow Stem Cells	93.866		121,913
National Institute on Aging: Elderly Immune Response to Pneumococcal Polysaccharide	93.866	AG015978	291,705
National Institute on Drug Abuse: Altering Gene Expression and Function at Single Neuronal Nicotinic Synapses	93.279	I - R21 - DA - 022280	245
National Institute on Drug Abuse: Regulation of Voltage-gated Calcium Channels During Chronic BZ Treatment in Rats	93.279	5 - F30 - DA - 026675	31,204
National Institute on Drug Abuse: The Role of Ubiquitination in Methamphetamine Neurotoxicity (CDA)	93.279	5 - K99 - DA - 023085	85,144
National Institute on Drug Abuse: Benzodiazepine-induced Glutamate Receptor Plasticity	93.279		184,792
National Institute on Drug Abuse: Role of Tyrosine in MDMA Toxicity	93.279	5 - R01 - DA - 019486	265,909
National Institute on Drug Abuse: Methamphetamine Toxicity and Corticostriatal Glutamate	93.279	5 - R01 - DA - 007606	318,934
ARRA National Institutes of Health: Dual Release of Osteogenic Factors to Enhance Bone Regeneration	93.701	I - R03 - DE - 019508	8,870
ARRA National Institutes of Health: A Genetic Analysis of Intermediate Filament Domain Functions in C. elegans	93.701	R15 - IR15GM086807	15,225
ARRA National Institutes of Health - Role of small RNAs in innate immunity and inflammation	93.701	I - R15 - AI - 089518	28,291
ARRA National Institutes of Health: Understanding the Impact of Antigen 85 Complex Substrate Specificity on Mycobacterial Cell Wall	93.701	IR15AI089653-01	58,412
ARRA National Institutes of Health: Validation Study of a Multi-gene Test for Lung Cancer Risk	93.701		100,809
ARRA National Institutes of Health: Role of ISG12 in Cellular Innate Immune Responses	93.701	R21 - AI - 063014	121,406
ARRA National Institutes of Health: 3D Skin Model to Test Toxic and Sensitizing Potentials of Environmental Chemicals	93.701	I - RCI - ES - 018026	173,109
ARRA National Institutes of Health: RKIP Regulation as a Potential for Tumor Metastasis Suppression	93.701	I - R01 - CA - 133479	260,399
ARRA National Institutes of Health: Immune Response to Pneumococcal Vaccine in HIV Infected Adults	93.701	I - R56 - AI - 081558	286,350
ARRA National Institutes of Health: The Role of Complement Proteins in Cardiovascular Disease	93.701	I - P30 - HL - 101317	451,997
ARRA National Institutes of Health: Regulation of Borealin by Mitotic Phosphorylation	93.701	R15 - GM084410-01	34,585

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
U.S. Department of Health of Human Services - Continued:			
ARRA National Institutes of Health: Regulation of NF-kappaB Transactivation Function	93.701	GM071405-02	80,407
ARRA National Institutes of Health: The Roles of Primary Cilia in Cardiovascular System	93.701	I - R01 - DK - 080640	104,176
ARRA National Institutes of Health; Pass Through Palmer Chiropractic University Foundation; Developmental Center to Study Mechanisms & Effects of Chiropractic Manipulation	93.701	3U19AT004137-03-S1	22,569
ARRA National Cancer Institute: Molecular Mechanisms of Ras-Induced Autophagy in Glioblastoma	93.701	5 - R01 - CA - 115495	51,294
ARRA National Cancer Institute; Pass Through University of Cincinnati; Genetic Epidemiology of Lung Cancer: Gene Identification in High Risk Families	93.701		28,714
ARRA National Institute of Arthritis & Musculoskeletal & Skin Diseases	93.701	3 - R01 - AR - 053355	46,992
ARRA National Institute of Dental and Craniofacial Research; Pass Through University of Rochester; [Ca2+]i and Secretory Dynamics in Parotid Acinar Cells	93.701	3 - R01 - DE - 014756	19,783
ARRA National Institute of Diabetes, Digestive & Kidney Diseases: Oxidative Stress and Vascular HO in Diabetes	93.701	3 - R01 - DK - 068134	52,645
ARRA National Institute of Diabetes, Digestive & Kidney Diseases: Ceacam and Insulin Action	93.701	3 - R01 - DK - 054254	58,313
ARRA National Institute of Diabetes, Digestive & Kidney Diseases: TPR Proteins in Steroid Receptor Signaling and Physiology	93.701	3 - R01 - DK - 070127	58,425
ARRA National Institute of Diabetes, Digestive & Kidney Diseases: Insulin Resistance in the Pathogenesis of NASH	93.701	I - R01 - DK - 083850	375,985
Total Health and Human Services			18,003,201
<b>TOTAL RESEARCH AND DEVELOPMENT</b>			<b>39,846,542</b>
<b>State Fiscal Stabilization Fund Cluster</b>			
ARRA State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394		17,616,598
<b>TOTAL State Fiscal Stabilization Fund Cluster</b>			<b>17,616,598</b>
<b>Public Works ED Cluster</b>			
Tech Park Roadway	11.300		553,057
<b>TOTAL Public Works Cluster</b>			<b>553,057</b>

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
<b>WIA Cluster</b>			
Pass Through Ohio Department of Jobs and Family Services: Ohio Skills Bank	17.258	po jfs01-000006125	3,280
Pass Through NetWork: Career Ladder in Green Jobs	17.259		0
Pass Through Lucas County Educational Service Center: Lucas County Educational Service Ce	17.259		8,150
Employment and Training Administration; Pass Through Monroe County; Monroe Cty WIA - 12121	17.260		4,616
Employment and Training Administration: NOW WIA -12145	17.260		33,740
Employment and Training Administration; Pass Through Lucas County; WIA - 12144	17.260		125,652
Employment and Training Administration: Workforce Dev - 12104	17.260		434
<b>TOTAL WIA Cluster</b>			<b>175,872</b>
<b>Trio Cluster</b>			
UT Student Support Services	84.042	P042A051096-09	247,078
Regular Upward Bound	84.047	P047A070851-09	382,765
Upward Bound Program	84.047	P047A030119-06	(1,334)
<b>TOTAL Trio Cluster</b>			<b>628,509</b>
<b>Voc Rehab Cluster</b>			
Office of Special Education and Rehabilitation Services; Pass Through State of Ohio; BVR - 12140	84.126		133,101
Pass Through Ohio Rehabilitation Services Commission: Replacement of outdated equipment and software and the purchase of additional equipment to improve services provided to students with disabilities	84.126		8,742
<b>TOTAL Voc Rehab Cluster</b>			<b>141,843</b>
<b>IDEA Cluster</b>			
Pass Through Ohio Department of Health - Federal Pass-Through Funds: Hosp Based Svcs Coordination	84.181	04840011HB0209	1,621
Pass Through Ohio Department of Health - Federal Pass-Through Funds: Hosp Based Svcs Coordination	84.181	04840011HB0110	20,889
ARRA; Pass Through Board of County (Lucas) Commissioners; Regional Child Find	84-393A		19,565
<b>TOTAL IDEA Cluster</b>			<b>42,075</b>

