



THE UNIVERSITY OF TOLEDO

**FOUNDATION**

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## CONSOLIDATED **FINANCIAL STATEMENTS**

FISCAL YEARS ENDING JUNE 30, 2021 AND 2020

**With Supplemental Schedules and Independent Auditor's Report  
for The University of Toledo Foundation and Subsidiaries**

**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
The University of Toledo Foundation and Subsidiaries  
Toledo, Ohio

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of The University of Toledo Foundation (a nonprofit organization) and Subsidiaries (collectively, the Foundation), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**


In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The University of Toledo Foundation and Subsidiaries as of June 30, 2021 and 2020, and the changes in their consolidated net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As described in Notes 1 and 13, the consolidated financial statements include investments that are not listed on national exchanges or for which quoted market prices are not available. These investments include limited partnerships, start-up corporations, hedge funds, fund-of-funds, and comingled funds that are not mutual funds. Such investments total approximately \$140,186,000 (20.5% of total assets) and \$117,479,000 (21.6% of total assets) at June 30, 2021 and 2020, respectively. The values of these investments have been provided by the fund managers or general partners in the absence of readily determinable market values.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Toledo, Ohio  
September 30, 2021

**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

<b>ASSETS</b>	2021	2020
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 2,142,887	\$ 5,521,189
Accounts Receivable	856,547	838,296
Contributions Receivable, Net of Allowance for Uncollectible Contributions	7,600,219	8,024,294
Prepaid Expense	7,789	74,947
Total Current Assets	10,607,442	14,458,726
<b>NONCURRENT ASSETS</b>		
Investments:		
Pooled Investments	607,637,180	467,556,903
Nonpooled Investments	9,048,822	7,842,895
Real Estate	593,476	593,476
Assets Held in Charitable Remainder Trusts	4,647,809	3,948,394
Total Investments	621,927,287	479,941,668
Contributions Receivable, Net of Allowance for Uncollectible Contributions and Present Value Adjustments	5,030,951	3,740,480
Cash Value of Life Insurance and Annuities	1,429,664	1,286,055
<b>PROPERTY AND EQUIPMENT</b>		
Land and Land Improvements	7,020,529	7,020,529
Gateway	15,523,459	15,523,459
Rental Property	1,672,956	1,672,956
Building and Equipment	26,445,035	26,372,934
Total Property and Equipment	50,661,979	50,589,878
Less: Accumulated Depreciation	6,679,024	5,537,404
Net Property and Equipment	43,982,955	45,052,474
Total Assets	\$ 682,978,299	\$ 544,479,403

See accompanying Notes to Consolidated Financial Statements.

**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**JUNE 30, 2021 AND 2020**

	2021	2020
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 1,406,613	\$ 607,447
Accrued Liabilities	405,184	518,524
Deferred Revenue	45,755	61,433
CARES Act Payroll Protection Plan Loan	-	905,000
Senior Secured Notes Payable	336,191	320,146
Total Current Liabilities	2,193,743	2,412,550
<b>NONCURRENT LIABILITIES</b>		
Senior Secured Notes Payable, Net of Debt Issuance Costs	7,997,725	8,316,061
Gateway Funding from Pooled Investments	2,033,690	2,078,864
Grantor Trust Payable to a Related Party	2,012,824	2,012,824
Annuities Payable	2,683,056	2,800,854
Funds Held for Affiliates	255,528,062	201,274,924
Total Liabilities	272,449,100	218,896,077
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Operating Funds:		
Undesignated	11,378,101	(2,575,169)
Designated:		
Real Estate	32,661,299	33,286,580
Gateway	1,107,145	832,447
Board	12,105,264	11,895,934
Total Without Donor Restriction Operating Funds	57,251,809	43,439,792
Board Endowed	11,835,697	9,542,348
Total Without Donor Restrictions	69,087,506	52,982,140
With Donor Restrictions	341,441,693	272,601,186
Total Net Assets	410,529,199	325,583,326
Total Liabilities and Net Assets	\$ 682,978,299	\$ 544,479,403

See accompanying Notes to Consolidated Financial Statements.

**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT, REVENUE, AND GAINS (LOSSES)</b>						
Contributions	\$ 567,869	\$ 9,532,213	\$ 10,100,082	\$ 261,578	\$ 11,660,769	\$ 11,922,347
Unconditional Promises to Give	6,023	8,874,213	8,880,236	10,325	2,741,865	2,752,190
CARES Act Payroll Protection Program Forgiveness	905,000	-	905,000	-	-	-
Administrative Fees	5,956,917	(2,825,567)	3,131,350	5,872,018	(2,752,504)	3,119,514
Annuities and Trusts, Net of Actuarial Adjustments	-	(248,628)	(248,628)	-	(317,599)	(317,599)
Ancillary and Nongift	11,338	763,720	775,058	2,426	832,897	835,323
Bookstore Revenue	3,455,470	-	3,455,470	4,549,264	-	4,549,264
Center for Alumni and Donor Engagement	942,936	-	942,936	857,086	-	857,086
Income - UTF Gateway Investments	1,010,470	-	1,010,470	1,025,081	-	1,025,081
Income - Real Estate Corp.	63,044	-	63,044	60,970	-	60,970
Interest and Dividends	1,048,574	3,681,054	4,729,628	1,104,724	4,120,054	5,224,778
Investment Fees	(172,598)	(676,641)	(849,239)	(109,051)	(532,654)	(641,705)
Net Realized and Unrealized Gains (Losses)	16,844,236	61,993,243	78,837,479	(1,495,998)	(5,189,439)	(6,685,437)
Satisfaction of Program and Donor Restrictions	12,334,616	(12,334,616)	-	14,890,256	(14,890,256)	-
Other Transfers	(81,516)	81,516	-	(76,516)	76,516	-
Total Support, Revenue, and Gains (Losses)	42,892,379	68,840,507	111,732,886	26,952,163	(4,250,351)	22,701,812
<b>EXPENSES</b>						
University Program Services:						
Academics	5,460,169	-	5,460,169	5,024,715	-	5,024,715
Athletics	1,609,607	-	1,609,607	4,352,587	-	4,352,587
Student Aid	4,819,444	-	4,819,444	5,028,204	-	5,028,204
Capital Projects	870,626	-	870,626	364,544	-	364,544
Research	253,131	-	253,131	260,070	-	260,070
Bookstore	3,185,487	-	3,185,487	4,166,100	-	4,166,100
Donor Life Insurance Premiums	313,465	-	313,465	77,257	-	77,257
Management and General	6,186,865	-	6,186,865	5,801,794	-	5,801,794
Fundraising	4,088,219	-	4,088,219	4,203,859	-	4,203,859
Total Expenses	26,787,013	-	26,787,013	29,279,130	-	29,279,130
<b>CHANGE IN NET ASSETS - BEFORE TRANSFERS</b>	16,105,366	68,840,507	84,945,873	(2,326,967)	(4,250,351)	(6,577,318)
<b>CAPITAL TRANSFER</b>	-	-	-	(1,539,271)	-	(1,539,271)
<b>CHANGE IN NET ASSETS</b>	16,105,366	68,840,507	84,945,873	(3,866,238)	(4,250,351)	(8,116,589)
Net Assets - Beginning of Year	52,982,140	272,601,186	325,583,326	56,848,378	276,851,537	333,699,915
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 69,087,506</u>	<u>\$ 341,441,693</u>	<u>\$ 410,529,199</u>	<u>\$ 52,982,140</u>	<u>\$ 272,601,186</u>	<u>\$ 325,583,326</u>

See accompanying Notes to Consolidated Financial Statements.

**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	University Programs	Support	2021 Total	University Programs	Support	2020 Total
Salaries and Wages	\$ -	\$ 4,521,749	\$ 4,521,749	\$ -	\$ 4,549,717	\$ 4,549,717
Payroll Taxes and Benefits	-	1,331,687	1,331,687	-	1,231,327	1,231,327
Student Directed (1)	4,836,939	-	4,836,939	5,087,842	-	5,087,842
Professional Fees	517,766	381,187	898,953	386,602	358,471	745,073
University Directed (2)	4,041,284	-	4,041,284	3,455,681	-	3,455,681
Athletics	1,609,607	-	1,609,607	4,352,587	-	4,352,587
Bookstore	3,185,486	-	3,185,486	4,166,100	-	4,166,100
Capital Projects	870,626	-	870,626	364,544	-	364,544
Building Services	-	958,680	958,680	-	875,765	875,765
Donor Life Insurance Premiums	313,465	-	313,465	77,257	-	77,257
Purchased Services	1,136,756	1,940,162	3,076,918	1,382,864	1,890,633	3,273,497
Total Before Depreciation	16,511,929	9,133,465	25,645,394	19,273,477	8,905,913	28,179,390
Depreciation Expense	-	1,141,619	1,141,619	-	1,099,740	1,099,740
<b>Total</b>	<b>\$ 16,511,929</b>	<b>\$ 10,275,084</b>	<b>\$ 26,787,013</b>	<b>\$ 19,273,477</b>	<b>\$ 10,005,653</b>	<b>\$ 29,279,130</b>

(1) Scholarships, Student Aid, Student Awards, Student Events

(2) Salary Reimbursements, Speakers, Supplies, Meetings, Events, Research, Sponsorships

See accompanying Notes to Consolidated Financial Statements.



