



THE UNIVERSITY OF TOLEDO
FOUNDATION

CONSOLIDATED **FINANCIAL STATEMENTS**

FISCAL YEARS ENDING JUNE 30, 2022 AND 2021

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



**THE UNIVERSITY OF TOLEDO FOUNDATION
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2022 AND 2021

**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 Audit of the Financial Statements

Opinion

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, 2022 and 2021, 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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2022 and 2021, and the change in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 \$165,952,000 (24.9% of total assets) and \$140,186,000 (20.5% of total assets) at June 30, 2022 and 2021, respectively. The values of these investments have been provided by the fund managers or general partners in the absence of readily determinable market values. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Board of Trustees
The University of Toledo Foundation and Subsidiaries

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2022, 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Toledo, Ohio
September 29, 2022

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

ASSETS	2022	2021
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,802,881	\$ 2,142,887
Accounts Receivable	942,905	856,547
Contributions Receivable, Net of Allowance for Uncollectible Contributions	5,091,850	7,600,219
Prepaid Expense	83,126	7,789
Total Current Assets	7,920,762	10,607,442
NONCURRENT ASSETS		
Investments:		
Pooled Investments	596,947,611	607,637,180
Nonpooled Investments	8,301,269	9,048,822
Real Estate	593,476	593,476
Assets Held in Charitable Remainder Trusts	3,772,829	4,647,809
Total Investments	609,615,185	621,927,287
Contributions Receivable, Net of Allowance for Uncollectible Contributions and Present Value Adjustments	4,913,077	5,030,951
Cash Value of Life Insurance and Annuities	1,476,611	1,429,664
PROPERTY AND EQUIPMENT		
Land and Land Improvements	7,071,379	7,020,529
Gateway	15,541,459	15,523,459
Rental Property	171,229	1,672,956
Construction in Process	28,250	-
Building and Equipment	26,560,539	26,445,035
Total Property and Equipment	49,372,856	50,661,979
Less: Accumulated Depreciation	7,434,547	6,679,024
Net Property and Equipment	41,938,309	43,982,955
Total Assets	\$ 665,863,944	\$ 682,978,299

See accompanying Notes to Consolidated Financial Statements.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2022 AND 2021

	2022	2021
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,836,828	\$ 1,406,613
Accrued Liabilities	436,377	405,184
Deferred Revenue	67,253	45,755
Senior Secured Notes Payable	353,039	336,191
Total Current Liabilities	2,693,497	2,193,743
NONCURRENT LIABILITIES		
Senior Secured Notes Payable, Net of Debt Issuance Costs	7,662,541	7,997,725
Gateway Funding from Pooled Investments	2,229,911	2,033,690
Grantor Trust Payable to a Related Party	2,012,824	2,012,824
Annuities Payable	2,197,854	2,683,056
Funds Held for Affiliates	275,117,455	255,528,062
Total Liabilities	291,914,082	272,449,100
NET ASSETS		
Without Donor Restrictions:		
Operating Funds:		
Undesignated	1,617,614	11,378,101
Designated:		
Real Estate	32,102,287	32,661,299
Gateway	862,641	1,107,145
Board	10,395,270	12,105,264
Total Without Donor Restriction Operating Funds	44,977,812	57,251,809
Board Endowed	15,715,364	11,835,697
Total Without Donor Restrictions	60,693,176	69,087,506
With Donor Restrictions	313,256,686	341,441,693
Total Net Assets	373,949,862	410,529,199
Total Liabilities and Net Assets	\$ 665,863,944	\$ 682,978,299