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
<b>Teacher Quality Cluster</b>			
UT3	84.336	P336B040031-06	1,251,190
<b>TOTAL Teacher Quality Cluster</b>			1,251,190
<b>TANF Cluster</b>			
Pass Through Ohio Jobs and Family Services: Reach Out and Read/ODJFS	93.558		(503)
Pass Through Ohio Jobs and Family Services: Reach Out and Read/ODJFS	93.558	48-08-OWF-08	625
Pass Through Ohio Jobs and Family Services: Reach Out and Read/ODJFS	93.558		(40,344)
<b>TOTAL TANF Cluster</b>			(40,222)
<b>CSBG Cluster</b>			
Pass Through Ohio Department of Jobs and Family Services: Provider Training	93.575	48-09-QD-08	4,953
Pass Through Ohio Department of Jobs and Family Services: Reach Out and Read/ODJFS	93.575	48-10-QCC-06	21,448
<b>TOTAL CSBG Cluster</b>			26,401
<b>Other Federal Grants</b>			
National Oceanic and Atmospheric Administration; Pass Through Ohio State University; Knauss Fellowship - Joshua Brown	11.417		20,226
Total Department of Commerce			20,226
Defense Logistics Agency; Pass Through Ohio Department of Development; Procurement Technical Assistance Center	12.002	MBED-09-016	21,778
Defense Logistics Agency; Pass Through Ohio Department of Development; Procurement Technical Assistance Center	12.002	MBDD 10-014	13,913
Defense Logistics Agency; Pass Through Ohio Department of Development; Procurement Technical Assistance Training (PTAC)	12.002	MBDD 10-014	4,695
Office of Naval Research; North American Membrane Society (NAMS) 2007 Conference	12.300	N00014-06-1-1151	4,759
Total Department of Defense			45,145

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
Other Federal Grants - Continued:			
Pass Through Lucas Metropolitan Housing Association: HUD Neighborhood Networks	14.854		2,196
Total Department of Housing and Urban Development			2,196
State of Ohio Funding for Capacity Building for DBE Program	17.267	G-04-15-0313	885
Worker's Comp - 12121	17.000		(29)
Total Department of Labor Employment Training Administration			856
NASA Goddard Space Flight Center; Pass Through Ohio Aerospace Institute; Students and Teachers Exploring Local Landscapes to Interpret the Earth from Space Application to the International Polar Year (IPY)	43.001	R-300-100201-40108	4,548
Pass Through Ohio State Grant Consortium; SATELLITES: Using Geospatial Technology to Teach Science in Cleveland Municipal Schools	43.001		65
Pass Through Institute for Global Environment Strategies: Implementation of Earth System Science Education Alliance in the Great Lakes Region	43.001	GEO-0631389	(790)
Govt Training - 12121	43.001		79,638
Total Department of National Aeronautics and Space Administration			83,461
An Innovative Model for a New Advanced Energy Workforce	47.041	IIP-0917981	35,637
REU SITE: Engagement of Undergraduates in Theory, Algorithm & Applications of Science and Engineering in Information Technology	47.070		(243)
Undergraduate Research and Mentoring (URM)	47.074	DBI 0829252	125,312
Graduate Teaching Fellows in STEM High School Education: An Environmental Science Learning Community at the Land-Lake Ecosystem Interface	47.076	DGE-0742395	529,620
The UT3 Noyce Scholarship Program	47.076	DUE-0733767	153,639
Pass Through Ohio State University: Ohio Consortium for Undergraduate Research	47.049	RF01042476	24,552
Pass Through Wright State University: A National Model for Engineering Mathematics Education	47.076	DUE-0618571	35,656
Total National Science Foundation			904,173



# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
Other Federal Grants - Continued:			
Pass Through Ohio Business Connection/Ohio Business Development Organization, Inc.: MTSBDC	59.037		69,722
Pass Through Ohio Business Connection/Ohio Business Development Organization, Inc.: MTSBDC	59.037		28,459
Pass Through Ohio Business Connection/Ohio Business Development Organization, Inc.: MTSBDC - FY 08 Federal Funds	59.037		6,810
Pass Through Ohio Business Connection/Ohio Business Development Organization, Inc.: MTSBDC - FY09 Federal	59.037		78
Total Small Business Administration			105,069
A.C.E.S. 12121	64.120		20,240
Air Force-AFIT-12121	64.120		205,705
Air Force-Shaw - 12121	64.120		750
Army Medical-12121	64.120		177,613
Army-Ft. Bragg-12121	64.120		3,250
BG ROTC - 12121	64.120		63,109
Coast Guard Group-12121	64.120		10,500
Go Army - 12162	64.120		32,800
MyCAA - 12169	64.120		36,125
Naval Ed/Trng - 12121	64.120		11,412
Navy Medical-12121	64.120		181,645
Post 911 GI Bill-12168	64.120		1,539,570
ROTC - 12126	64.120		610,845
Vet Voc - 12137	64.120		162,411
Total Department of Veterans Affairs Veterans Benefits Administration			3,055,975
Enhanced Competitiveness of U.S. Small and Medium Size Firms Through the Development and Utilization of Secure and Efficient Global Supply Chains	84.153		51,018
Accelerating Achievement in Math & Science in Urban Schools	84.206	S206A040096-05	87,392
Project ASSURE	84.325	H325A020104-6	2,600
Project DIRECT Connections	84.325	H325K070101-10	230,611
Project EC-NET	84.325	H325T070038-09	107,918
UT-CCAMPIS Student Parents	84.335	P335A060328	117,435
UT3 Inquiry Masters Program Advancing Content for Teachers (IMPACT)	84.381	P381B080006	150,065
Pass Through Ohio Board of Regents: K-5 Algebraic Thinking Initiative	84.367	I - 06-39	(44)
Pass Through Ohio Board of Regents: SATELLITES	84.367		6,759