**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 84,945,873	\$ (8,116,589)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Paycheck Protection Program Loan Forgiveness	(905,000)	-
Depreciation	1,141,619	1,099,740
Contributions Held as Endowments	(12,341,459)	(1,769,811)
Provisions for Uncollectible Contributions, Net of Actuarial Adjustments on Annuity Obligations	95,125	350,762
Actuarial Adjustment on Contributions Receivable	59,090	438,062
Unrealized/Realized Losses (Gains) on Investments	(78,837,479)	6,685,437
Loss on Sale of Fixed Assets	-	977,271
Change in Annuity Payable Obligation	279,158	341,257
Capital Transfers	-	1,539,271
Amortization of Debt Issuance Costs	17,855	17,855
Changes in Operating Assets and Liabilities Which Provided (Used) Cash:		
Accounts Receivable	(18,251)	470,749
Contributions Receivable	(1,020,611)	543,239
Prepaid Expenses	67,158	9,659
Accounts Payable	799,166	(838,759)
Accrued Liabilities and Other	(129,018)	150,233
Cash Surrender Value of Life Insurance	(143,609)	41,228
Funds Held for Affiliates	54,253,138	(11,637,563)
Net Cash Provided (Used) by Operating Activities	48,262,755	(9,697,959)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(72,100)	(1,030,995)
Purchases of Investments	(142,674,645)	(4,581,162)
Proceeds from Sales and Maturities of Investments	79,481,331	19,368,093
Payments to Annuitants	(396,956)	(360,028)
Net Cash Provided (Used) by Investing Activities	(63,662,370)	13,395,908
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Outstanding Senior Secured Notes	(320,146)	(304,869)
CARES Act Payroll Protection Plan Loan Proceeds	-	905,000
Contributions Held as Endowments	12,341,459	1,769,811
Capital Transfer	-	(1,539,271)
Net Cash Provided by Financing Activities	12,021,313	830,671
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(3,378,302)	4,528,620
Cash and Cash Equivalents - Beginning of Year	5,521,189	992,569
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 2,142,887	\$ 5,521,189
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest	\$ 421,156	\$ 436,497

See accompanying Notes to Consolidated Financial Statements.

**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The University of Toledo Foundation and Subsidiaries (collectively, the Foundation) is a nonprofit Ohio corporation organized to receive, hold, invest, and administer property and to make expenditures to or for the benefit of The University of Toledo (the University).

The consolidated financial statements for the Foundation include accounts of wholly owned subsidiaries, The University of Toledo Foundation Real Estate Corporation and UTF Gateway Investments LLC. The University of Toledo Foundation Real Estate Corporation (the Corporation) was organized to acquire, hold title to, and collect income from real property for the benefit of the Foundation and the University. UTF Gateway Investments LLC (Gateway Investments) was organized for the construction and leasing of real property to house The University of Toledo Gateway (The Gateway), a mixed-use facility to include the University bookstore, retail space, and student off-campus housing.

Assets, liabilities, and operations of all the above entities have been included in the accompanying consolidated financial statements. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

**Net Assets Classification**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for specific purpose, an operating reserve and board-designated endowment.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as donor restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand, demand deposits with financial institutions, and short-term investments with maturities less than 90 days that are not part of the long-term investment pool.

**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Accounts Receivable**

Accounts receivable are stated at net realizable value. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal payment periods. All amounts deemed uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. No allowance was deemed necessary at June 30, 2021 and 2020.

**Contributions Receivable**

Unconditional promises to give are recognized as without donor restrictions, or with donor restrictions revenue based on the donor's intent when amounts are pledged. Conditional promises to give are recognized when the conditions on which they depend are substantially met and the promises become unconditional.

**In-Kind Gifts**

In-kind gifts, when received, are reflected as contributions in the accompanying consolidated financial statements at the estimated fair value at the date of receipt. The Foundation received in-kind gifts in 2021 and 2020 valued at \$42,915 and \$622,634, respectively.

**Investments**

Investment securities are stated at fair value following the fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives priority from highest to lowest to quoted prices in active markets for identical assets (Level 1); inputs other than quoted prices included within Level 1 that are observable for the asset directly or indirectly (Level 2); and unobservable inputs for assets (Level 3). Investments valued at fair value using Level 1 inputs are cash equivalents, common stocks, and mutual funds that have observable quoted prices in active markets. Fair values determined by Level 2 inputs such as interest rates and yield curves are government bonds, government agency bonds, corporate bonds, and certain other funds. Hedge funds and partnerships are measured based on information provided by fund managers and general partners including audited financial statements, unaudited financial statements, and net asset valuations.

Purchases and sales of investment securities are recorded on the trade date. Realized gains or losses from the sale of securities are determined using the cost basis of the securities sold. Interest and dividend income is reported when earned. Investment income and related administrative, investment, and fiduciary expenses are allocated to the funds on a basis that reflects the ratio of the related funds invested in the pooled portfolio to total market value.

**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Charitable Remainder Trusts**

The Foundation is named as a beneficiary of several irrevocable trusts. The assets of the trusts are held by third parties as co-trustees appointed by the Foundation or by a trustee designated by the donor who manages the assets and distributes the income as defined in each trust. The Foundation's interest in the charitable remainder trusts is recognized based on the fair market value of the trust assets, less any liabilities of the trust. Under a split-interest trust, the donor is paid specified distributions for a future period of time and upon termination of the trust, the Foundation receives all or a portion of the trust assets.

**Life Insurance Cash Surrender Value**

The Foundation is the owner of certain life insurance policies on various donors who have named the Foundation as beneficiary. These policies are valued at their cash surrender value.

**Property and Equipment**

Property and equipment over \$25,000 are recorded at cost when purchased. Donated property is recorded at estimated fair market value at the date of acquisition. Depreciation is provided on the straight-line method over the estimated useful lives of the assets, which range from 5 to 39 years. Contributions of long-lived assets, such as property, are recognized as an increase in unrestricted net assets in the year the asset is received. Depreciation expense for the years ended June 30, 2021 and 2020 amounted to \$1,141,618 and \$1,099,740, respectively.

**Capitalized Software**

Costs related to software purchased for internal use, which are required to be capitalized, are included in property and equipment.

**Annuities Payable**

Annuities payable represent the cumulative present value of the liabilities to donors of irrevocable charitable gift annuities based on the life expectancy of each annuitant or based upon the fixed term of the annuity. Payments to donors are expected to range from fiscal year 2024 to fiscal year 2052. The present value is determined by applying a discount rate and an annuity factor. The discount rate was 1.20% and 0.06% for fiscal years 2021 and 2020, respectively. Annuity adjustment factors based on IRS Publications 1457 and 1458.

**Funds Held for Affiliates**

The Foundation raises or holds contributions for affiliates. The Foundation accepts contributions from donors and agrees to transfer those assets, the return on investment of those assets or both, to the affiliate that was specified by the donor.

The Foundation continues to report these funds as assets of the Foundation; however, a liability has been established for the fair value of the funds. All financial activity related to the funds is recorded as adjustments to the funds held for affiliate's liability and is omitted from the consolidated statement of activities.

**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Administrative Fees**

The Foundation charges an annual administrative fee based on endowment balances for managing and administering the investments under its control. In addition, the Foundation charges quarterly administrative fees for pooled investments belonging to the University and The University of Toledo Alumni Association. The University investments include the board-designated reserves and endowments. In 2021 and 2020, the tiered fee ranged from .75%-1.5% of the fund balances and is computed on a rolling twelve quarter average. The amount charged to the University and The University of Toledo Alumni Association was approximately \$3.1 million in 2021 and 2020. Administrative fees charged to restricted funds of the Foundation are included in revenue without donor restrictions.

**Bookstore Revenue**

Bookstore revenue is recognized at a point in time as further described in Note 11.

**Functional Allocation of Expenses**

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Invoices for professional fees and purchased services directly relate to the specific function and are therefore posted to the appropriate program or supporting function. There are no shared expenses that require allocation.

**Income Tax Status**

The Foundation and the Corporation are incorporated under the laws of the state of Ohio as nonprofit corporations and are exempt from state and local income taxes. The Internal Revenue Service (IRS) has determined that the Foundation and the Corporation are tax-exempt organizations as defined under Section 501(c) (3) and Section 501(c) (25) (C), respectively, of the Internal Revenue Code. Other subsidiaries of the Foundation are incorporated in the state of Ohio as limited liability companies and may cause the Foundation to be subject to unrelated business income tax on certain activities unrelated to its primary mission. Management has estimated potential liability to unrelated business income tax to be nominal.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and recognize a tax liability if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Foundation and has concluded that as of June 30, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the consolidated financial statements. The Foundation and Corporation are subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

**Change in Accounting Principle**

In August 2018, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-13 *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The ASU removes and modifies fair value measurement disclosure requirements retrospectively for non-public entities. The ASU is effective for fiscal years beginning after December 15, 2019. Application did not have a material impact on the Foundation’s consolidated financial statements.

**Subsequent Events**

We have evaluated subsequent events through September 30, 2021, the date the consolidated financial statements were available to be issued.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 2,125,345	\$ 1,536,719
Accounts Receivable - Operations	837,298	808,589
Operating Investments	<u>19,238,864</u>	<u>5,982,666</u>
Total	<u>\$ 22,201,507</u>	<u>\$ 8,327,974</u>

The Foundation’s endowment consists of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes and are not available for general expenditure.

The board-designated endowment of \$11,835,697 and \$9,542,348 as of June 30, 2021 and 2020, respectively, is subject to an annual spending rate of 4.0% as described in Note 8. Although we do not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of our board’s annual budget approval and appropriation), these amounts could be made available if necessary.

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**NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)**

The Foundation's nonendowed funds consist of donor-restricted funds and funds designated by the Board for a specific purpose. The balances of those nonendowed funds with donor restrictions are not available for general expenditure.

The Foundation charges an annual administrative fee that ranges from 0.75% to 1.5% as described in Note 1 on the endowed fund balances and other investments under its management. This annual administrative fee is available over the course of the fiscal year for general expenditure.

As part of the Foundation's liquidity management plan, the board designates a portion of any operating surplus to its operating reserve, which was \$4,798,579 and \$4,118,930 as of June 30, 2021 and 2020, respectively. Similar to other board-designated funds, the operating reserve is considered available for general expenditures.

**NOTE 3 CONTRIBUTIONS RECEIVABLE**

As of June 30, 2021 and 2020, donors to the Foundation have made unconditional promises to give that are measured at fair value. A risk premium has been estimated by management based on uncertainty factors to determine expected future cash flows from unconditional promises to give that are discounted to a net present value based on a risk-free interest rate. Write-offs of uncollectible pledges for the years ended June 30, 2021 and 2020 amounted to \$1,223,301 and \$1,328,508, respectively.

Contributions receivable at June 30 are as follows:

	<u>2021</u>	<u>2020</u>
Within One Year	\$ 7,911,272	\$ 8,387,775
Over One to Five Years	5,077,328	3,885,478
More than Five Years	600,619	295,355
Total	<u>13,589,219</u>	<u>12,568,608</u>
Risk Premium	(879,381)	(784,256)
Present Value Discount	<u>(78,668)</u>	<u>(19,578)</u>
Net Contributions Receivable	12,631,170	11,764,774
Net Due in One Year	7,600,219	8,024,294
Net Due in Excess of One Year	<u>5,030,951</u>	<u>3,740,480</u>
Total Contributions Receivable	<u>\$ 12,631,170</u>	<u>\$ 11,764,774</u>

In May 2006, the Foundation received a pledge of \$15 million to establish three endowed funds to support the University. The timing and amounts of the payments and the amounts allocated to the funds were determined by the donors who agreed to completing the pledge within 15 years. The final pledge payment was received in 2021. The pledge balance due was recorded at fair value as a contribution receivable with a net present value of \$3.1 million as of June 30, 2020.