See accompanying Notes to Consolidated Financial Statements.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE, AND GAINS (LOSSES)						
Contributions	\$ 340,318	\$ 10,800,687	\$ 11,141,005	\$ 567,869	\$ 9,532,213	\$ 10,100,082
Unconditional Promises to Give	20,711	3,513,527	3,534,238	6,023	8,874,213	8,880,236
CARES Act Payroll Protection Program Forgiveness	-	-	-	905,000	-	905,000
Administrative Fees	6,438,203	(3,056,055)	3,382,148	5,956,917	(2,825,567)	3,131,350
Annuities and Trusts, Net of Actuarial Adjustments	-	114,440	114,440	-	(248,628)	(248,628)
Ancillary and Nongift	8,391	992,845	1,001,236	11,338	763,720	775,058
Bookstore Revenue	3,461,730	-	3,461,730	3,455,470	-	3,455,470
Center for Alumni and Donor Engagement	1,024,755	-	1,024,755	942,936	-	942,936
Income - UTF Gateway Investments	1,160,695	-	1,160,695	1,010,470	-	1,010,470
Income - Real Estate Corp.	63,735	-	63,735	63,044	-	63,044
Interest and Dividends	1,259,507	4,383,650	5,643,157	1,048,574	3,681,054	4,729,628
Investment Fees	(185,980)	(772,329)	(958,309)	(172,598)	(676,641)	(849,239)
Net Realized and Unrealized Gains (Losses)	(6,701,236)	(28,043,388)	(34,744,624)	16,844,236	61,993,243	78,837,479
Satisfaction of Program and Donor Restrictions	16,140,975	(16,140,975)	-	12,334,616	(12,334,616)	-
Other Transfers	(22,591)	22,591	-	(81,516)	81,516	-
Total Support, Revenue, and Gains (Losses)	<u>23,009,213</u>	<u>(28,185,007)</u>	<u>(5,175,794)</u>	<u>42,892,379</u>	<u>68,840,507</u>	<u>111,732,886</u>
EXPENSES						
University Program Services:						
Academics	6,966,860	-	6,966,860	5,460,169	-	5,460,169
Athletics	4,095,411	-	4,095,411	1,609,607	-	1,609,607
Student Aid	4,896,114	-	4,896,114	4,819,444	-	4,819,444
Capital Projects	848,535	-	848,535	870,626	-	870,626
Research	259,231	-	259,231	253,131	-	253,131
Bookstore	3,200,718	-	3,200,718	3,185,487	-	3,185,487
Donor Life Insurance Premiums	130,760	-	130,760	313,465	-	313,465
Management and General	6,287,218	-	6,287,218	6,186,865	-	6,186,865
Fundraising	4,718,696	-	4,718,696	4,088,219	-	4,088,219
Total Expenses	<u>31,403,543</u>	<u>-</u>	<u>31,403,543</u>	<u>26,787,013</u>	<u>-</u>	<u>26,787,013</u>
CHANGE IN NET ASSETS	(8,394,330)	(28,185,007)	(36,579,337)	16,105,366	68,840,507	84,945,873
Net Assets - Beginning of Year	<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>
NET ASSETS - END OF YEAR	<u>\$ 60,693,176</u>	<u>\$ 313,256,686</u>	<u>\$ 373,949,862</u>	<u>\$ 69,087,506</u>	<u>\$ 341,441,693</u>	<u>\$ 410,529,199</u>

See accompanying Notes to Consolidated Financial Statements.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2022 AND 2021

	University Programs	Support	2022 Total	University Programs	Support	2021 Total
Salaries and Wages	\$ -	\$ 4,881,751	\$ 4,881,751	\$ -	\$ 4,521,749	\$ 4,521,749
Payroll Taxes and Benefits	-	1,481,280	1,481,280	-	1,331,687	1,331,687
Student Directed (1)	5,038,495	-	5,038,495	4,836,939	-	4,836,939
Professional Fees	593,331	463,548	1,056,879	517,766	381,187	898,953
University Directed (2)	4,996,025	-	4,996,025	4,041,284	-	4,041,284
Athletics	4,095,411	-	4,095,411	1,609,607	-	1,609,607
Bookstore	3,200,718	-	3,200,718	3,185,486	-	3,185,486
Capital Projects	848,535	-	848,535	870,626	-	870,626
Building Services	-	1,005,623	1,005,623	-	958,680	958,680
Donor Life Insurance Premiums	130,760	-	130,760	313,465	-	313,465
Purchased Services	1,494,354	2,051,949	3,546,303	1,136,756	1,940,162	3,076,918
Total Before Depreciation	<u>20,397,629</u>	<u>9,884,151</u>	<u>30,281,780</u>	<u>16,511,929</u>	<u>9,133,465</u>	<u>25,645,394</u>
Depreciation Expense	<u>-</u>	<u>1,121,763</u>	<u>1,121,763</u>	<u>-</u>	<u>1,141,619</u>	<u>1,141,619</u>
 Total	 <u>\$ 20,397,629</u>	 <u>\$ 11,005,914</u>	 <u>\$ 31,403,543</u>	 <u>\$ 16,511,929</u>	 <u>\$ 10,275,084</u>	 <u>\$ 26,787,013</u>