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
Other Federal Grants - Continued:			
Pass Through Ohio Department of Education: Special Funding for Engineering for Migrant Students: Focus on Sustainability	84.011		5,251
Pass Through Ohio Department of Education: Special Funding for Engineering for Migrant Students: Focus on Sustainability	84.011		28,045
Pass Through Ohio Department of Education: Capacity-Building Faculty Support Grant	84.048	VEPD-CB-09-IRN-06309	6
Pass Through Ohio Department of Education: CTE Teacher Preparation and Retention	84.048	VEPD-CB-10-063099	82,959
Pass Through Ohio Department of Education: Inquiry-Based Instruction for Tech Prep	84.048	VECI-IB-08-063099	132
Pass Through Ohio Department of Education: FY 08 Federal Tech Prep Grant	84.243		22
Pass Through Ohio Department of Education: FY09 Federal Tech Prep Grant	84.243		8,765
Pass Through Ohio Department of Education: Tech Prep Federal Base	84.243		377,690
Pass Through Ohio Department of Education: NWO TEAMS	84.330	C1667-OMAP-07-14	191,138
Pass Through Ohio Department of Education: Carl D. Perkins Grant	84.051		88,488
Pass Through Ohio Department of Human Services: Special Funding for Engineering for Migrant Students	84.011		11
Pass Through Penta Career Center: UT's Assistance to Penta Career Center in Geospatial Technology Program	84.048	PO 293396	15,497
DCTAG Award	84.000		8,812
Total Department of Education			1,560,570
Block Grants for Community Mental Health Services: Community Mental Health Services Federal	93.958		1,055,480
Block Grants for Community Mental Health Services; Pass Through Board of County (Lucas) Commissioners; Regional Child Find	93.000		4,540
Block Grants for Community Mental Health Services; Pass Through Ohio Department of Health - Federal Pass-Through Funds; Regional Comprehensive Genetic Services	93.994		200,077
Block Grants for Community Mental Health Services; Pass Through Ohio Department of Health - Federal Pass-Through Funds; Women's Health Week IV	93.994	PREV-30609	6,934
Block Grants for Community Mental Health Services; Pass Through Ohio Department of Jobs and Family Services; Workforce Development	93.187	G-67-06-0343	10,097
Block Grants for Community Mental Health Services; Pass Through Ohio Department of Jobs and Family Services; Reach Out and Read	93.667	48-09-TXX-03	3,722
Block Grants for Community Mental Health Services; Pass Through Ohio State University Research Fund; Regional Child Find	93.283	DOH039H	9,726

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
Other Federal Grants - Continued:			
Health Resources and Services Administration; Pass Through Ohio Department of Health; Regional Comprehensive Genetic Services	93.994		41
Health Resources and Services Administration; Pass Through Ohio Department of Health - Federal Pass-Through Funds; Regional Comprehensive Genetic Services	93.994		393
Health Resources and Services Administration; Pass Through Ohio Department of Health - Federal Pass-Through Funds; Women's Health Week 2009 Conferences/Workshops	93.994	ADTS#33338	1,435
National Institutes of Health: Shared Instrumentation: Xenogen IVIS Spectrum Imaging System	93.389	1 - S10 - RR - 025491	1,521
Bureau of Health Professions: Advanced Education Nursing Traineeship Program	93.358	2 - A10 - HP - 00004	111
Bureau of Health Professions: University of Toledo Advanced Education Traineeships: An Answer to the Nursing Shortage	93.358	2 - A10 - HP - 00004	67,408
Centers for Disease Control and Prevention; Pass Through Lucas County Regional Health District; Healthy Relationships through Existing Support Groups	93.940		(4,958)
Centers for Disease Control and Prevention; Pass Through Lucas County Regional Health District; Healthy Relationships through Existing Support Groups	93.940		13,716
Centers for Disease Control and Prevention; Pass Through Lucas County Regional Health District; Healthy Relationships through Existing Support Groups	93.940		208
Centers for Disease Control and Prevention; Pass Through Lucas County Regional Health District; HIV Prevention in a Medical Care Setting Project	93.940	2 - 4810012HP0207	12,138
Centers for Disease Control and Prevention; Pass Through Lucas County Regional Health District; HIV Prevention in a Medical Care Setting Project	93.940	4810012HP0207	227
Centers for Disease Control and Prevention; Pass Through Lucas County Regional Health District; HIV Prevention in Medical Care Settings	93.940		(3,015)

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
Other Federal Grants - Continued:			
Centers for Disease Control and Prevention; Pass Through Lucas County Regional Health District; University of Toledo Medical Center HIV Testing Program	93.940		(11,138)
Centers for Disease Control and Prevention; Pass Through Lucas County Regional Health District; University of Toledo Medical Center HIV Testing Program	93.940		30,608
Centers for Disease Control and Prevention; Pass Through Lucas County Regional Health District; University of Toledo Medical Center HIV Testing Program	93.940		586
Division of Medicine: Model State-Supported AHEC	93.107	6 - U77 - HP - 03029	438,058
Health Resources & Services Administration: Model State-Supported AHEC	93.107		268,670
Health Resources & Services Administration; Pass Through Hospital Council of Northwest Ohio; First Spending Plan Hospital Funding	93.889		42,958
HIV/AIDS Bureau: Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	5 - H12 - HA - 23012	(663)
HIV/AIDS Bureau: Multidisciplinary Comprehensive Care Center for Families Impacted by HIV	93.153	2 - H12 - HA - 23012	193
HIV/AIDS Bureau: Multidisciplinary Comprehensive Care Center for Families Impacted by HIV	93.153		88,207
HIV/AIDS Bureau: Part D Title IV Multidisciplinary Comprehensive Care Center for Families Impacted by HIV	93.153	5 - H12 - HA - 23012	399,051
HIV/AIDS Bureau: Ryan White Part C (Title III) HIV Early Intervention Services (EIS) Program	93.918	2 - H76 - HA - 00732	30,433
HIV/AIDS Bureau: Ryan White Part C (Title III): Categorical Grant Program for Outpatient Early Intervention Services (EIS)	93.918	5 - H76 - HA - 00732	(3,823)
HIV/AIDS Bureau: Ryan White Title III	93.918	5 - H76 - HA - 00732	1,478
HIV/AIDS Bureau; Pass Through National Institutes of Health; Ryan White Part C (Title III)	93.918	5 - H76 - HA - 00732	386,850
HIV/AIDS Bureau; Pass Through University of Toledo Physicians; Program Income Account for Ryan White Part C	93.918		(1,597)
HIV/AIDS Bureau; Pass Through University of Toledo Physicians; Program Income Account for Ryan White Part D	93.153		2,419
National Institute for Occupational Safety and Health: Occupational Health Training Grant	93.262	2 - T01 - OH - 008605	55,491
National Institute for Occupational Safety and Health: Occupational Health Training Grant	93.283	5 - T01 - OH - 008605	2,911
National Institute of Allergy and Infectious Diseases: American Society for Virology Junior Scientist Travel Request	93.855	5 - R13 - AI - 069676	10,000
Substance Abuse and Mental Health Services Administration; Pass Through Ohio Department of Alcohol and Drug Addiction Services; Reducing High Risk Drinking	93.959	99-8203-HEDUC-P-09-9	20,780
Substance Abuse and Mental Health Services Administration; Pass Through Ohio Department of Alcohol and Drug Addiction Services; Reducing High Risk Drinking	93.959	99-8203-HEDUC-P-09-9	6,536