**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
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**NOTE 4 INVESTMENTS**

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

	2021		2020	
	Market	Cost	Market	Cost
Common Stock	\$ 77,814,002	\$ 55,880,320	\$ 52,380,554	\$ 46,460,048
Mutual Funds, Index Funds, and EFTs - Equity	307,161,632	227,128,460	214,596,608	204,708,489
Mutual Funds, ETFs - Fixed Income	51,843,930	52,597,841	52,119,136	51,314,048
Hedge Funds	49,521,442	43,893,819	43,276,674	42,717,979
Partnerships	90,664,208	68,772,798	74,202,606	71,301,224
U.S. Government and Agency Issues	12,051,136	11,828,867	12,484,358	12,106,114
Corporate Bonds	2,893,502	2,755,396	3,061,024	2,855,856
Real Estate	9,689,137	9,038,624	-	-
Cash Equivalents	5,721,818	5,721,818	15,239,963	15,239,963
Accrued Interest	276,373	276,373	195,980	195,980
Total Pooled Investments	<u>\$ 607,637,180</u>	<u>\$ 477,894,316</u>	<u>\$ 467,556,903</u>	<u>\$ 446,899,701</u>

At the October 2020 meeting, the Foundation Board of Trustees approved new terms for funding by the pooled investment portfolio of up to \$7.3 million for the University capital projects. The terms were changed, from the original loan agreement made in March 2016 and amended in January 2019, and includes extending the full payment of the loan until July 1, 2036. The balance owed to the pool as of June 30, 2021 and 2020, is \$3,778,399 and \$3,996,684, respectively and is included in U.S. Government and Agency Issues above.

The Foundation holds other investments that do not participate in the investment pool. The following are the Foundation's nonpooled investments at June 30:

	2021		2020	
	Market	Cost	Market	Cost
Common Stock	\$ 1,561,633	\$ 641,836	\$ 1,088,563	\$ 536,565
Private Closely Held	2,038,100	2,037,100	2,038,100	2,038,100
Mutual Funds and EFTs - Fixed Income	521,558	513,846	1,003,657	970,371
Corporate Bonds	131,763	129,904	134,458	129,904
Mutual Funds, Index Funds, and EFTs - Equity	4,672,702	3,809,168	3,314,267	2,944,569
Cash Equivalents	122,182	122,182	262,821	262,821
Accrued Interest	884	884	1,029	1,029
Total Nonpooled Investments	<u>\$ 9,048,822</u>	<u>\$ 7,254,920</u>	<u>\$ 7,842,895</u>	<u>\$ 6,883,359</u>



**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
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**NOTE 4 INVESTMENTS (CONTINUED)**

The Foundation holds investments as beneficiary of irrevocable charitable remainder trust agreements. The following are the investments' holdings related to the charitable remainder trusts at June 30:

	2021		2020	
	Market	Cost	Market	Cost
Common Stock	\$ 2,114,029	\$ 722,238	\$ 1,760,540	\$ 795,078
Mutual Funds and EFTs - Fixed Income	982,556	929,690	960,019	897,348
Mutual Funds, Index Funds, and EFTs - Equity	1,389,285	748,205	1,042,730	784,889
Corporate Bonds	132,425	124,711	134,752	124,936
Cash Equivalents	26,598	26,598	47,200	47,200
Accrued Interest	2,916	2,916	3,153	3,153
Total Charitable Remainder Trust Investments	<u>\$ 4,647,809</u>	<u>\$ 2,554,358</u>	<u>\$ 3,948,394</u>	<u>\$ 2,652,604</u>

The Foundation had the following sources of unrealized and realized gains and losses reported on the accompanying consolidated statement of activities for June 30:

	2021			
	Pooled	Nonpooled	Remainder	
			Trusts	Total
Unrealized Gains:				
Ending Balance	\$ 67,112,115	\$ 1,752,072	\$ 2,093,451	\$ 70,957,638
Beginning Balance	4,135,075	919,154	1,295,790	6,350,019
Unrealized Gains	62,977,040	832,918	797,661	64,607,619
Realized Gains	13,948,683	121,703	159,474	14,229,860
Total Realized and Unrealized Gains	<u>\$ 76,925,723</u>	<u>\$ 954,621</u>	<u>\$ 957,135</u>	<u>\$ 78,837,479</u>
	2020			
	Pooled	Nonpooled	Remainder	
			Trusts	Total
Unrealized Gains:				
Ending Balance	\$ 4,135,075	\$ 919,154	\$ 1,295,790	\$ 6,350,019
Beginning Balance	26,015,507	687,687	1,221,460	27,924,654
Unrealized Gains (Losses)	(21,880,432)	231,467	74,330	(21,574,635)
Realized Gains	14,849,494	4,072	35,632	14,889,198
Total Realized and Unrealized Gains (Losses)	<u>\$ (7,030,938)</u>	<u>\$ 235,539</u>	<u>\$ 109,962</u>	<u>\$ (6,685,437)</u>

Investment and custody fees of \$849,239 and \$641,705 relating to the Foundation's investments were incurred for the years ended June 30, 2021 and 2020, respectively.

The Foundation holds real estate that is classified as investments on the consolidated statement of financial position. Real estate held as investments is recorded at cost and totaled \$593,476 as of June 30, 2021 and 2020.

**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
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**NOTE 4 INVESTMENTS (CONTINUED)**

On March 30, 2016, the University of Toledo entered into a Grantor Trust Agreement with the Foundation to allow the Foundation to hold title to 8,554.8 shares of VHA-UHC Alliance Newco, Inc. (now known as Vizient Inc.). The purpose for this trust rests in the fact that Vizient, Inc. is a for-profit entity and Ohio law does not permit state entities to hold title or ownership interests in for-profit entities. The initial gift was recorded based on a valuation analysis of the common stock at \$2,000,000 as of June 30, 2016, and a corresponding liability payable to the University of Toledo is recorded and is included as Grantor Trust Payable to a Related Party on the consolidated statement of financial position. The University's interest in Vizient (a private company) is less than 1% and the cost basis is used to record the asset and corresponding liability and the investment is reviewed annually for impairment.

The aggregate carrying amount of the investments measured on a nonrecurring basis included in the nonpooled investments on the consolidated statements of financial position is \$2,038,100 as of June 30, 2021 and 2020. The fair value of these investments is not estimated if there are no identified events or changes in circumstances that may have a significant adverse effect on the fair value of the investment.

The pooled investments provided funding to Gateway Investments in the total amount of \$4.85 million as of June 30, 2021 and 2020. The Foundation's portion of the funding from the pooled investments was approximately \$2.82 million and \$2.77 million as of June 30, 2021 and 2020, respectively. The Foundation's contributions have been eliminated in the consolidating financial statements.

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and those changes could materially affect the amounts reported in the consolidated statements of financial position.

**NOTE 5 LEASE AGREEMENTS**

The Foundation has entered into two lease agreements for office space in their Dorr Street facility. The December 2018 agreement has a five-year term and rent revenue amounted to \$810,000 for years ended June 30, 2021 and 2020. Future annual rent to be received under this lease is as follows: \$810,000 for each fiscal year 2022 and 2023, and \$405,000 for 2024 for a total of \$2,025,000. The December 2019 agreement has a three-year term and rent revenue amounted to \$119,444 and \$58,333 for the years ended June 30, 2021 and 2020. Future rent to be received under this lease is \$133,333 for 2022 and \$55,556 for 2023 for a total of \$188,889. Total rental income to be received under the aforementioned leases amounts to \$2,213,889 at June 30, 2021.

**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
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**NOTE 6 PENSION PLANS**

The Foundation has noncontributory defined contribution retirement plans covering all permanent employees who have at least 1,000 hours of service in a 12-consecutive-month period. Contributions are based on a percentage of gross wages. Several employees that were originally covered by the Ohio Public Employees Retirement System (OPERS) prior to the Foundation having its own employees were grandfathered into OPERS. There is one active employee covered by OPERS at June 30, 2021 and 2020. Employees participate in only one of the retirement plans. Total pension expense for the years ended 2021 and 2020 was \$299,112 and \$300,562, respectively.

**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods.

	2021	2020
Subject to Expenditure for Specified Purpose:		
Academics	\$ 21,853,505	\$ 19,701,507
Student Aid	5,080,476	3,253,470
Capital Projects	2,730,644	2,609,955
Athletic Programs	6,662,178	6,002,149
Research	2,879,395	2,712,641
General Support	1,593,264	5,686,035
Total	40,799,462	39,965,757
Endowments:		
Subject to Spending Policy:		
Academics	72,070,735	48,417,949
Student Aid	64,823,252	41,884,052
Capital Projects	6,336,318	4,454,606
Athletic Programs	329,553	140,232
Research	7,137,570	3,107,117
General Support	13,223,896	2,169,039
Total	163,921,324	100,172,995
Restricted by Donors in Perpetuity for:		
Academics	49,442,397	48,382,811
Student Aid	64,523,517	62,419,011
Capital Projects	3,786,669	3,745,633
Athletic Programs	720,599	732,312
Research	14,719,947	14,389,472
General Support	3,527,778	2,793,195
Total	136,720,907	132,462,434
Total Endowments	300,642,231	232,635,429
Total Net Assets with Donor Restrictions	\$ 341,441,693	\$ 272,601,186

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**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

	2021	2020
Satisfaction of Time and Purpose Restrictions:		
Academics	\$ 5,107,856	\$ 4,522,404
Student Aid	4,665,969	4,885,091
Capital Projects	310,177	526,066
Athletic Programs	1,583,615	4,299,454
Research	544,468	461,534
General Support	122,531	195,707
Total Net Assets Released from Donor Restrictions	\$ 12,334,616	\$ 14,890,256

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**NOTE 8 ENDOWMENT FUNDS**

The Foundation's endowment consists of funds established for a variety of purposes. The endowment consists of donor-restricted and board-designated endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the governing board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law**

The board of trustees of the Foundation (the Board) has reviewed UPMIFA and recognizes the importance of the preservation of the donor-restricted endowment funds absent explicit donor stipulations as well as the safeguarding of the original gifts to provide support to the University in perpetuity. As a result, the Foundation classifies net assets with donor restrictions of a perpetual nature as (a) the original gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standards of prudence prescribed by UPMIFA.