(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, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (36,579,337)	\$ 84,945,873
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Paycheck Protection Program Loan Forgiveness	-	(905,000)
Depreciation	1,121,763	1,141,619
Contributions Held as Endowments	(5,135,178)	(12,341,459)
Provisions for Uncollectible Contributions, Net of Actuarial Adjustments on Annuity Obligations	118,596	95,125
Actuarial Adjustment on Contributions Receivable	233,205	59,090
Net Realized and Unrealized Losses (Gains) on Investments	34,744,624	(78,837,479)
Loss on Sale of Property and Equipment	195,949	-
Change in Annuity Payable Obligation	(114,441)	279,158
Amortization of Debt Issuance Costs	17,855	17,855
Changes in Operating Assets and Liabilities Which Provided (Used) Cash:		
Accounts Receivable	(86,358)	(18,251)
Contributions Receivable	2,274,442	(1,020,611)
Prepaid Expense	(75,337)	67,158
Accounts Payable	430,215	799,166
Accrued Liabilities and Deferred Revenue	52,691	(129,018)
Cash Surrender Value of Life Insurance and Annuities	(46,947)	(143,609)
Funds Held for Affiliates	19,589,393	54,253,138
Net Cash Provided by Operating Activities	16,741,135	48,262,755
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(212,605)	(72,100)
Purchases of Investments	(53,318,182)	(142,674,645)
Proceeds from Sale of Property and Equipment	939,539	-
Proceeds from Sales and Maturities of Investments	31,081,881	79,481,331
Payments to Annuitants	(370,761)	(396,956)
Net Cash Used by Investing Activities	(21,880,128)	(63,662,370)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Outstanding Senior Secured Notes	(336,191)	(320,146)
Contributions Held as Endowments	5,135,178	12,341,459
Net Cash Provided by Financing Activities	4,798,987	12,021,313
NET CHANGE IN CASH AND CASH EQUIVALENTS	(340,006)	(3,378,302)
Cash and Cash Equivalents - Beginning of Year	2,142,887	5,521,189
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,802,881	\$ 2,142,887
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 371,928	\$ 421,156

See accompanying Notes to Consolidated Financial Statements.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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, 2022 AND 2021

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, 2022 and 2021.

Contributions and 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 – that is, those with a measurable performance or other barrier and a right of return or release – are recognized when the conditions in which they depend on are substantially met. There are no conditional promises to give at June 30, 2022 and 2021.

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 2022 and 2021 valued at \$98,095 and \$42,915, 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, 2022 AND 2021

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 net assets without donor restriction in the year the asset is received. Depreciation expense for the years ended June 30, 2022 and 2021 amounted to \$1,121,763 and \$1,141,619, 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 3.60% and 1.20% for fiscal years 2022 and 2021, 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, 2022 AND 2021

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 2022 and 2021, the tiered fee ranged from .75% to 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 \$3.4 million and \$3.1 million in 2022 and 2021, respectively. 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), 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, 2022 and 2021, 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, 2022 AND 2021

**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.

Subsequent Events

We have evaluated subsequent events through September 29, 2022, 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>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 1,801,827	\$ 2,125,345
Accounts Receivable - Operations	921,281	837,298
Operating Investments	<u>7,912,814</u>	<u>19,238,864</u>
Total	<u>\$ 10,635,922</u>	<u>\$ 22,201,507</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 is not available for general expenditure.

The board-designated endowment of \$15,715,364 and \$11,835,697 as of June 30, 2022 and 2021, 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.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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 as of June 30, 2022 and 2021. Similar to other board-designated funds, the operating reserve is considered available for general expenditures.

NOTE 3 CONTRIBUTIONS RECEIVABLE

As of June 30, 2022 and 2021, 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, 2022 and 2021 amounted to \$958,043 and \$1,223,301, respectively.

Contributions receivable at June 30 are as follows:

	<u>2022</u>	<u>2021</u>
Within One Year	\$ 5,504,610	\$ 7,911,272
Over One to Five Years	5,490,732	5,077,328
More than Five Years	319,435	600,619
Total	<u>11,314,777</u>	<u>13,589,219</u>
Risk Premium	(997,977)	(879,381)
Present Value Discount	<u>(311,873)</u>	<u>(78,668)</u>
Net Contributions Receivable	10,004,927	12,631,170
Net Due in One Year	5,091,850	7,600,219
Net Due in Excess of One Year	<u>4,913,077</u>	<u>5,030,951</u>
Total Contributions Receivable	<u>\$ 10,004,927</u>	<u>\$ 12,631,170</u>

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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:

	2022		2021	
	Market	Cost	Market	Cost
Common Stock	\$ 56,938,207	\$ 59,721,537	\$ 77,814,002	\$ 55,880,320
Mutual Funds, Index Funds, and EFTs - Equity	278,014,509	258,871,743	307,161,632	227,128,460
Mutual Funds, ETFs - Fixed Income	64,039,931	72,091,715	51,843,930	52,597,841
Hedge Funds	44,875,677	43,804,661	49,521,442	43,893,819
Partnerships	121,076,654	70,146,940	90,664,208	68,772,798
U.S. Government and Agency Issues	12,222,260	12,489,379	12,051,136	11,828,867
Corporate Bonds	2,466,520	2,701,394	2,893,502	2,755,396
Real Estate	12,771,908	14,327,979	9,689,137	9,038,624
Cash Equivalents	4,076,188	4,076,188	5,721,818	5,721,818
Accrued Interest	465,757	465,757	276,373	276,373
Total Pooled Investments	<u>\$ 596,947,611</u>	<u>\$ 538,697,293</u>	<u>\$ 607,637,180</u>	<u>\$ 477,894,316</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, 2022 and 2021, is \$3,719,832 and \$3,778,399, 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:

	2022		2021	
	Market	Cost	Market	Cost
Common Stock	\$ 1,270,589	\$ 607,430	\$ 1,561,633	\$ 641,836
Private Closely Held	2,038,100	2,038,100	2,038,100	2,037,100
Mutual Funds and EFTs - Fixed Income	448,503	493,522	521,558	513,846
Corporate Bonds	-	-	131,763	129,904
Mutual Funds, Index Funds, and EFTs - Equity	4,273,969	4,298,626	4,672,702	3,809,168
Cash Equivalents	269,602	269,602	122,182	122,182
Accrued Interest	506	506	884	884
Total Nonpooled Investments	<u>\$ 8,301,269</u>	<u>\$ 7,707,786</u>	<u>\$ 9,048,822</u>	<u>\$ 7,254,920</u>

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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:

	2022		2021	
	Market	Cost	Market	Cost
Common Stock	\$ 1,822,628	\$ 770,167	\$ 2,114,029	\$ 722,238
Mutual Funds and EFTs - Fixed Income	804,211	876,358	982,556	929,690
Mutual Funds, Index Funds, and EFTs - Equity	1,017,142	691,728	1,389,285	748,205
Corporate Bonds	100,348	100,245	132,425	124,711
Cash Equivalents	25,330	25,330	26,598	26,598
Accrued Interest	3,170	3,170	2,916	2,916
Total Charitable Remainder Trust Investments	<u>\$ 3,772,829</u>	<u>\$ 2,466,998</u>	<u>\$ 4,647,809</u>	<u>\$ 2,554,358</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:

	2022			
	Pooled	Nonpooled	Remainder Trusts	Total
Unrealized Gains:				
Ending Balance	\$ 28,832,752	\$ 552,654	\$ 1,305,831	\$ 30,691,237
Beginning Balance	67,112,115	1,752,072	2,093,451	70,957,638
Unrealized Losses	(38,279,363)	(1,199,418)	(787,620)	(40,266,401)
Realized Gains	5,310,851	31,673	179,253	5,521,777
Total Realized and Unrealized Losses	<u>\$ (32,968,512)</u>	<u>\$ (1,167,745)</u>	<u>\$ (608,367)</u>	<u>\$ (34,744,624)</u>
	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>

Investment and custody fees of \$958,309 and \$849,239 relating to the Foundation's investments were incurred for the years ended June 30, 2022 and 2021, respectively.

The Foundation holds real estate that is classified as investments on the consolidated statements of financial position. Real estate held as investments is recorded at cost and totaled \$593,476 as of June 30, 2022 and 2021.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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, 2022 and 2021. 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, 2022 and 2021. The Foundation's portion of the funding from the pooled investments was approximately \$2.62 million and \$2.82 million as of June 30, 2022 and 2021, 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, 2022 and 2021. Future annual rent to be received under this lease is as follows: \$810,000 for fiscal year 2023 and \$405,000 for 2024 for a total of \$1,215,000. The December 2019 agreement has a three-year term and rent revenue amounted to \$152,778 and \$119,444 for the years ended June 30, 2022 and 2021, respectively. Future rent to be received under this lease is \$69,444 for 2023. Total rental income to be received under the aforementioned leases amounts to \$1,284,444 at June 30, 2022.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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, 2022 and 2021. Employees participate in only one of the retirement plans. Total pension expense for the years ended 2022 and 2021 was \$313,756 and \$299,112, respectively.

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

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

	2022	2021
Subject to Expenditure for Specified Purpose:		
Academics	\$ 23,671,535	\$ 21,853,505
Student Aid	5,044,258	5,080,476
Capital Projects	2,485,812	2,730,644
Athletic Programs	6,454,214	6,662,178
Research	2,780,469	2,879,395
General Support	2,013,987	1,593,264
Total	42,450,275	40,799,462
Endowments:		
Subject to Spending Policy:		
Academics	58,730,187	72,070,735
Student Aid	49,617,984	64,823,252
Capital Projects	4,691,551	6,336,318
Athletic Programs	231,186	329,553
Research	4,740,754	7,137,570
General Support	2,549,232	13,223,896
Total	120,560,894	163,921,324
Restricted by Donors in Perpetuity for:		
Academics	54,565,199	49,442,397
Student Aid	70,167,376	64,523,517
Capital Projects	3,752,690	3,786,669
Athletic Programs	732,604	720,599
Research	16,115,872	14,719,947
General Support	4,911,776	3,527,778
Total	150,245,517	136,720,907
Total Endowments	270,806,411	300,642,231
Total Net Assets with Donor Restrictions	\$ 313,256,686	\$ 341,441,693

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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:

	2022	2021
Satisfaction of Time and Purpose Restrictions:		
Academics	\$ 5,984,741	\$ 5,107,856
Student Aid	4,712,304	4,665,969
Capital Projects	782,617	310,177
Athletic Programs	3,703,968	1,583,615
Research	746,090	544,468
General Support	211,255	122,531
Total Net Assets Released from Donor Restrictions	\$ 16,140,975	\$ 12,334,616

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.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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, \$371,371 and \$935 at June 30, 2022 and 2021, 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 2022 and 2021. 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.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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:

	2022		
	Board- Endowed Net Assets		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ 11,835,697	\$ 300,642,230	\$ 312,477,927
Investment Return:			
Investment Income	139,214	3,604,831	3,744,045
Net Appreciation	<u>(1,075,218)</u>	<u>(27,993,557)</u>	<u>(29,068,775)</u>
Total Investment Return	(936,004)	(24,388,726)	(25,324,730)
Contributions and Board Transfers to			
Endowment Funds	61,357	5,073,821	5,135,178
Other Income/Transfers to Endowment Funds	-	8,806	8,806
Administrative Fees	(130,879)	(3,051,793)	(3,182,672)
Other Transfers and Funds Appropriated			
For Expenditure	<u>4,885,193</u>	<u>(7,477,928)</u>	<u>(2,592,735)</u>
Change in Net Assets	<u>3,879,667</u>	<u>(29,835,820)</u>	<u>(25,956,153)</u>
Endowment Net Assets - End of Year	<u>\$ 15,715,364</u>	<u>\$ 270,806,410</u>	<u>\$ 286,521,774</u>
	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 Depreciation	<u>2,499,742</u>	<u>61,866,663</u>	<u>64,366,405</u>
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	<u>(246,906)</u>	<u>(6,380,548)</u>	<u>(6,627,454)</u>
Change in Net Assets	<u>2,293,349</u>	<u>68,006,801</u>	<u>70,300,150</u>
Endowment Net Assets - End of Year	<u>\$ 11,835,697</u>	<u>\$ 300,642,230</u>	<u>\$ 312,477,927</u>

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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 \$2,045,212 and \$6,549,500 for endowed net assets with donor restrictions, for the fiscal years ended June 30, 2022 and 2021, 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 \$1,936,793 and \$2,438,900 for fiscal years ended June 30, 2022 and 2021, 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

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 \$152,778 and \$119,444 in fiscal year 2022 and 2021, 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 \$7.3 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, 2022 and 2021 is \$3,719,832 and \$3,778,399, respectively.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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 October 1, 2020, the effective base rate is \$37,325. 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, 2022 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	6,493,676	437,552	6,931,228
Total	<u>\$ 8,015,580</u>	<u>\$ 1,886,088</u>	<u>\$ 9,901,668</u>

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 11 UTF GATEWAY INVESTMENTS (CONTINUED)

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

	<u>2022</u>	<u>2021</u>
Senior Secured Notes Payable	\$ 8,110,806	\$ 8,446,997
Less: Unamortized Debt Issuance Costs	95,226	113,081
Total Notes Payable, Net	<u>8,015,580</u>	<u>8,333,916</u>
Less: Current Maturities	353,039	336,191
Total Notes Payable, Less Current Maturities	<u>\$ 7,662,541</u>	<u>\$ 7,997,725</u>

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

	<u>2022</u>	<u>2021</u>
Interest	\$ 405,047	\$ 421,156
Amortization of Bond Issuance Costs	17,855	17,855
Total	<u>\$ 422,902</u>	<u>\$ 439,011</u>

Bond issuance costs consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Loan Acquisition Costs	\$ 271,000	\$ 271,000
Less: Accumulated Amortization	175,774	157,919
Net Loan Acquisition Costs	<u>\$ 95,226</u>	<u>\$ 113,081</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 \$3,462,000 in fiscal year 2022 and approximately \$3,455,000 in fiscal year 2021 and is included in bookstore revenue on the consolidated statements of activities.

Related expense recognized was approximately \$3,201,000 in fiscal year 2022 and approximately \$3,185,000 in fiscal year 2021 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 \$566,000 in 2022 and \$545,000 in 2021.

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 493,171
2024	468,345
2025	450,018
2026	451,779
2027	439,300
Thereafter	153,449
Total	<u>\$ 2,456,062</u>

NOTE 12 FUNDS HELD FOR AFFILIATES

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

	<u>2022</u>	<u>2021</u>
Contributions - Affiliates	\$ 50,000,000	\$ -
Investment Income (Loss), Net	(24,434,438)	59,495,325
Distributions - Affiliates	<u>(5,976,169)</u>	<u>(5,242,187)</u>
Change in Balance	19,589,393	54,253,138
Balance in Affiliate Funds - Beginning of Year	<u>255,528,062</u>	<u>201,274,924</u>
Balance in Affiliate Funds - End of Year	<u>\$ 275,117,455</u>	<u>\$ 255,528,062</u>