# University of Toledo

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Agency	CFDA #	Agency Number	Fiscal Year 2010
Other Federal Grants - Continued:			
Administration for Children and Families; Pass Through Lucas County; Reach Out and Read	93.593		1,221
Administration for Children and Families; Pass Through Ohio Department of Jobs and Family Services; Workforce Development	93.654	G-1011-06-0069	62,276
Nurse Faculty Loan Program	93.264		17,497
ARRA - Nurse Faculty Loan Program	93.408		26,740
Total Health and Human Services			3,255,543
Pass Through Otterbein College: University of Toledo Service Learning Initiative for Youth Empowerment	94.004		(1,453)
Total Corporation for fNational and Community Service			(1,453)
<b>Total Other Federal Grants</b>			<b>9,031,761</b>
<b>Total Expenditures of Federal Awards</b>			<b>99,504,408</b>

# University of Toledo

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## Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2010

### **Note 1 – Significant Accounting Policies**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the University of Toledo (the “University”) and is presented on the same basis of accounting as the basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-21, *Cost Principles for Educational Institutions*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

### **Note 2 – Federal Direct Student Loan Program (CFDA No. 84.268)**

The University acts as the intermediary for students obtaining direct loans from the U.S. Department of Education. The U.S. Department of Education is responsible for billings and collections of the loans. The University assists the U.S. Department of Education by processing the applications and disbursing the funds from the U.S. Department of Education to the students. Loans advanced to students during the fiscal year ended June 30, 2010, totaled approximately \$173,718,000.

### **Note 3 – Family Health Professions Student Loan Program (CFDA No. 93.342)**

Revolving loan funds are established to maintain health professions student loans. Repayment of principal and interest is deposited back into the program for new loans. University of Toledo is responsible for administering the program, including the approving, disbursing, and collecting of the loans. Since July 1, 1993, health professions student loan funds have been awarded in the form of primary care loans and loans for disadvantaged students. As of June 30, 2010, outstanding loans under the program totaled approximately \$564,000.

### **Note 4 – Federal Perkins Loan Program (CFDA No. 84.038)**

Revolving loan funds are also established to maintain Perkins loans. Repayments of principal and interest are deposited back into the program for new loans. University of Toledo is responsible for administering the program, including the approving, disbursing, and collecting of the loans. As of June 30, 2010, outstanding Perkins loans totaled approximately \$19,405,000.

# University of Toledo

## Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2010

### Note 5 - Subrecipient Awards

Of the federal expenditures presented in the schedule, federal awards were provided to subrecipients as follows:

CFDA	Agency	Description	Current Year Transferred to Subrecipient
10.2	BOWLING GREEN STATE UNIVERSITY	Monitoring Agricultural Sewage Sludge	\$ 177,003
10.2	OHIO AEROSPACE INSTITUTE	Monitoring Agricultural Sewage Sludge	35,728
10.200	BOWLING GREEN STATE UNIVERSITY	Monitoring Agricultural Sewage Sludge	98,931
10.200	OHIO AEROSPACE INSTITUTE	Monitoring Agricultural Sewage Sludge	1,146
10.200	BOWLING GREEN STATE UNIVERSITY	Investigating Potential Human Health Impacts of Sewage Sludge Applied to Agricultural Fields	77,211
10.200	DOI-USGS	Lake Erie Wetlands and Shoreline Restoration: MBSP Phytoremediation	12,420
10.200	HULL & ASSOCIATES INC	Lake Erie Wetlands and Shoreline Restoration: MBSP Phytoremediation	11,600
12.000	OHIO STATE UNIVERSITY	Rapidly Deployable Solar Electricity and Fuel Sources	18,335
12.000	ROCHESTER INSTITUTE OF TECHNOLOGY	Rapidly Deployable Solar Electricity and Fuel Sources	5,582
12.000	UNIVERSITY OF HAWAII	Rapidly Deployable Solar Electricity and Fuel Sources	60,392
12.800	BOWLING GREEN STATE UNIVERSITY	Rapidly Deployable Solar Electricity and Fuel Sources	96,797
12.800	NASA-NSSC-FMD	Rapidly Deployable Solar Electricity and Fuel Sources	262,046
12.800	OHIO STATE UNIVERSITY	Rapidly Deployable Solar Electricity and Fuel Sources	37,880
12.800	ROCHESTER INSTITUTE OF TECHNOLOGY	Rapidly Deployable Solar Electricity and Fuel Sources	38,000
12.800	UNIVERSITY OF HAWAII	Rapidly Deployable Solar Electricity and Fuel Sources	102,636
16.556	TOLEDO AREA MINISTRIES	Increase Effective Services for Child Victims of Commercial Sexual Exploitation	90,098
20.760	BOWLING GREEN STATE UNIVERSITY	Transportation for Economic Security and Development	7,447
20.760	UNIVERSITY OF TENNESSEE	Transportation for Economic Security and Development	17,345
20.760	WAYNE STATE UNIVERSITY	Transportation for Economic Security and Development	82,820
66.469	OHIO STATE UNIVERSITY	Lake Erie Algal Source Tracking	5,801
66.708	EISC, INC	University of Toledo Pollution Prevention Incentives for States Grant Proposal	14,200
66.708	TECHSOLVE INC	University of Toledo Pollution Prevention Incentives for States Grant Proposal	21,037
66.708	EISC, INC	The University of Toledo Pollution Prevention Grant Proposal	60
81.087	BOWLING GREEN STATE UNIVERSITY	High-Rate Fabrication of a-Si-Based Thin-Film Solar Cells Using Large-Area VHF PECVD Technologies	18,431
81.122	CALYXO USA	Improved CdTe PV Modules by APVD	23,461
81.122	REGENTS OF THE UNIVERSITY OF MICHIGAN	Improved CdTe PV Modules by APVD	11,568
81.122	THE REGENTS OF THE UNIVERSITY	Improved CdTe PV Modules by APVD	4,800
81.122	UNIVERSITY OF NEVADA LAS VEGAS	Improved CdTe PV Modules by APVD	39,197
84.116	LEIDO	Short-Cycle Higher Education (SCHE) in Europe and the United States: Addressing Social and Economic Needs	2,496
84.116	OWENS COMMUNITY COLLEGE	Short-Cycle Higher Education (SCHE) in Europe and the United States: Addressing Social and Economic Needs	15,371
84.206	MIAMI UNIVERSITY	Accelerating Achievement in Math & Science in Urban Schools	141,396
84.243	NORTHWEST STATE COMMUNITY	Tech Prep Federal Base	85,000
84.330	BOWLING GREEN STATE UNIVERSITY	NWO TEAMS	191,138
84.335	APPLE TREE NURSERY SCHOOL INC	UT-CCAMPIS Student Parents	115,435