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**NOTE 8 ENDOWMENT FUNDS (CONTINUED)**

**Interpretation of Relevant Law (Continued)**

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- Duration and preservation of the endowment fund
- Purpose of the Foundation and the endowment fund
- General economic conditions
- Possible effect of inflation or deflation
- Expected total return from income and the appreciation of investments
- Other resources of the Foundation
- Investment policy of the Foundation

**Funds with Deficiencies**

The objective is to achieve a total return in excess of the broad policy benchmarks comprised of each broad asset category weighted by its target allocation. The current broad policy benchmarks are:

U.S. Equity: Russell 3000

International Equity: MCSCI ACWI ex-U.S.

Global Fixed Income: Bloomberg Barclays U.S. Aggregate Index

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. These deficiencies result from unfavorable market fluctuations or continued appropriation for certain programs deemed prudent by the board. These deficiencies, \$935 and \$45,580 at June 30, 2021 and 2020, respectively, are reported in net assets with donor restrictions.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term total return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places greater emphasis on equity-based investments constructed with prudent risk constraints. Over time, the Foundation expects its endowment funds to provide an average rate of return in excess of average appropriations.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Foundation has a spending policy based on a three-year moving market value average of invested funds. The Foundation appropriated 4% for fiscal years 2021 and 2020. In establishing this policy, the Foundation considered the long-term expected total return on endowment assets. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowments to accumulate capital sufficient to maintain its purchasing power.

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**NOTE 8 ENDOWMENT FUNDS (CONTINUED)**

**Spending Policy and How the Investment Objectives Relate to Spending Policy**  
**(Continued)**

Changes in endowment net assets for the fiscal year ended June 30 are as follows:

	2021		
	Board- Endowed Net Assets		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ 9,542,348	\$ 232,635,429	\$ 242,177,777
Investment Return:			
Investment Income	119,148	2,998,317	3,117,465
Net Appreciation	2,499,742	61,866,663	64,366,405
Total Investment Return	2,618,890	64,864,980	67,483,870
Contributions and Board Transfers to Endowment Funds	48,056	12,293,403	12,341,459
Other Income/Transfers to Endowment Funds	-	49,795	49,795
Administrative Fees	(126,691)	(2,820,829)	(2,947,520)
Other Transfers and Funds Appropriated For Expenditure	(246,906)	(6,380,548)	(6,627,454)
Change in Net Assets	2,293,349	68,006,801	70,300,150
Endowment Net Assets - End of Year	<u>\$ 11,835,697</u>	<u>\$ 300,642,230</u>	<u>\$ 312,477,927</u>
	2020		
	Board- Endowed Net Assets		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ 9,841,301	\$ 241,778,638	\$ 251,619,939
Investment Return:			
Investment Income	147,079	3,579,184	3,726,263
Net Depreciation	(233,349)	(5,170,724)	(5,404,073)
Total Investment Return	(86,270)	(1,591,540)	(1,677,810)
Contributions and Board Transfers to Endowment Funds	36,452	1,733,359	1,769,811
Other Income/Transfers to Endowment Funds	-	59,728	59,728
Administrative Fees	(122,346)	(2,748,756)	(2,871,102)
Other Transfers and Funds Appropriated For Expenditure	(126,789)	(6,596,000)	(6,722,789)
Change in Net Assets	(298,953)	(9,143,209)	(9,442,162)
Endowment Net Assets - End of Year	<u>\$ 9,542,348</u>	<u>\$ 232,635,429</u>	<u>\$ 242,177,777</u>

**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
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**NOTE 8 ENDOWMENT FUNDS (CONTINUED)**

**Spending Policy and How the Investment Objectives Relate to Spending Policy**  
**(Continued)**

The above schedule and balances reflect contributions receivable of approximately \$6,549,500 and \$6,307,000 for endowed net assets with donor restrictions, for the fiscal years ended June 30, 2021 and 2020, respectively. Other transfers include appropriations in accordance with the 4% spending policy and satisfaction of donor restrictions.

Net assets related to charitable remainder trusts of approximately \$2,438,900 and \$1,751,500 for fiscal years ended June 30, 2021 and 2020, respectively, are included in the above net assets with donor restrictions, classified based on the donors' restrictions. Charitable remainder trusts have assets invested based on the donors' directive. Spending from net assets of charitable remainder trusts commences upon the maturity of the trust.

Other transfers and funds appropriated for expenditures of net assets with donor restrictions relate mainly to transfers of endowed spendable earnings to operating net assets, as well as reclassifications due to changes in donor intent through revised fund agreements or other communications.

**NOTE 9 RELATED PARTY TRANSACTIONS**

During fiscal year 2020, the Foundation transferred land with a cost of \$977,271 to the University.

As further described in Note 5, the Foundation began leasing space to a tenant in December 2019, for an annual amount of \$100,000, subject to a potential rent adjustment based on the tenant's positive net operating income. Total rental income from the aforementioned lease amounted to \$119,444 and \$58,333 in fiscal year 2021 and 2020, respectively.

Throughout the year, the Foundation has purchased goods or services from companies which are related to some Foundation board members through ownership or employment, the amounts of which are immaterial.

As further documented at Note 4, the Foundation Board of Trustees approved funding by the pooled investment portfolio of up to \$6 million for University capital projects. This 10-year loan was approved by the University in July 2016 with the first draw of \$2.15 million in August 2016. The balance owed to the pool as of June 30, 2021 and 2020 is \$3,778,399 and \$3,996,684, respectively.

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**NOTE 10 REAL ESTATE CORPORATION**

The Corporation entered into a Ground Lease Agreement (the lease) for property it owns on Dorr Street, effective July 1, 2010. The lease has an initial term of 20 years and provides for four additional option periods with each option period including five additional years. During the initial term, base rent of \$32,000 was paid per year for the first five years. Each sequential five years will include an 8% increase to the base rent. As of July 1, 2015, the effective base rate is \$34,560. After the initial 20-year term, the base rent will be determined by the prevailing fair market rental value.

**NOTE 11 UTF GATEWAY INVESTMENTS**

Gateway Investments entered into an amended and restated ground lease agreement with the University on July 26, 2011. The University agreed to lease Gateway Investments land for an initial term of 40 years commencing on July 1, 2011, with two optional 10-year extension periods. Gateway Investments developed and constructed The Gateway on the premises.

On November 17, 2011, Gateway Investments and the Foundation, as guarantor, issued senior secured notes in the amount of \$10.8 million in connection with the long-term financing of The Gateway. The notes are secured through the open-end mortgage, security agreement, assignment of leases, and rents and fixture filings. The notes were privately placed with a bank. The notes bear an interest rate of 4.9% and mature on November 1, 2027. Annual principal payments range from \$304,868 to \$6,159,592 and are payable on November 1. As part of the note purchase agreement, the Foundation is required under the guarantor covenant to maintain total net assets in excess of \$140 million.

In connection with the issuance of the senior notes, Gateway Investments incurred costs of approximately \$271,000 that are amortized over the life of the notes through 2027 on a straight-line basis.

Minimum principal and interest payments on the notes to maturity as of June 30, 2021 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 336,191	\$ 406,419	\$ 742,610
2023	353,039	389,571	742,610
2024	370,732	371,878	742,610
2025	389,311	353,299	742,610
2026	408,822	333,788	742,610
2027 and Thereafter	6,475,821	437,552	6,913,373
Total	<u>\$ 8,333,916</u>	<u>\$ 2,292,507</u>	<u>\$ 10,626,423</u>



**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
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**NOTE 11 UTF GATEWAY INVESTMENTS (CONTINUED)**

The following summarizes the notes payable the Foundation has secured with balances due as of June 30:

	<u>2021</u>	<u>2020</u>
Senior Secured Notes Payable	\$ 8,446,997	\$ 8,767,144
Less: Unamortized Debt Issuance Costs	<u>113,081</u>	<u>130,937</u>
Total Notes Payable, Net	8,333,916	8,636,207
Less: Current Maturities	<u>336,191</u>	<u>320,146</u>
Total Notes Payable, Less Current Maturities	<u><u>\$ 7,997,725</u></u>	<u><u>\$ 8,316,061</u></u>

Interest expense consists of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Interest	\$ 421,156	\$ 436,497
Amortization of Bond Issuance Costs	<u>17,855</u>	<u>17,855</u>
Total	<u><u>\$ 439,011</u></u>	<u><u>\$ 454,352</u></u>

Bond issuance costs consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Loan Acquisition Costs	\$ 271,000	\$ 271,000
Less: Accumulated Amortization	<u>157,919</u>	<u>140,063</u>
Net Loan Acquisition Costs	<u><u>\$ 113,081</u></u>	<u><u>\$ 130,937</u></u>

During fiscal year 2015, a board resolution established a Bond Sinking Fund to invest funds to meet the balloon principal payment of approximately \$6.1 million that matures November 1, 2027. After an initial investment of \$330,000 on December 22, 2014, quarterly transfers of \$82,500 from operating accounts commenced.

The Foundation entered into a lease agreement with Gateway Investments on August 31, 2011, to occupy retail space for a collegiate bookstore. The term of the agreement is 15 years with three five-year renewal options. The minimum annual rent is approximately \$293,000 for lease years 1 through 5; \$302,000 for lease years 6 through 10; \$311,000 for lease years 11 through 15; \$320,000 for lease years 16 through 20; \$329,000 for lease years 21 through 25; and \$339,000 for lease years 26 through 30. This rent is eliminated in consolidation.

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**NOTE 11 UTF GATEWAY INVESTMENTS (CONTINUED)**

The Foundation has a management agreement with Barnes & Noble to provide services to manage the collegiate bookstore and provide the bookstore inventory located within The Gateway through June 30, 2027, with an automatic renewal for one additional five-year term. The bookstore is operated under the Barnes & Noble trade name. Under the terms of the agreement, Barnes & Noble pays the Foundation a variable fee on aggregate collectible sales. The variable fee is 11% of collectible sales up to \$10 million; 12.5% of collectible sales between \$10 million and \$12 million; and 14% of collectible sales in excess of \$12 million. Revenue recognized related to the operation of the bookstore was approximately \$3,455,000 in fiscal year 2021 and approximately \$4,549,000 in fiscal year 2020 and is included in bookstore revenue on the consolidated statement of activities.