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
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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, 2022 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, 2022
ASSETS				
Pooled Investments:				
Mutual Funds, Index Funds, and ETFs -				
Equities	\$ 278,014,509	\$ -	\$ -	\$ 278,014,509
Mutual Funds and ETFs - Fixed Income	64,039,931	-	-	64,039,931
Common Stock	56,938,207	-	-	56,938,207
U.S. Government and Agency Issues	-	12,222,260	-	12,222,260
Corporate Bonds	-	2,466,520	-	2,466,520
Real Estate	-	12,771,908	-	12,771,908
Subtotal	<u>398,992,647</u>	<u>27,460,688</u>	<u>-</u>	<u>426,453,335</u>
Hedge Funds - NAV Practical Expedient	-	-	-	44,875,677
Partnerships - NAV Practical Expedient	-	-	-	121,076,654
Cash Equivalents	-	-	-	4,076,188
Accrued Interest	-	-	-	465,757
Total Pooled Investments	<u>\$ 398,992,647</u>	<u>\$ 27,460,688</u>	<u>\$ -</u>	<u>\$ 596,947,611</u>
Nonpooled Investments:				
Corporate Bonds	\$ -	\$ -	\$ -	\$ -
Mutual Funds and ETFs - Fixed Income	448,503	-	-	448,503
Mutual Funds, Index Funds, and ETFs -				
Equities	4,273,969	-	-	4,273,969
Common Stock	1,270,589	-	-	1,270,589
Subtotal	<u>5,993,061</u>	<u>-</u>	<u>-</u>	<u>5,993,061</u>
Private Closely Held	-	-	-	2,038,100
Cash Equivalents	269,602	-	-	269,602
Accrued Interest	506	-	-	506
Total Nonpooled Investments	<u>\$ 6,263,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,301,269</u>
Other Assets:				
Assets Held in Remainder Trusts	\$ -	\$ -	\$ 3,772,829	\$ 3,772,829
Contributions Receivable	\$ -	\$ -	\$ 10,004,927	\$ 10,004,927

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JUNE 30, 2022 AND 2021

NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)

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

ASSETS	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
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 77,814,002	-	-	51,843,930 77,814,002
U.S. Government and Agency Issues	-	12,051,136	-	12,051,136
Corporate Bonds	-	2,893,502	-	2,893,502
Real Estate	-	9,689,137	-	9,689,137
Subtotal	<u>436,819,564</u>	<u>24,633,775</u>	-	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	<u>6,755,893</u>	<u>131,763</u>	-	6,887,656
Private Closely Held	-	-	-	2,038,100
Cash Equivalents	-	-	-	122,182
Accrued Interest	-	-	-	884
Total Nonpooled Investments	<u>\$ 6,755,893</u>	<u>\$ 131,763</u>	<u>\$ -</u>	<u>\$ 9,048,822</u>
Other Assets:				
Assets Held in Remainder Trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,647,809</u>	<u>\$ 4,647,809</u>
Contributions Receivable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,631,170</u>	<u>\$ 12,631,170</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, 2022	Valuation Technique	Significant Unobservable Inputs Used	Range (Weighted Average)
Assets:				
Contributions Receivable	\$ 10,004,927	Discounted Cash Flow	Risk-Free Rate Default Factor Past Due Allowance	0.6 - 1.5% 10% 10% - 90%
Assets Held in Remainder Trusts	3,772,829	Market Value of Underlying Assets	None	None
	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% 10% - 90%
Assets Held in Remainder Trusts	4,647,809	Market Value of Underlying Assets	None	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:

-61035		June 30, 2022		June 30, 2021		Redemption Frequency	Redemption Notice Period
Investment	Investment Strategy	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.	\$ 1,238,792	\$ -	\$ 1,596,000	\$ -	No Restrictions	Requires notification to general partner. Redemption is subject to written consent of general partner.
Cordillera III	A private Partnership that invests in niche, non-correlated alternative strategies with unique return drivers such as specialty agriculture, intellectual property, litigation finance, royalties, broadband spectrum, and ESG platforms.	2,898,645	3,098,359	-	-	No Restrictions	Requires notification to general partner. Redemption is subject to written consent of general partner.
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.	2,969,798	-	3,006,000	-	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)

-61035		June 30, 2022		June 30, 2021		Redemption Frequency	Redemption Notice Period
Investment	Investment Strategy	Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments		
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.	\$ 4,920,987	\$ -	\$ 5,807,000	\$ -	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.	94,330,394	122,639,000	65,878,000	57,001,500	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.							
FEG Private Opportunities Fund V, LP.							
FEG Private Opportunities Fund VI, LP.							