# University of Toledo

## Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2010

### Note 5 - Subrecipient Awards (Continued)

CFDA	Agency	Description	Current Year Transferred to Subrecipient
93.000	COLUMBIA UNIVERSITY	Effect of Chemopreventive Agents on the Development of BCC and SCC in the Pch +/- Hairless Mouse-Work Assignment #5	118,424
93.000	THE REGENTS OF UNIVERSITY OF CALIFORNIA	Preclinical In Vitro and In Vivo Screening Assays for Cancer Preventative Agent Development Work Assignment #7	45,823
93.000	INDIANA UNIVERSITY	Mechanism-Based In Vitro Screening of Chemopreventive Agents for the Inhibition/Reversal of the Tumorigenic Phenotype in ER $\alpha$ -Negative Human Mammary Epithelial Cells - Work Assignment #8	112,099
93.000	REGENTS OF UNIVERSITY OF CALIFORNIA	Evaluation of the Modulation on Gene Expression by Chemopreventive Agents in Human Colon Polyp Adenoma Cells Using Gene Arrays	264,000
93.107	BAHEC	Model State-Supported AHEC	23,059
93.107	LIMA AREA/MCO HEALTH	Model State-Supported AHEC	38,209
93.107	NEOUCOM	Model State-Supported AHEC	77,740
93.107	OHIO STATE UNIVERSITY	Model State-Supported AHEC	20,067
93.107	SAHEC	Model State-Supported AHEC	16,794
93.107	SANDUSKY AREA HEALTH EDUCATION	Model State-Supported AHEC	23,752
93.107	UNIVERSITY OF CINCINNATI	Model State-Supported AHEC	39,145
93.107	BAHEC	Model State-Supported AHEC	19,048
93.107	LIMA AREA/MCO HEALTH	Model State-Supported AHEC	42,671
93.107	NEOUCOM	Model State-Supported AHEC	108,306
93.107	OHIO STATE UNIVERSITY	Model State-Supported AHEC	55,277
93.107	SAHEC	Model State-Supported AHEC	38,678
93.107	SANDUSKY AREA HEALTH EDUCATION	Model State-Supported AHEC	9,692
93.107	UNIVERSITY OF CINCINNATI	Model State-Supported AHEC	42,933
93.279	WRIGHT STATE UNIVERSITY	Benzodiazepine-induced Glutamate Receptor Plasticity	18,907
93.279	BOSTON UNIVERSITY	Role of Tyrosine in MDMA Toxicity	6,152
93.394	GENE EXPRESS INC	Implementation of Innovative RNA Sample Quality Control Methods	5,500
93.396	UNIVERSITY OF NEBRASKA	Androgen and Soluble Guanylyl Cyclase Signaling in Prostate Cancer Cells	13,925
93.396	UNIVERSITY OF NEBRASKA MEDICAL	Androgen and Soluble Guanylyl Cyclase Signaling in Prostate Cancer Cells	15,708
93.701	REGENTS OF THE UNIVERSITY OF MICHIGAN	RKIP Regulation as a Potential for Tumor Metastasis Suppression	25,212
93.701	RESEARCHDX LLC	Validation Study of a Multi-gene Test for Lung Cancer Risk	57,000
93.837	HOLY NAME HOSPITAL	Cardiovascular Outcomes in Renal Atherosclerotic Lesions (CORAL)	13,065
93.837	MASSACHUSETTS GENERAL HOSPITAL	Cardiovascular Outcomes in Renal Atherosclerotic Lesions (CORAL)	36,623
93.837	REGENTS OF THE UNIVERSITY OF MICHIGAN	Cardiovascular Outcomes in Renal Atherosclerotic Lesions (CORAL)	42,041
93.837	RHODE ISLAND HOSPITAL	Cardiovascular Outcomes in Renal Atherosclerotic Lesions (CORAL)	246,591
93.837	THE REGENTS OF THE UNIVERSITY	Cardiovascular Outcomes in Renal Atherosclerotic Lesions (CORAL)	3,766
93.837	UNIVERSITY OF TEXAS HEALTH SCIENCE	Cardiovascular Outcomes in Renal Atherosclerotic Lesions (CORAL)	4,624
93.837	PORTLAND STATE UNIVERSITY	Digitalis-Induced Signaling by Cardiac Na <sup>+</sup> /K <sup>+</sup> -ATPase	244,690
93.846	MEDICAL COLLEGE OF GEORGIA	Role of Calpains in Plasma Membrane Repair	36,029
93.847	UNIVERSITY OF GEORGIA	Innate Cellular Lectin-Mediated Binding of Xenoantigens	8,839
93.855	UNIVERSITY OF TEXAS AT AUSTIN	Determinants of RNA Virus Evolution	87,098
93.866	VANDERBILT UNIVERSITY	Elderly Immune Response to Pneumococcal Polysaccharide	2,000
93.866	ARKANSAS CHILDREN'S HOSPITAL	Bone Loss with Aging Occurs Due to Increased PPAR-g Activity in Marrow Stem Cells	1,996
93.994	TOLEDO HOSPITAL	Regional Comprehensive Genetic Services	22,391
93.994	ERIE COUNTY HEALTH DEPT	Women's Health Week IV	1,000
93.994	WILLIAMS COUNTY HEALTH DEPT	Women's Health Week IV	1,500
			\$ 3,913,180



# University of Toledo

## Schedule of Findings and Questioned Costs Year Ended June 30, 2010

### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

#### Federal Awards

Internal control over major program(s):

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None reported

Type of auditor's report issued on compliance for major program(s): Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?  Yes  No

Identification of major program(s):

CFDA Number(s)	Name of Federal Program or Cluster
84.007, 84.030, 84.033, 84.375, 84.376, 84.379, 93.925, 84.268, 84.038, 93.342	Student Financial Aid Cluster
Various	Research and Development Cluster
84.394	State Fiscal Stabilization Fund Cluster
64.120	ROTC

Dollar threshold used to distinguish between type A and type B programs: \$2,078,209