Related expense recognized was approximately \$3,185,000 in fiscal year 2021 and approximately \$4,166,000 in fiscal year 2020 and is included in bookstore expenses on the consolidated statements of activities.

Gateway Investments is the landlord for seven other leases, and such leases include renewal options that include terms from three to ten years. Total rent revenue related to these leases was approximately \$545,000 in 2021 and \$558,000 in 2020.

The following table summarizes the expected rent receipts during the initial terms of contracts:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 565,861
2023	460,493
2024	428,200
2025	408,200
2026	408,200
2027 and Thereafter	514,928
Total	<u>\$ 2,785,882</u>

**NOTE 12 FUNDS HELD FOR AFFILIATES**

Transactions in agency funds are summarized below for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Investment Income (Loss), Net	\$ 59,495,325	\$ (1,735,227)
Distributions - Affiliates	<u>(5,242,187)</u>	<u>(9,902,336)</u>
Change in Balance	54,253,138	(11,637,563)
Balance in Affiliate Funds - Beginning of Year	<u>201,274,924</u>	<u>212,912,487</u>
Balance in Affiliate Funds - End of Year	<u>\$ 255,528,062</u>	<u>\$ 201,274,924</u>

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**NOTE 13 FAIR VALUE MEASUREMENTS**

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

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

Disclosures concerning assets measured at fair value on a recurring basis for June 30, 2021 are as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2021
<b>ASSETS</b>				
Pooled Investments:				
Mutual Funds, Index Funds, and ETFs - Equities	\$ 307,161,632	\$ -	\$ -	\$ 307,161,632
Mutual Funds and ETFs - Fixed Income Common Stock	51,843,930	-	-	51,843,930
U.S. Government and Agency Issues	77,814,002	-	-	77,814,002
Corporate Bonds	-	12,051,136	-	12,051,136
Real Estate	-	2,893,502	-	2,893,502
Subtotal	436,819,564	24,633,775	-	461,453,339
Hedge Funds - NAV Practical Expedient	-	-	-	49,521,442
Partnerships - NAV Practical Expedient	-	-	-	90,664,208
Cash Equivalents	-	-	-	5,721,818
Accrued Interest	-	-	-	276,373
Total Pooled Investments	<u>\$ 436,819,564</u>	<u>\$ 24,633,775</u>	<u>\$ -</u>	<u>\$ 607,637,180</u>
Nonpooled Investments:				
Corporate Bonds	\$ -	\$ 131,763	\$ -	\$ 131,763
Mutual Funds and ETFs - Fixed Income	521,558	-	-	521,558
Mutual Funds, Index Funds, and ETFs - Equities	4,672,702	-	-	4,672,702
Common Stock	1,561,633	-	-	1,561,633
Subtotal	6,755,893	131,763	-	6,887,656
Private Closely Held	-	-	-	2,038,100
Cash Equivalents	122,182	-	-	122,182
Accrued Interest	884	-	-	884
Total Nonpooled Investments	<u>\$ 6,878,959</u>	<u>\$ 131,763</u>	<u>\$ -</u>	<u>\$ 9,048,822</u>
Other Assets:				
Assets Held in Remainder Trusts	\$ -	\$ -	\$ 4,647,809	\$ 4,647,809
Contributions Receivable	\$ -	\$ -	\$ 12,631,170	\$ 12,631,170

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**NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)**

Disclosures concerning assets measured at fair value on a recurring basis for June 30, 2020 are as follows:

<b>ASSETS</b>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2020
<b>Pooled Investments:</b>				
Mutual Funds, Index Funds, and ETFs - Equities	\$ 214,596,608	\$ -	\$ -	\$ 214,596,608
Mutual Funds and ETFs - Fixed Income	52,119,136	-	-	52,119,136
Common Stock	52,380,554	-	-	52,380,554
U.S. Government and Agency Issues	-	12,484,358	-	12,484,358
Corporate Bonds	-	3,061,024	-	3,061,024
Subtotal	<u>319,096,298</u>	<u>15,545,382</u>	<u>-</u>	<u>334,641,680</u>
Hedge Funds - NAV Practical Expedient	-	-	-	43,276,674
Partnerships - NAV Practical Expedient	-	-	-	74,202,606
Cash Equivalents	-	-	-	15,239,963
Accrued Interest	-	-	-	195,980
Total Pooled Investments	<u>\$ 319,096,298</u>	<u>\$ 15,545,382</u>	<u>\$ -</u>	<u>\$ 467,556,903</u>
<b>Nonpooled Investments:</b>				
Corporate Bonds	\$ -	\$ 134,458	\$ -	\$ 134,458
Mutual Funds and ETFs - Fixed Income	1,003,657	-	-	1,003,657
Mutual Funds, Index Funds, and ETFs - Equities	3,314,267	-	-	3,314,267
Common Stock	1,088,563	-	-	1,088,563
Subtotal	<u>5,406,487</u>	<u>134,458</u>	<u>-</u>	<u>5,540,945</u>
Private Closely Held	-	-	-	2,038,100
Cash Equivalents	-	-	-	262,821
Accrued Interest	-	-	-	1,029
Total Nonpooled Investments	<u>\$ 5,406,487</u>	<u>\$ 134,458</u>	<u>\$ -</u>	<u>\$ 7,842,895</u>
<b>Other Assets:</b>				
Assets Held in Remainder Trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,948,394</u>	<u>\$ 3,948,394</u>
Contributions Receivable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,764,774</u>	<u>\$ 11,764,774</u>

The Foundation measures contributions receivable at fair value to provide a valuation based on current yield curves and create consistency in financial presentation with measurements of other financial instruments. Fair value is determined using the present value technique, adjusting cash flows from unconditional promises to give by a risk premium and then discounting the expected cash flows, net of risk premium, using a risk-free interest rate based on current market conditions. The risk premium is determined for each individual pledge based on any expected variance in timing of payments, pledges past due, donor's relationship with the Foundation, publicity of the pledge, the Foundation's collection history, and any other relevant information.

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**NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)**

The following table represents the Foundation's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and the ranges of value for those inputs:

	Fair Value at June 30, 2021	Valuation Technique	Significant Unobservable Inputs Used	Range (Weighted Average)
Assets:				
Contributions Receivable	\$ 12,631,170	Discounted Cash Flow	Risk-Free Rate Default Factor Past Due Allowance	0.6 - 1.5% 10%
Assets Held in Remainder Trusts	4,647,809	Market Value of Underlying Assets	None	10% - 90% None
	Fair Value at June 30, 2020	Valuation Technique	Significant Unobservable Inputs Used	Range (Weighted Average)
Assets:				
Contributions Receivable	\$ 11,764,774	Discounted Cash Flow	Risk-Free Rate Default Factor Past Due Allowance	0.6 - 1.5% 10%
Assets Held in Remainder Trusts	3,948,394	Market Value of Underlying Assets	None	10% - 90% None

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**NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)**

The following summarizes fair value measurements of investments in certain entities that calculate net asset value per share (or its equivalent) as of June 30:

Investment	Investment Strategy	June 30, 2021		June 30, 2020		Redemption Frequency	Redemption Notice Period
		Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments		
Siguler Guff Distressed Opportunities Fund III, LP	A partnership assembled as a Portfolio of funds representing a full spectrum of distressed investment approaches, including short-term and medium-term trading strategies, taking an influencing role in the reorganization process, investing for control in the class of the securities to affect the reorganization process, or acquiring the issuer.	\$ 897,000	\$ 136,164	\$ 727,000	\$ 136,164	No Restrictions	Requires notification to general partner. Redemption is subject to written consent of general partner.
Metropolitan Real Estate Partners VII, LP	A private real estate fund of funds focused primarily on value-added and opportunistic private real estate funds, most of which are niche funds that do not utilize operating partners. The fund seeks exposure to a broad set of underlying funds with differing sector and geographic allocations.	229,000	141,679	300,000	141,679	No Restrictions	Requires notification to general partner. Redemption is subject to written consent of general partner.
Robeco Sam Clean Tech Private Equity II, LP	A partnership assembled as a portfolio of funds seeking the most attractive Clean Tech private equity managers and co-investments, focusing on development and late-stage deployment of proven technologies and on project development.	1,485,000	160,280	1,599,000	160,280	No Restrictions	Requires notification to general partner. Redemption is subject to written consent of general partner.

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**NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)**

Investment	Investment Strategy	June 30, 2021		June 30, 2020		Redemption Frequency	Redemption Notice Period
		Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments		
Aether Real Assets II, LP	A partnership that strives for superior risk-adjusted returns by focusing on its primary sectors of oil and natural gas, metals, and minerals, and agriculture and timber. Other sectors of focus include traditional and alternative energy assets, infrastructure and capital assets, and water and other investments.	\$ 1,596,000	\$ -	\$ 1,464,000	\$ 11,189	No Restrictions	Requires notification to general partner. Redemption is subject to written consent of general partner.
Kayne Anderson Energy Fund VI, LP	The partnership's principal strategy is to establish significant investment positions in privately issued securities, of public and private energy companies or in certain assets of those companies, influence the creation of wealth and the growth of the business of those companies, and maintain control over its disposition of those securities in order to achieve its investment objective.	421,000	495,090	643,000	548,017	No Restrictions	Requires notification to general partner. Redemption is subject to written consent of general partner.
FEG Private Opportunities Fund, LP.	A fund of funds structure to invest in three key market segments: global private equity, special situations, and real assets. The funds will identify other private investment funds in which to invest. The funds are expected to invest in twelve to fifteen private equity funds, five to eight real asset funds, and five to eight special situation funds.	65,878,000	57,001,500	44,384,000	8,271,500	No Restrictions	Requires notification to general partner. Redemption is subject to written consent of general partner.
FEG Private Opportunities Fund II, LP.							
FEG Private Opportunities Fund III, LP.							