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NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)

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.	\$ 7,024,310	\$ -	\$ 8,465,000	\$ -	Biennial	90 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.	3,850,481	-	2,799,000	-	Close of business each Wednesday and last business day of each month.	3 Days (Written)
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.	13,429,644	-	13,171,000	-	Quarterly	90 Days
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.	7,782,976	2,876,724	5,398,000	3,951,604	No Restrictions	Requires notification to the general partner. Redemption is subject to written consent of general partner.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
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JUNE 30, 2022 AND 2021

NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)

-61035		June 30, 2022		June 30, 2021		Redemption Frequency	Redemption Notice Period
Investment	Investment Strategy	Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments		
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	\$ -	Quarterly	30 Days
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.	3,103,985	2,064,160	2,214,000	2,864,394	No Restrictions	Subject to consent of GP
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.	253,037	599,401	421,000	495,090	No Restrictions	Requires notification to general partner. Redemption is subject to written consent of general partner.
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.	1,332,109	3,413,758	2,588,000	3,341,280	No Restrictions	Requires notification to the general partner. Redemption is subject to written consent of general partner.

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NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)

-61035		June 30, 2022		June 30, 2021		Redemption Frequency	Redemption Notice Period
Investment	Investment Strategy	Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments		
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.	\$ 1	\$ 1,225,000	\$ 665,000	\$ 1,225,000	No Restrictions	Subject to consent of GP
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.	259,648	141,679	229,000	141,679	No Restrictions	Requires notification to general partner. Redemption is subject to written consent of general partner.
Pelham	A hedged equity manager that invests long and short in European equities. Net exposure will typically range from 70-90%.	3,935,481	-	7,434,000	-	Monthly	90 Days
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.	844,436	-	799,000	-	Quarterly	60 Days

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JUNE 30, 2022 AND 2021

NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)

-61035

Investment	Investment Strategy	June 30, 2022		June 30, 2021		Redemption Frequency	Redemption Notice Period
		Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments		
Pleiad Asia	A hedged equity manager that invests long and short in Asian equities. Net exposure will typically range from 0-30%.	\$ 4,984,072	\$ -	\$ 5,651,000	\$ -	Quarterly	60 Days
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.	1,495,534	157,949	1,485,000	160,280	No Restrictions	Requires notification to general partner. Redemption is subject to written consent of general partner.
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.	313,464	-	482,000	-	No Restrictions	90 Days (Written to the President)
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.	176,952	136,164	897,000	136,164	No Restrictions	Requires notification to general partner. Redemption is subject to written consent of general partner.
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.	10,807,254	-	11,151,000	-	Quarterly	95 Days
		<u>\$ 165,952,000</u>	<u>\$ 136,352,194</u>	<u>\$ 140,186,000</u>	<u>\$ 69,316,991</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 \$165,952,000 and \$140,186,000 at June 30, 2022 and 2021, respectively. These investments are managed by the Foundation; however, the Foundation's portion of the pool of these investments is 54.0% and 58.1% at June 30, 2022 and 2021, or approximately \$89,658,000 and \$81,448,000, respectively.

The total unfunded commitments listed in the preceding table are \$136,652,194 and \$69,316,991 at June 30, 2022 and 2021, respectively. The Foundation's portion of these commitments is approximately \$73,666,000 and \$40,252,000 at June 30, 2022 and 2021, respectively.

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

	2022		2021	
	Market	Cost	Market	Cost
Pooled Investments:				
Cash Equivalents - United States	\$ 4,076,188	\$ 4,076,188	\$ 5,721,818	\$ 5,721,818
Accrued Interest - United States	465,757	465,757	276,373	276,373
Common Stock:				
United States - USD	56,018,967	58,977,977	73,224,074	52,020,380
Ireland - USD	-	-	165,368	62,310
Israel - USD	73,054	72,739	357,372	413,717
Germany - USD	-	-	1,515,305	1,393,859
India - USD	325,430	241,914	286,733	188,134
Switzerland - USD	-	-	1,417,648	1,247,438
Denmark - USD	320,712	312,019	381,495	244,879
Taiwan - USD	200,043	116,887	466,007	309,603
Government Bonds - United States	12,222,260	12,489,379	12,051,136	11,828,867
Corporate Bonds:				
United States - USD	2,174,860	2,385,035	2,451,547	2,338,847
Belgium - USD	93,736	99,841	111,239	99,841
Netherlands - USD	-	-	105,129	100,190
United Kingdom - USD	197,924	216,518	225,587	216,518
Fixed-Income Mutual Funds - United States	64,039,931	72,091,715	51,843,930	52,597,841
Equity Mutual Funds, Indexes, ETFs:				
United States - USD	125,305,124	93,675,708	141,878,527	87,828,734
International Region - USD	79,806,020	80,576,058	93,346,291	75,346,775
Global Region - USD	46,870,833	56,104,405	52,313,614	51,084,563
Emerging Markets - USD	15,215,615	16,015,572	19,623,200	12,868,388
Real Estate - United States	15,875,893	16,653,058	9,689,137	9,038,624
Hedge Funds:				
Hedge Equity - Multi National	13,429,644	10,000,000	13,171,094	10,000,000
Hedge Equity - International	31,455,695	39,304,661	25,199,116	26,893,819
Fund of Funds - International	10,807,254	7,000,000	11,151,232	7,000,000
Partnerships - Global	1,495,534	1,049,565	1,485,432	1,355,900
Partnerships - North America Region	4,920,987	5,642,162	5,807,406	6,196,159
Partnerships - United States	111,556,150	61,130,135	83,371,370	61,220,739
Total Pooled Investments	\$ 596,947,611	\$ 538,697,293	\$ 607,637,180	\$ 477,894,316