Auditee qualified as low-risk auditee?  Yes  No

# University of Toledo

## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2010

### Section II - Financial Statement Audit Findings

Reference Number	Findings
2010-01	<p><b>Finding Type</b> - Significant deficiency</p> <p><b>Criteria</b> - Only those individuals authorized by the University should enter into and sign contracts and notes.</p> <p><b>Condition</b> - An individual in the athletic department signed a note on behalf of the University although the individual was not authorized to do so.</p> <p><b>Context</b> - Incident occurred in the athletic department. Note was identified by controls in place within the University.</p> <p><b>Cause</b> - Individual entered in to a note with a third party implying that the individual had the authorization to do so.</p> <p><b>Effect</b> - The University was entered in to contract with the third party and debt was incurred.</p> <p><b>Recommendation</b> - We recommend the University monitor current controls around note signing authorization.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - The University is in the process of updating its Signing Authority Policy to bring attention to the limits that exist on each member of the institution. In addition, the Office of General Counsel has agreed to not review contracts, agreements, notes, or other types of documents constituting obligations to pay submitted to them by any area other than Finance.</p> <p>Although the University hopes these preventive methods will significantly reduce the probably of a repeat occurrence, it will continue to require sufficient documentary evidence of the University's obligation to pay prior to processing a payment (this is how the executed note was discovered).</p>

# University of Toledo

## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2010

### Section II - Financial Statement Audit Findings (Continued)

Reference Number	Findings
2010-02	<p><b>Finding Type</b> - Significant deficiency</p> <p><b>Criteria</b> - Accrued payroll, fringes and vacation should be calculated at year end and recorded as such to recognize expenses in the period in which they were incurred.</p> <p><b>Condition</b> - Accrued payroll, fringes and vacation were over accrued at year end.</p> <p><b>Context</b> - Accruals for payroll, fringes and vacation were overstated by approximately \$2,000,000.</p> <p><b>Cause</b> - The calculation for accrued payroll, fringes and vacation was not reviewed for reasonableness by management.</p> <p><b>Effect</b> - Accrued payroll, fringes and vacation were over accrued at year end on the statement of net assets and the statement of revenue and expenses.</p> <p><b>Recommendation</b> - We would recommend management perform an independent review of the calculation of accrued payroll, fringes and vacation to ensure amounts reported on the financial statements are accurate.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - Management has established a process for review of the calculation each period.</p>

# University of Toledo

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## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2010

### Section III - Federal Program Audit Findings

Reference Number	Findings
	None

**University of Toledo**  
**National Collegiate Athletics Association**

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**Agreed-upon Procedures Report**  
**Related to NCAA Bylaw 3.2.4.16**  
**June 30, 2010**

# **University of Toledo National Collegiate Athletics Association Report**

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Independent Accountants' Report on  
the Application of Agreed-upon Procedures

Dr. Lloyd A. Jacobs, M.D.  
University of Toledo  
Toledo, Ohio

We have performed the procedures enumerated below, which were agreed to by the president of the University of Toledo (the "Institution"), solely to assist you in evaluating whether the accompanying Intercollegiate Athletics Program statement of revenue and expenditures of the Institution is in compliance with the National Collegiate Athletics Association (NCAA), Bylaw 3.2.4.16 for the year ended June 30, 2010. The Institution's management is responsible for the statement of revenue and expenditures ("statement") and the statement's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Agreed-upon Procedures Related to the Statement of Revenue and Expenditures**

The procedures that we performed and our results are as follows:

**Internal Control Structure**

A. In preparation for our procedures related to the Institution's internal control structure:

- 1) We met with the assistant director of intercollegiate athletics and inquired about the general control environment over intercollegiate athletic finances, the level of control consciousness in the Institution, the competence of personnel, and the protection of records and equipment.
- 2) We obtained the audited financial statements for the year ended June 30, 2010 and any additional reports regarding internal controls and any corrective action taken in response to comments concerning the internal control structure.

- 3) We obtained any documentation of the accounting systems and procedures unique to the intercollegiate athletics department. We noted the cash disbursement, cash receipt, and payroll control environment and accounting systems were not unique to the intercollegiate athletics department and have been addressed in connection with the audit of the Institution's financial statements. We noted the control environment related to the ticket collection receipting process was unique to intercollegiate athletics. We then performed the following procedure:
  - i. We selected three games and traced ticket collections per the receipting process for such games to the reconciliation and documentation of the related cash deposit amount with the bank.

**Result:** The above procedure was performed for one women's basketball game, men's basketball game, and football game with no exceptions.

### **Capital Expenditure Survey and Related Debt**

- B. In preparation for our procedures related to the capital expenditure survey, we obtained the capital expenditure survey for the reporting period prepared by management; we obtained the Institution's policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics-related assets; and we obtained repayment schedules for all outstanding intercollegiate athletics debt maintained by the Institution during the reporting period. We then performed the following procedures:

- 1) **Procedure:** We agreed the data provided on the capital expenditure survey to the Institution's general ledger including additions, deletions, and book values as disclosed in the report.

**Result:** We noted no exceptions.

- 2) **Procedure:** We recalculated the annual maturities (consisting of principal and interest) provided in the schedules obtained. We then agreed the total annual maturities as disclosed in the report to supporting documentation and the Institution's general ledger.

**Result:** We traced all annual maturities to the debt agreement maturity schedules and noted no exceptions.



### **Intercollegiate Athletics Restricted and Endowment and Plant Funds**

C. **Procedure:** We obtained a summary of additions to restricted funds related to intercollegiate athletics exceeding 10 percent, as well as changes exceeding 10 percent to endowment and plant funds related to intercollegiate athletics prepared by management.

**Result:** We noted no additions to restricted funds related to intercollegiate athletics exceeding 10 percent or changes exceeding 10 percent to endowment and plant funds related to intercollegiate athletics.

### **Statement of Revenue and Expenditures**

D. **Procedure:** We obtained the Intercollegiate Athletics Program statement of revenue and expenditures for the reporting period prepared by management and agreed all amounts back to the Institution's general ledger.

**Result:** We noted no exceptions.

**Procedure:** We compared each revenue and expenditure amount from the statement to prior year amounts and budget estimates. We obtained and documented any variations exceeding 10 percent and \$100,000.

**Result:** See Appendix A.

### **Revenue**

E. **Procedure:** We agreed each revenue category reported in the statement during the reporting period to supporting schedules provided by the Institution.

**Result:** The supporting schedules provided by the Institution agreed to the statement without exception.

#### 1) Ticket Sales

**Procedure:** We agreed tickets sold during the reporting period, complimentary tickets provided during the reporting period, and unsold tickets to the related revenue reported by the Institution in the statement and related attendance figures and recalculated totals. We agreed a sample of three revenue receipts obtained from the above revenue supporting schedules to supporting documentation.

**Result:** For one women's basketball game, men's basketball game, and football game, we agreed the revenue receipts to a remittance advice, ticket sales report, cash receipt report, deposit reconciliation spreadsheet, and general ledger detail. We noted no exceptions.

2) Contributions

**Procedure:** We obtained supporting documentation for each contribution of monies, goods, or services received directly by an intercollegiate athletics program for any affiliated or outside organization, agency, or group of individuals that constitute 10 percent or more of all contributions received for intercollegiate athletics during the reporting periods. We disclosed the source and dollar value of these contributions in the report. We agreed a sample of three revenue receipts obtained from the above revenue supporting schedules to supporting documentation.