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**NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)**

Investment	Investment Strategy	June 30, 2021		June 30, 2020		Redemption Frequency	Redemption Notice Period
		Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments		
Falcon Strategic Partners IV, LP	The partnership has a differentiated disciplined approach to mezzanine investing that seeks inefficiencies in the lower middle market; Falcon Strategic encourages a partnership approach; identifies price potential transactions in a calibrated risk/return framework; and supports long-term value creation.	\$ 3,006,000	\$ -	\$ 3,083,000	\$ -	No Restrictions	Requires notification to general partner. Redemption is subject to written consent of general partner.
Pennant Windward LLC	A fundamental based long/short equity hedge fund utilizing a research driven approach to investing. The fund generally includes a macro hedging component and will opportunistically invest in nonequity securities when relevant. The fund will be predominately invested in the U.S. but will have some exposure to international markets. The fund seeks to outperform returns as measured by the HFRI Equity Hedge Index and S&P 500, with a lower level of volatility.	799,000	-	721,000	-	Quarterly	60 Days
Graham Capital Management Fund II	A global macro hedge fund that specializes in both systematic and discretionary macro strategies. The fund employs a trend-based trading approach comprised of multiple sub-models, trading using several factors including price, volatility, and trade duration.	2,799,000	-	2,790,000	-	Close of business each Wednesday and last business day of each month.	3 Days (Written)



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**NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)**

Investment	Investment Strategy	June 30, 2021		June 30, 2020		Redemption Frequency	Redemption Notice Period
		Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments		
Strategic Value Partners Fund	A hedge fund focusing on distressed, event-driven deals with impending restructurings along with other deep-value investments. The fund is global in nature primarily in the U.S. and Europe. Target investments are typically 65-80% senior debt and 20-35% subordinated debt/equity. The fund generally does not employ leverage at the fund level.	\$ 11,151,000	\$ -	\$ 8,070,000	\$ -	Quarterly	95 Days
Rimrock	A fixed-income hedge fund. The fund strategy is multi-sector fixed-income relative value that utilizes modest leverage, is actively hedged, and encompasses income and total return strategies. The fund focuses on short average life securities due to their relatively low amount of price sensitivity, including mortgage-backed securities, asset-backed securities, corporate credit, government and agency securities, and non-U.S. and emerging market securities.	-	-	527,000	-	Annually	120 Days
Falcon Strategic Partners V, LP	The Partnership invests primarily in mezzanine securities issued by lower middle market companies located in North America. Pursues an opportunistic approach, investing across a wide variety of industry sectors and transaction types alongside entrepreneurs, management teams, nontraditional sponsors, and private equity funds; combining creative and flexible investment structures with carefully calibrated, risk-adjusted pricing. Active return comparisons used the S&P 500 Index and the Barclays five to seven-year High Field Index.	5,807,000	-	5,799,000	-	No Restrictions	Requires notification to general partner. Redemption is subject to written consent of general partner.

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**NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)**

Investment	Investment Strategy	June 30, 2021		June 30, 2020		Redemption Frequency	Redemption Notice Period
		Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments		
Fir Tree International Value Fund	The multi-strategy hedge fund utilizes an opportunistic, value oriented approach. Investing on a global basis, across multiple asset classes, sectors, capital structures, and public and private markets, migrates to less efficient parts of the market looking for undiscovered value including various structured products overlooked by the marketplace. The Fund has generated returns significantly above the HFRI Weighted Composite Index and Barclays Aggregate Bond Index.	\$ 8,465,000	\$ -	\$ 6,599,000	\$ -	Biennial	90 Days
HBK Fund, LP	A diversified multi-strategy fund with a button-up process approach. Investment opportunities are sought on a global basis believing that international, especially emerging markets, are less efficient and therefore contain a wealth of arbitrage opportunities mostly on the credit, special situations and risk arbitrage side.	13,171,000	-	11,882,000	-	Quarterly	90 Days
Rocket Venture II	A limited liability company with the objective of investing in privately held technology related businesses generally in the imagining, incubating, and demonstrating phases of development, located in the State of Ohio.	482,000	-	422,000	180,000	No Restrictions	90 Days (Written to the President)
Harvest	A limited liability company organized for the purpose of trading and investing in securities in midstream energy infrastructure.	-	-	6,943,000	-	Monthly	Monthly

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**NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)**

Investment	Investment Strategy	June 30, 2021		June 30, 2020		Redemption Frequency	Redemption Notice Period
		Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments		
HCI Equity Partners	A partnership that makes private investments in lower middle market industrial products and services companies; Target sound businesses with proven products or services that are in need of an institutional partner to help position the company for continued long-term growth.	\$ 5,398,000	\$ 3,951,604	\$ 3,452,000	\$ 4,713,371	No Restrictions	Requires notification to the general partner. Redemption is subject to written consent of general partner.
Indus Asia	A hedged equity manager that invests long and short in Asian equities excluding Japan. Net exposure will typically range from 30-70%.	50,000	-	176,000	-	Quarterly	30 Days
Pelham	A hedged equity manager that invests long and short in European equities. Net exposure will typically range from 70-90%.	7,434,000	-	6,222,000	-	Monthly	90 Days
Pleiad Asia	A hedged equity manager that invests long and short in Asian equities. Net exposure will typically range from 0-30%.	5,651,000	-	2,969,000	-	Quarterly	60 Days
MAP Renewable Energy 2018	A private Partnership investing in renewable energy-related investments, with the focus on US wind, solar, and energy storage projects, across early and late stage development, equity interests and ongoing royalty streams.	665,000	1,225,000	4,572,000	1,350,000	No Restrictions	Subject to consent of GP
Malachite class A2	A hedge fund seeking to capture value from structured inefficiencies and price anomalies in the global volatility markets. The fund invests in volatility risk premium, statistically long volatility and special situations. The fund aims to be a market neutral, but can tilt marginally long or short.	-	-	3,320,000	-	Quarterly	30 Days

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**NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)**

Investment	Investment Strategy	June 30, 2021		June 30, 2020		Redemption Frequency	Redemption Notice Period
		Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments		
Iron Point	A Partnership that invests in opportunistic real estate, targeting assets that are out of favor at a discount. Value is added through deal structuring, legal analysis, and acquisitions. They draw on resources of Oak Hill where the team formerly ran the real estate group.	\$ 2,214,000	\$ 2,864,394	\$ 815,000	\$ 4,130,845	No Restrictions	Subject to consent of GP
Lime Rock	A private Partnership that makes growth equity investments in North American businesses that service renewable infrastructure, provide energy efficiency solutions and accelerate adoption of electric transportation.	2,588,000	3,341,280	-	-	No Restrictions	Requires notification to the general partner. Redemption is subject to written consent of general partner.
		<u>\$ 140,186,000</u>	<u>\$ 69,316,991</u>	<u>\$ 117,479,000</u>	<u>\$ 19,643,045</u>		

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**NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)**

The total approximate fair value of the hedge funds and partnership funds listed in the preceding table is \$140,186,000 and \$117,479,000 at June 30, 2021 and 2020, respectively. These investments are managed by the Foundation; however, the Foundation's portion of the pool of these investments is 58.1% and 57.1% at June 30, 2021 and 2020, or approximately \$81,448,000 and \$67,021,000, respectively.

The total unfunded commitments listed in the preceding table are \$69,316,991 and \$19,643,045 at June 30, 2021 and 2020, respectively. The Foundation's portion of these commitments is approximately \$40,252,000 and \$11,216,000 at June 30, 2021 and 2020, respectively.

Investments recorded at fair value have the following allocation between type and market:

	2021		2020	
	Market	Cost	Market	Cost
Pooled Investments:				
Cash Equivalents - United States	\$ 5,721,818	\$ 5,721,818	\$ 15,239,963	\$ 15,239,963
Accrued Interest - United States	276,373	276,373	195,980	195,980
Common Stock:				
United States - USD	73,224,074	52,020,380	50,305,366	44,645,930
Ireland - USD	165,368	62,310	417,781	193,162
United Kingdom	-	-	570,735	909,547
Israel - USD	357,372	413,717	356,249	197,232
Germany - USD	1,515,305	1,393,859	-	-
India - USD	286,733	188,134	201,227	174,876
Switzerland - USD	1,417,648	1,247,438	-	-
Denmark - USD	381,495	244,879	366,792	186,993
Taiwan - USD	466,007	309,603	162,404	152,308
Government Bonds - United States	12,051,136	11,828,867	12,484,358	12,106,114
Corporate Bonds:				
United States - USD	2,451,547	2,338,847	2,616,667	2,439,307
Belgium - USD	111,239	99,841	112,443	99,841
Netherlands - USD	105,129	100,190	106,153	100,190
United Kingdom - USD	225,587	216,518	225,761	216,518
Fixed-Income Mutual Funds - United States	51,843,930	52,597,841	52,119,136	51,314,048
Equity Mutual Funds, Indexes, ETFs:				
United States - USD	141,878,527	87,828,734	111,029,569	91,754,812
International Region - USD	93,346,291	75,346,775	64,295,925	69,234,237
Global Region - USD	52,313,614	51,084,563	-	-
Emerging Markets - USD	19,623,200	12,868,388	39,271,114	43,719,440
Real Estate - United States	9,689,137	9,038,624	-	-
Hedge Funds:				
Hedge Equity - Multi National	13,171,094	10,000,000	11,881,914	10,000,000
Hedge Equity - International	25,199,116	26,893,819	23,325,395	25,717,979
Fund of Funds - International	11,151,232	7,000,000	8,069,365	7,000,000
Partnerships - Global	1,485,432	1,355,900	1,599,331	1,552,829
Partnerships - North America Region	5,807,406	6,196,159	5,798,853	6,405,129
Partnerships - United States	83,371,370	61,220,739	66,804,422	63,343,266
Total Pooled Investments	<u>\$ 607,637,180</u>	<u>\$ 477,894,316</u>	<u>\$ 467,556,903</u>	<u>\$ 446,899,701</u>

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**NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)**

	2021		2020	
	Market	Cost	Market	Cost
Nonpooled Investments:				
Cash Equivalents - United States	\$ 122,182	\$ 122,182	\$ 262,821	\$ 262,821
Accrued Interest - United States	884	884	1,029	1,029
Private Closely Held-United States	2,038,100	2,037,100	2,038,100	2,038,100
Fixed-Income Mutual Funds:				
United States - USD	452,609	445,484	1,003,657	970,371
Global Region - USD	68,949	68,362		
Corporate Bonds - United States	131,763	129,904	134,458	129,904
Common Stocks - United States	1,561,633	641,836	1,088,563	536,565
Equity Mutual Funds, Indexes, ETFs:				
United States - USD	4,204,529	3,418,614	3,072,506	2,710,593
Emerging Markets - USD	114,680	89,755	133,769	131,977
International - USD	353,493	300,799	107,992	101,999
Total Nonpooled Investments	\$ 9,048,822	\$ 7,254,920	\$ 7,842,895	\$ 6,883,359
Annuity Trusts:				
Cash Equivalents - United States	\$ 2,916	\$ 2,916	\$ 47,200	\$ 47,200
Accrued Interest - United States	26,598	26,598	3,153	3,153
Fixed-Income Mutual Funds:				
United States - USD	982,556	929,690	960,019	897,348
Corporate Bonds - United States	132,425	124,711	134,752	124,936
Common Stocks - United States	2,114,029	722,238	1,760,540	795,078
Equity Mutual Funds, Indexes, ETFs:				
United States - USD	1,153,915	502,161	807,360	538,845
Emerging Markets - USD	60,973	60,802	60,973	60,802
International - USD	174,397	185,242	174,397	185,242
Total Annuity Trusts	\$ 4,647,809	\$ 2,554,358	\$ 3,948,394	\$ 2,652,604

**NOTE 14 CONCENTRATION OF CREDIT RISK**

The Foundation and Corporation have noninterest-bearing accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Foundation maintains other cash balances at several financial institutions. Other cash accounts are insured by the FDIC Corporation up to \$250,000. During the fiscal years ended June 30, 2021 and 2020, the Foundation maintained balances that exceeded insurable limits.

**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 15 CARES ACT PAYROLL PROTECTION PLAN LOAN**

On April 13, 2020, the Foundation received a loan from Fifth Third Bank in the amount of \$905,000 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program Flexibility Act of 2020 (the PPO Loan). The PPP Loan was forgiven by the U.S. Small Business Administration (SBA) in January 2021 and the Foundation recognized revenue of \$905,000 at this time.

The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Foundation's financial position.



## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Trustees  
The University of Toledo Foundation and Subsidiaries  
Toledo, Ohio

We have audited the consolidated financial statements of The University of Toledo Foundation and Subsidiaries as of and for the years ended June 30, 2021 and 2020, and have issued our report thereon dated September 30, 2021, which contained an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Toledo, Ohio  
September 30, 2021



**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2021**  
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

<b>ASSETS</b>	The University of Toledo Foundation	The University of Toledo Foundation Real Estate Corp.	UTF Gateway Investments LLC	Eliminating Entries	Total
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	\$ 1,599,127	\$ 290,515	\$ 253,245	\$ -	\$ 2,142,887
Accounts Receivable	2,044,798	-	19,249	(1,207,500)	856,547
Contributions Receivable, Net of Allowance for Uncollectible Contributions	7,600,219	-	-	-	7,600,219
Prepaid Expense	7,789	-	144,000	(144,000)	7,789
Total Current Assets	<u>11,251,933</u>	<u>290,515</u>	<u>416,494</u>	<u>(1,351,500)</u>	<u>10,607,442</u>
<b>NONCURRENT ASSETS</b>					
Investments:					
Pooled Investments	610,453,490	-	-	(2,816,310)	607,637,180
Nonpooled Investments	5,878,538	-	3,170,284	-	9,048,822
Real Estate	593,476	-	-	-	593,476
Assets Held in Charitable Remainder Trusts	4,647,809	-	-	-	4,647,809
Total Investments	<u>621,573,313</u>	<u>-</u>	<u>3,170,284</u>	<u>(2,816,310)</u>	<u>621,927,287</u>
Due from Real Estate Corporation	8,303,504	-	-	(8,303,504)	-
Contributions Receivable, Net of Allowance for Uncollectible Contributions and Present Value Adjustments	5,030,951	-	-	-	5,030,951
Cash Value of Life Insurance and Annuities	1,429,664	-	-	-	1,429,664
<b>PROPERTY AND EQUIPMENT</b>					
Land and Land Improvements	6,099,667	920,862	-	-	7,020,529
Gateway	-	-	15,523,459	-	15,523,459
Rental Property	1,501,727	171,229	-	-	1,672,956
Equipment	26,259,927	-	185,108	-	26,445,035
Total Property and Equipment	<u>33,861,321</u>	<u>1,092,091</u>	<u>15,708,567</u>	<u>-</u>	<u>50,661,979</u>
Less: Accumulated Depreciation	2,900,346	262,979	3,515,699	-	6,679,024
Net Property and Equipment	<u>30,960,975</u>	<u>829,112</u>	<u>12,192,868</u>	<u>-</u>	<u>43,982,955</u>
Total Assets	<u>\$ 678,550,340</u>	<u>\$ 1,119,627</u>	<u>\$ 15,779,646</u>	<u>\$ (12,471,314)</u>	<u>\$ 682,978,299</u>

**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**JUNE 30, 2021**  
**(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

<b>LIABILITIES AND NET ASSETS</b>	The University of Toledo Foundation	The University of Toledo Foundation Real Estate Corp.	UTF Gateway Investments LLC	Eliminating Entries	Total
<b>CURRENT LIABILITIES</b>					
Accounts Payable	\$ 1,389,094	\$ -	\$ 1,225,019	\$ (1,207,500)	\$ 1,406,613
Accrued Liabilities	322,594	1,808	224,782	(144,000)	405,184
Deferred Revenue	-	6,971	38,784	-	45,755
Senior Secured Notes Payable	-	-	336,191	-	336,191
Total Current Liabilities	<u>1,711,688</u>	<u>8,779</u>	<u>1,824,776</u>	<u>(1,351,500)</u>	<u>2,193,743</u>
<b>NONCURRENT LIABILITIES</b>					
Due to University of Toledo Foundation	-	8,303,504	-	(8,303,504)	-
Senior Secured Notes Payable	-	-	7,997,725	-	7,997,725
Gateway Funding from Pooled Investments	-	-	2,033,690	-	2,033,690
Grantor Trust Payable to a Related Party	2,012,824	-	-	-	2,012,824
Annuities Payable	2,683,056	-	-	-	2,683,056
Funds Held for Affiliates	255,528,062	-	-	-	255,528,062
Total Liabilities	<u>261,935,630</u>	<u>8,312,283</u>	<u>11,856,191</u>	<u>(9,655,004)</u>	<u>272,449,100</u>
<b>NET ASSETS (DEFICIT)</b>					
Without Donor Restrictions:					
Operating Funds:					
Undesignated	11,378,101	-	-	-	11,378,101
Designated:					
Real Estate	39,853,955	(7,192,656)	-	-	32,661,299
Gateway	-	-	3,923,455	(2,816,310)	1,107,145
Board	12,105,264	-	-	-	12,105,264
Total Without Donor Restrictions Operating Funds	<u>63,337,320</u>	<u>(7,192,656)</u>	<u>3,923,455</u>	<u>(2,816,310)</u>	<u>57,251,809</u>
Board Endowed	11,835,697	-	-	-	11,835,697
Total Without Donor Restrictions	<u>75,173,017</u>	<u>(7,192,656)</u>	<u>3,923,455</u>	<u>(2,816,310)</u>	<u>69,087,506</u>
With Donor Restrictions	341,441,693	-	-	-	341,441,693
Total Net Assets (Deficit)	<u>416,614,710</u>	<u>(7,192,656)</u>	<u>3,923,455</u>	<u>(2,816,310)</u>	<u>410,529,199</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 678,550,340</u>	<u>\$ 1,119,627</u>	<u>\$ 15,779,646</u>	<u>\$ (12,471,314)</u>	<u>\$ 682,978,299</u>

**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2020**  
**(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

<b>ASSETS</b>	<u>The University of Toledo Foundation</u>	<u>The University of Toledo Foundation Real Estate Corp.</u>	<u>UTF Gateway Investments LLC</u>	<u>Eliminating Entries</u>	<u>Total</u>
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	\$ 5,102,353	\$ 224,307	\$ 194,529	\$ -	\$ 5,521,189
Accounts Receivable	1,716,089	15,610	14,097	(907,500)	838,296
Contributions Receivable, Net of Allowance for Uncollectible Contributions	8,024,294	-	-	-	8,024,294
Prepaid Expense	74,947	-	144,000	(144,000)	74,947
Total Current Assets	<u>14,917,683</u>	<u>239,917</u>	<u>352,626</u>	<u>(1,051,500)</u>	<u>14,458,726</u>
<b>NONCURRENT ASSETS</b>					
Investments:					
Pooled Investments	470,328,039	-	-	(2,771,136)	467,556,903
Nonpooled Investments	5,291,595	-	2,551,300	-	7,842,895
Real Estate	593,476	-	-	-	593,476
Assets Held in Charitable Remainder Trusts	3,948,394	-	-	-	3,948,394
Total Investments	<u>480,161,504</u>	<u>-</u>	<u>2,551,300</u>	<u>(2,771,136)</u>	<u>479,941,668</u>
Due from Real Estate Corporation	8,303,504	-	-	(8,303,504)	-
Contributions Receivable, Net of Allowance for Uncollectible Contributions and Present Value Adjustments	3,740,480	-	-	-	3,740,480
Cash Value of Life Insurance and Annuities	1,286,055	-	-	-	1,286,055
<b>PROPERTY AND EQUIPMENT</b>					
Land and Land Improvements	6,099,667	920,862	-	-	7,020,529
Gateway	-	-	15,523,459	-	15,523,459
Rental Property	1,501,727	171,229	-	-	1,672,956
Equipment	26,187,826	-	185,108	-	26,372,934
Total Property and Equipment	<u>33,789,220</u>	<u>1,092,091</u>	<u>15,708,567</u>	<u>-</u>	<u>50,589,878</u>
Less: Accumulated Depreciation	2,152,104	262,394	3,122,906	-	5,537,404
Net Property and Equipment	<u>31,637,116</u>	<u>829,697</u>	<u>12,585,661</u>	<u>-</u>	<u>45,052,474</u>
Total Assets	<u>\$ 540,046,342</u>	<u>\$ 1,069,614</u>	<u>\$ 15,489,587</u>	<u>\$ (12,126,140)</u>	<u>\$ 544,479,403</u>

**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**JUNE 30, 2020**  
**(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