**Result:** We agreed the above sample to copies of checks without exception. See Note I for contributions over 10 percent.

**Expenditures**

F. **Procedure:** We compared each expenditure category reported in the statement during the reporting period to supporting schedules provided by the Institution.

**Result:** The supporting schedules provided by the Institution agreed to the statement without exception.

We performed the following procedures for the indicated expenditure category:

1) Coaching Salaries, Benefits, and Bonuses Paid by the Institution and Related Entities

**Procedure:** We obtained and inspected a listing of coaches employed by the Institution and related entities during the reporting period. We selected a sample of three coaches' contracts that includes football and men's and women's basketball from the above listing. We agreed the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the Institution and related entities in the statement during the reporting period. We obtained and inspected W-2s for each selection. We agreed related W-2s to the related coaching salaries, benefits, and bonuses paid by the Institution and related entities expense recorded by the Institution in the statement during the reporting period, and recalculated totals. We agreed a sample of three expenses obtained from the above expense supporting schedules to supporting documentation.

**Result:** We selected three coaches' contracts that included football, men's basketball, and women's basketball. We obtained and inspected W-2s for each selection. We agreed related W-2s to the related coaching salaries, benefits, and bonuses paid by the Institution and related entities expense recorded by the Institution in the statement during the reporting period, and recalculated totals. We noted no exceptions.

### **Affiliated and Outside Organizations**

G. **Procedure:** Inquired of management as to whether they have identified any affiliated and outside organizations that meet any of the following criteria:

- 1) Booster organizations established by or on behalf of an intercollegiate athletics program
- 2) Independent or affiliated foundations or other organizations that have as a principal purpose, generating or maintaining of grants-in-aid or scholarships funds, gifts, endowments or other monies, goods, or services to be used entirely or in part by the intercollegiate athletics program
- 3) Alumni organizations that have as one of its principal purposes the generating of monies, goods, or services for or on behalf of an intercollegiate athletics program and that contribute monies, goods, or services directly to an intercollegiate athletics program, booster group, or independent or affiliated foundation as previously noted

In preparation for our procedures related to the Institution's affiliated and outside organizations,

- 1) We also obtained documentation on the Institution's practices and procedures for monitoring the internal controls in place and financial activities of these organizations. We inquired of management on the procedures for gathering information on the nature and extent of affiliated and outside organization activity for or on behalf of the Institution's intercollegiate athletic program.
- 2) We obtained and inspected audited financial statements of the organization and any additional reports regarding internal controls and any corrective action taken in response to comments concerning the control environment that were provided to us by management.

**Result:** We obtained the following listing of all identified affiliated and outside organizations prepared by the Institution and agreed that list to the activities recorded in the Institution's financial statements and to the Intercollegiate Athletics Program statement of revenue and expenditures. We noted that two of the organizations' finances are handled through the Institution's foundation, with only the Downtown Coaches Association being outside the control of the Institution. We noted the following activity with the three affiliated outside organizations:

	Beginning Cash Balance June 30, 2009	Cash Receipts	Contribution to or on Behalf of Program	Ending Cash Balance June 30, 2010
The Varsity T Group Downtown Coaches Association Lady Rocket Fan Club	\$ 6,360	\$ 21,858	\$ 27,547	\$ 670
	6,660	151,488	154,599	3,549
	<u>6,154</u>	<u>24,902</u>	<u>15,734</u>	<u>15,322</u>
Total all funds	<u>\$ 19,174</u>	<u>\$ 198,248</u>	<u>\$ 197,880</u>	<u>\$ 19,541</u>

H. **Procedure:** For expenses on or on behalf of intercollegiate athletic programs by affiliated and outside organizations not under the Institution's accounting control, we obtained those organizations' financial statements for the reporting period. We agreed the amounts reported to the organizations' general ledgers. We performed the following supplemental procedures:

- 1) We obtained a summary of revenue and expenses for or on behalf of the organization. Summary of revenue and expense included the following at June 30, 2010:

Revenue	\$ 151,488
Expenses	<u>154,599</u>
Net loss	<u>\$ (3,111)</u>

- 2) We agreed a sample of three operating revenue categories reported in the organization's statement during the reporting period to general ledger detail provided by the organization.
- 3) We agreed a sample of three operating revenue receipts obtained from the above operating revenue schedule to raffle schedules.
- 4) We agreed each operating expense category reported in the organization's statement during the reporting period to general ledger detail provided by the organization.
- 5) We agreed a sample of three operating expenses obtained from the above operating expense supporting schedules to copies of checks and invoices.
- 6) We directly confirmed cash balances recorded at the end of the reporting period by the organization with the bank and agreed to the related year-end bank reconciliation.

Dr. Lloyd A. Jacobs, M.D.  
University of Toledo

- 7) We obtained minutes of the organization's governing bodies during the reporting period and selected a sample of three financial transactions discussed in the minutes and compared and agreed each selection to the organization's accounting records.

**Result:** We performed the procedures above without exception.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the accompanying Intercollegiate Athletics Program statement of revenue and expenditures. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Institution's management and the National Collegiate Athletics Association and is not intended to be and should not be used by anyone other than these specified parties.

January 7, 2011

# University of Toledo National Collegiate Athletics Association Report

## Intercollegiate Athletics Program Statement of Revenue and Expenditures Year Ended June 30, 2010

	Men's Football	Men's Basketball	Women's Basketball	Nonprogram Specific	Total
<b>Operating Revenue</b>					
Ticket sales	\$ 1,618,272	\$ 339,255	\$ 63,994	\$ 124,449	\$ 2,145,970
Student fees	-	-	-	9,824,257	9,824,257
Guarantees	325,000	60,000	22,000	7,300	414,300
Contributions	-	-	-	4,422,394	4,422,394
NCAA/Conference distributions including all tournament revenue	-	-	102,557	822,189	924,746
Program sales, concessions, novelty sales, and parking	9,697	4,740	4,190	16,292	34,919
Royalties, advertisements, and sponsorships	1,895	-	-	1,406,095	1,407,990
Sports camp revenue	34,100	15,332	34,063	77,069	160,564
Other	17,403	3,276	18,709	499,397	538,785
<b>Total operating revenue</b>	<b>2,006,367</b>	<b>422,603</b>	<b>245,513</b>	<b>17,199,442</b>	<b>19,873,925</b>
<b>Operating Expenditures</b>					
Athletic student aid	1,994,970	346,039	372,596	3,537,945	6,251,550
Guarantees	250,000	4,000	3,000	12,495	269,495
Coaching salaries, etc. (by institution)	1,783,291	1,054,145	605,414	1,193,907	4,636,757
Support staff/administrative salaries, benefits, and bonuses paid by the university and related entities	-	-	-	2,506,936	2,506,936
Recruiting	392,640	76,811	58,996	43,901	572,348
Team travel	86,346	113,276	138,419	571,320	909,361
Equipment, uniforms, and supplies	258,811	56,249	48,378	676,378	1,039,816
Game expenses	271,963	159,936	58,497	59,426	549,822
Fundraising, marketing, and promotion	-	955	569	811,335	812,859
Sports camp expenses	136,623	12,453	16,829	73,208	239,113
Spirit groups	-	-	-	52,663	52,663
Medical expenses and medical insurance	2,737	-	616	266,805	270,158
Memberships and dues	853	2,840	1,250	140,736	145,679
Other operating expenses	496,847	117,637	39,296	1,129,209	1,782,989
<b>Total operating expenditures</b>	<b>5,675,081</b>	<b>1,944,341</b>	<b>1,343,860</b>	<b>11,076,264</b>	<b>20,039,546</b>
<b>Excess (Deficiency) of Revenue Over (Under) Expenditures</b>	<b>\$ (3,668,714)</b>	<b>\$ (1,521,738)</b>	<b>\$ (1,098,347)</b>	<b>\$ 6,123,178</b>	<b>\$ (165,621)</b>