<b>LIABILITIES AND NET ASSETS</b>	<u>The University of Toledo Foundation</u>	<u>The University of Toledo Foundation Real Estate Corp.</u>	<u>UTF Gateway Investments LLC</u>	<u>Eliminating Entries</u>	<u>Total</u>
<b>CURRENT LIABILITIES</b>					
Accounts Payable	\$ 593,265	\$ 317	\$ 921,365	\$ (907,500)	\$ 607,447
Accrued Liabilities	454,887	2,799	204,838	(144,000)	518,524
Deferred Revenue	10,193	6,510	44,730	-	61,433
CARES Act Payroll Protection Plan Loan	905,000	-	-	-	905,000
Senior Secured Notes Payable	-	-	320,146	-	320,146
Total Current Liabilities	<u>1,963,345</u>	<u>9,626</u>	<u>1,491,079</u>	<u>(1,051,500)</u>	<u>2,412,550</u>
<b>NONCURRENT LIABILITIES</b>					
Due to University of Toledo Foundation	-	8,303,504	-	(8,303,504)	-
Senior Secured Notes Payable	-	-	8,316,061	-	8,316,061
Gateway Funding from Pooled Investments	-	-	2,078,864	-	2,078,864
Grantor Trust Payable to a Related Party	2,012,824	-	-	-	2,012,824
Annuities Payable	2,800,854	-	-	-	2,800,854
Funds Held for Affiliates	201,274,924	-	-	-	201,274,924
Total Liabilities	<u>208,051,947</u>	<u>8,313,130</u>	<u>11,886,004</u>	<u>(9,355,004)</u>	<u>218,896,077</u>
<b>NET ASSETS (DEFICIT)</b>					
Without Donor Restrictions:					
Operating Funds:					
Undesignated	(2,575,169)	-	-	-	(2,575,169)
Designated:					
Real Estate	40,530,096	(7,243,516)	-	-	33,286,580
Gateway	-	-	3,603,583	(2,771,136)	832,447
Board	11,895,934	-	-	-	11,895,934
Total Without Donor Restrictions Operating Funds	<u>49,850,861</u>	<u>(7,243,516)</u>	<u>3,603,583</u>	<u>(2,771,136)</u>	<u>43,439,792</u>
Board Endowed	9,542,348	-	-	-	9,542,348
Total Without Donor Restrictions	<u>59,393,209</u>	<u>(7,243,516)</u>	<u>3,603,583</u>	<u>(2,771,136)</u>	<u>52,982,140</u>
With Donor Restrictions	272,601,186	-	-	-	272,601,186
Total Net Assets (Deficit)	<u>331,994,395</u>	<u>(7,243,516)</u>	<u>3,603,583</u>	<u>(2,771,136)</u>	<u>325,583,326</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 540,046,342</u>	<u>\$ 1,069,614</u>	<u>\$ 15,489,587</u>	<u>\$ (12,126,140)</u>	<u>\$ 544,479,403</u>

**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**  
**(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	The University of Toledo Foundation	UTF Real Estate Corp.	UTF Gateway Investments	Eliminating Entries	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	The University of Toledo Foundation and Subsidiaries
<b>SUPPORT, REVENUE, AND GAINS (LOSSES)</b>							
Contributions	\$ 10,100,082	\$ -	\$ -	\$ -	\$ 567,869	\$ 9,532,213	\$ 10,100,082
Unconditional Promises to Give	8,880,236	-	-	-	6,023	8,874,213	8,880,236
CARES Act Payroll Protection Program Forgiveness	905,000	-	-	-	905,000	-	905,000
Administrative Fees	3,131,350	-	-	-	5,956,917	(2,825,567)	3,131,350
Annuities and Trusts, Net of Actuarial Adjustments	(248,628)	-	-	-	-	(248,628)	(248,628)
Ancillary and Nongift	775,058	-	-	-	11,338	763,720	775,058
Bookstore Revenue	3,455,470	-	-	-	3,455,470	-	3,455,470
Center for Alumni and Donor Engagement	942,936	-	-	-	942,936	-	942,936
Income - UTF Gateway Investments	-	-	1,383,436	(372,966)	1,010,470	-	1,010,470
Income - Real Estate Corp.	-	63,044	-	-	63,044	-	63,044
Interest and Dividends	4,729,628	-	74,193	-	1,048,574	3,681,054	4,729,628
Investment Fees	(849,239)	-	-	-	(172,598)	(676,641)	(849,239)
Net Realized and Unrealized Gains	78,622,688	-	214,791	-	16,844,236	61,993,243	78,837,479
Satisfaction of Program and Donor Restrictions	-	-	-	-	12,334,616	(12,334,616)	-
Other Transfers	-	-	-	-	(81,516)	81,516	-
Total Support, Revenue, and Gains	110,444,581	63,044	1,672,420	(372,966)	42,892,379	68,840,507	111,732,886
<b>EXPENSES</b>							
University Program Services:							
Academics	5,460,169	-	-	-	5,460,169	-	5,460,169
Athletics	1,609,607	-	-	-	1,609,607	-	1,609,607
Student Aid	4,819,444	-	-	-	4,819,444	-	4,819,444
Capital Projects	870,626	-	-	-	870,626	-	870,626
Research	253,131	-	-	-	253,131	-	253,131
Bookstore	3,558,453	-	-	(372,966)	3,185,487	-	3,185,487
Donor Life Insurance Premiums	313,465	-	-	-	313,465	-	313,465
Management and General	4,776,958	12,184	1,397,723	-	6,186,865	-	6,186,865
Fundraising	4,088,219	-	-	-	4,088,219	-	4,088,219
Total Expenses	25,750,072	12,184	1,397,723	(372,966)	26,787,013	-	26,787,013
<b>CHANGE IN NET ASSETS, BEFORE TRANSFERS</b>	84,694,509	50,860	274,697	-	16,105,366	68,840,507	84,945,873
<b>CAPITAL TRANSFERS</b>	-	-	45,306	(45,306)	-	-	-
<b>CHANGE IN NET ASSETS</b>	84,694,509	50,860	320,003	(45,306)	16,105,366	68,840,507	84,945,873
Net Assets (Deficit) - Beginning of Year	329,268,347	(7,243,516)	3,603,584	(2,771,139)	52,982,140	272,601,186	325,583,326
<b>NET ASSETS (DEFICIT) - END OF YEAR</b>	<u>\$ 413,962,856</u>	<u>\$ (7,192,656)</u>	<u>\$ 3,923,587</u>	<u>\$ (2,816,445)</u>	<u>\$ 69,087,506</u>	<u>\$ 341,441,693</u>	<u>\$ 410,529,199</u>

**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2020**  
**(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	The University of Toledo Foundation	UTF Real Estate Corp.	UTF Gateway Investments	Eliminating Entries	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	The University of Toledo Foundation and Subsidiaries
<b>SUPPORT, REVENUE, AND GAINS (LOSSES)</b>							
Contributions	\$ 11,922,347	\$ -	\$ -	\$ -	\$ 261,578	\$ 11,660,769	\$ 11,922,347
Unconditional Promises to Give	2,752,190	-	-	-	10,325	2,741,865	2,752,190
Administrative Fees	3,119,514	-	-	-	5,872,018	(2,752,504)	3,119,514
Annuities and Trusts, Net of Actuarial Adjustments	(317,599)	-	-	-	-	(317,599)	(317,599)
Ancillary and Nongift	835,323	-	-	-	2,426	832,897	835,323
Bookstore Revenue	4,549,264	-	-	-	4,549,264	-	4,549,264
Center for Alumni and Donor Engagement	857,086	-	-	-	857,086	-	857,086
Income - UTF Gateway Investments	-	-	1,386,392	(361,311)	1,025,081	-	1,025,081
Income - Real Estate Corp.	-	60,970	-	-	60,970	-	60,970
Interest and Dividends	5,167,753	-	57,025	-	1,104,724	4,120,054	5,224,778
Investment Fees	(641,705)	-	-	-	(109,051)	(532,654)	(641,705)
Net Realized and Unrealized Gains (Losses)	(6,769,018)	-	83,581	-	(1,495,998)	(5,189,439)	(6,685,437)
Satisfaction of Program and Donor Restrictions	-	-	-	-	14,890,256	(14,890,256)	-
Other Transfers	-	-	-	-	(76,516)	76,516	-
Total Support, Revenue, and Gains (Losses)	21,475,155	60,970	1,526,998	(361,311)	26,952,163	(4,250,351)	22,701,812
<b>EXPENSES</b>							
University Program Services:							
Academics	5,024,715	-	-	-	5,024,715	-	5,024,715
Athletics	4,352,587	-	-	-	4,352,587	-	4,352,587
Student Aid	5,028,204	-	-	-	5,028,204	-	5,028,204
Capital Projects	364,544	-	-	-	364,544	-	364,544
Research	260,070	-	-	-	260,070	-	260,070
Bookstore	4,527,411	-	-	(361,311)	4,166,100	-	4,166,100
Donor Life Insurance Premiums	77,257	-	-	-	77,257	-	77,257
Management and General	4,404,639	24,925	1,372,230	-	5,801,794	-	5,801,794
Fundraising	4,203,859	-	-	-	4,203,859	-	4,203,859
Total Expenses	28,243,286	24,925	1,372,230	(361,311)	29,279,130	-	29,279,130
<b>CHANGE IN NET ASSETS, BEFORE TRANSFERS</b>	(6,768,131)	36,045	154,768	-	(2,326,967)	(4,250,351)	(6,577,318)
<b>CAPITAL TRANSFERS</b>	(562,000)	(977,271)	23,982	(23,982)	(1,539,271)	-	(1,539,271)
<b>CHANGE IN NET ASSETS</b>	(7,330,131)	(941,226)	178,750	(23,982)	(3,866,238)	(4,250,351)	(8,116,589)
Net Assets (Deficit) - Beginning of Year	336,598,478	(6,302,290)	3,424,834	(2,747,157)	56,848,378	276,851,537	333,699,915
<b>NET ASSETS (DEFICIT) - END OF YEAR</b>	<u>\$ 329,268,347</u>	<u>\$ (7,243,516)</u>	<u>\$ 3,603,584</u>	<u>\$ (2,771,139)</u>	<u>\$ 52,982,140</u>	<u>\$ 272,601,186</u>	<u>\$ 325,583,326</u>