# University of Toledo

## National Collegiate Athletics Association Report

### Notes to Intercollegiate Athletics Program Statement of Revenue and Expenditures Year Ended June 30, 2010

#### Note 1 - Contributions

Individual contributions of monies, goods, or services received directly by the Institution's intercollegiate athletics program from any affiliated or outside organization, agency, or individuals (e.g., contributions by corporate sponsors) that constitute 10 percent or more of all contributions received for intercollegiate athletics during the year ended June 30, 2010 are as follows:

Source of Funds, Goods, and Services	Value
Mr. Charles Sullivan	\$ 606,691
Charles A. Sullivan Trust	400,000

#### Note 2 - Intercollegiate Athletics-related Assets

Property and equipment are recorded at cost or, if donated, the fair value at the time of donation. Expenditures for maintenance and repairs are charged to current expenditures as incurred. Depreciation is computed using the straight-line method. No depreciation is recorded on land. Expenditures for major renewals and betterments that extend the useful lives of the assets are capitalized. Estimated service lives range from 4-40 years depending on class.

The current year capitalized additions and deletions to facilities during the year ended June 30, 2010 are as follows:

	Current Year Additions	Current Year Deletions
Football athletics facilities	\$ 1,052,000	\$ -
Basketball athletics facilities	1,721,000	-
Other athletics facilities	259,000	-
Total athletics facilities	<u>\$ 3,032,000</u>	<u>\$ -</u>

# University of Toledo

## National Collegiate Athletics Association Report

### Notes to Intercollegiate Athletics Program Statement of Revenue and Expenditures Year Ended June 30, 2010

#### Note 2 - Intercollegiate Athletics-related Assets (Continued)

The total estimated book value of property, plant, and equipment, net of depreciation, of the Institution as of the year ended June 30, 2010 is as follows:

	Estimated Book Value
Athletically related property, plant, and equipment balance	\$ 39,067,000

#### Note 3 - Intercollegiate Athletics-related Debt

The annual debt service and debt outstanding for the Institution as of the year ended June 30, 2010 are as follows:

	Annual Debt Service	Debt Outstanding
Athletically related facilities	\$ 1,564,339	\$ 51,157,240
Institution's total	58,176,661	273,468,760

The repayment schedule for all outstanding intercollegiate athletics debt maintained by the Institution during the year ended June 30, 2010 is as follows:

	Glass Bowl		Savage Hall		Practice Facility		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 13,500	\$ 26,743	\$ 334,548	\$ 919,042	\$ -	\$ 270,506	\$ 348,048	\$ 1,216,291
2012	12,750	21,417	466,340	822,169	-	479,578	479,090	1,323,164
2013	13,250	25,037	334,548	882,307	-	479,578	347,798	1,386,922
2014	13,900	23,263	496,754	785,903	-	479,578	510,654	1,288,744
2015	14,650	21,200	446,064	840,933	-	479,578	460,714	1,341,711
Thereafter	88,850	96,350	17,548,573	9,456,547	10,000,000	5,263,784	27,637,423	14,816,681
Total	\$ 156,900	\$ 214,010	\$ 19,626,827	\$ 13,706,901	\$ 10,000,000	\$ 7,452,602	\$ 29,783,727	\$ 21,373,513



# University of Toledo National Collegiate Athletics Association Report

## Appendix A

	2009-2010	2008-2009		%	
	Total	Total	\$ Change	Change	Explanation of Variance per Management
<b>Revenue</b>					
Football:					
Guarantee revenue	\$ 325,000	\$ 754,500	\$ (429,500)	(57%)	Guarantee revenue was lower for Florida International and Purdue in fiscal year 2010 than the guarantee revenue Michigan and Arizona in fiscal year 2009.
Ticket sales	1,618,272	2,105,091	(486,819)	(23%)	Recognition of significant portion of OSU sales in fiscal year 2009, poor team results overall lowered attendance.
Women's basketball - NCAA/MAC revenue	102,557	-	102,557	100%	Women's basketball had successful season in 2009-2010, hosting and winning a WNIT game.
Nonprogram specific:					
Contributions	4,422,394	5,319,837	(897,443)	(17%)	Fiscal year 2009 contributions greater due to those related to the Savage Hall renovation.
Other revenue	381,549	273,303	108,246	40%	Increased sales of Rocket Shop merchandise, increased revenue for concerts in renovated Savage Hall.
	2009-2010	2008-2009		%	
	Total	Total	\$ Change	Change	
<b>Expenditures</b>					
Football:					
Camp expense	\$ 136,623	\$ 24,498	\$ 112,125	458%	Passing academy camp not conducted in fiscal year 2009.
Coaches' salaries	1,783,291	2,118,191	(334,900)	(16%)	Paying former head coach along with current coach for a period of time in fiscal year 2009. Colorado guarantee expense was less in fiscal year 2010 than the guarantee expense for Florida International and Fresno State
Guarantee expense	250,000	375,306	(125,306)	(33%)	in fiscal year 2009.
Recruiting	392,640	57,230	335,410	586%	Working to rebuild a program and going further to find players.
Travel	86,346	253,630	(167,284)	(66%)	Away travel to Miami in fiscal year 2010, Arizona and Northern Illinois in fiscal year 2009, some recruiting costs misclassified.
Nonprogram specific - Student aid	759,970	440,936	319,034	72%	Greater number of students involved in various administrative areas of athletics, many of whom were on financial aid.

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# Dave Yost • Auditor of State

UNIVERSITY OF TOLEDO

LUCAS COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
MARCH 8, 2011