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)

	2022		2021	
	Market	Cost	Market	Cost
Nonpooled Investments:				
Cash Equivalents - United States	\$ 269,602	\$ 269,602	\$ 122,182	\$ 122,182
Accrued Interest - United States	506	506	884	884
Private Closely Held-United States	2,038,100	2,038,100	2,038,100	2,037,100
Fixed-Income Mutual Funds:				
United States - USD	388,152	425,160	452,609	445,484
Global Region - USD	60,351	68,362	68,949	68,362
Corporate Bonds - United States	-	-	131,763	129,904
Common Stocks - United States	1,270,589	607,430	1,561,633	641,836
Equity Mutual Funds, Indexes, ETFs:				
United States - USD	3,949,857	3,927,336	4,204,529	3,418,614
Emerging Markets - USD	79,395	92,166	114,680	89,755
International - USD	244,717	279,124	353,493	300,799
Total Nonpooled Investments	<u>\$ 8,301,269</u>	<u>\$ 7,707,786</u>	<u>\$ 9,048,822</u>	<u>\$ 7,254,920</u>
Annuity Trusts:				
Cash Equivalents - United States	\$ 25,330	\$ 25,330	\$ 2,916	\$ 2,916
Accrued Interest - United States	3,170	3,170	26,598	26,598
Fixed-Income Mutual Funds:				
United States - USD	804,211	876,358	982,556	929,690
Corporate Bonds - United States	100,348	100,245	132,425	124,711
Common Stocks - United States	1,822,628	770,167	2,114,029	722,238
Equity Mutual Funds, Indexes, ETFs:				
United States - USD	803,709	469,847	1,153,915	502,161
Emerging Markets - USD	58,078	59,308	60,973	60,802
International - USD	155,355	162,573	174,397	185,242
Total Annuity Trusts	<u>\$ 3,772,829</u>	<u>\$ 2,466,998</u>	<u>\$ 4,647,809</u>	<u>\$ 2,554,358</u>

NOTE 14 CONCENTRATIONS

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, 2022 and 2021, the Foundation maintained balances that exceeded insurable limits.

The Foundation is dependent on financial support from contributions. Approximately 15% and 35% of the Foundation's receivable balance as of June 30, 2022 and 2021, respectively, is from one donor. This donor also makes up 26% of contribution revenue for the year ended 2021.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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 that 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, 2022 and 2021, and have issued our report thereon dated September 29, 2022, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted 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 29, 2022

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS	The University of Toledo Foundation	The University of Toledo Foundation Real Estate Corp.	UTF Gateway Investments LLC	Eliminating Entries	Total
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 1,214,005	\$ 340,630	\$ 248,246	\$ -	\$ 1,802,881
Accounts Receivable	2,294,490	-	5,915	(1,357,500)	942,905
Contributions Receivable, Net of Allowance for Uncollectible Contributions	5,091,850	-	-	-	5,091,850
Prepaid Expense	83,126	-	144,000	(144,000)	83,126
Total Current Assets	<u>8,683,471</u>	<u>340,630</u>	<u>398,161</u>	<u>(1,501,500)</u>	<u>7,920,762</u>
NONCURRENT ASSETS					
Investments:					
Pooled Investments	599,567,700	-	-	(2,620,089)	596,947,611
Nonpooled Investments	5,203,901	-	3,097,368	-	8,301,269
Real Estate	593,476	-	-	-	593,476
Assets Held in Charitable Remainder Trusts	3,772,829	-	-	-	3,772,829
Total Investments	<u>609,137,906</u>	<u>-</u>	<u>3,097,368</u>	<u>(2,620,089)</u>	<u>609,615,185</u>
Due from Real Estate Corporation	8,303,504	-	-	(8,303,504)	-
Contributions Receivable, Net of Allowance for Uncollectible Contributions and Present Value Adjustments	4,913,077	-	-	-	4,913,077
Cash Value of Life Insurance and Annuities	1,476,611	-	-	-	1,476,611
PROPERTY AND EQUIPMENT					
Land and Land Improvements	6,150,517	920,862	-	-	7,071,379
Gateway	-	-	15,541,459	-	15,541,459
Rental Property	-	171,229	-	-	171,229
Construction in Process	28,250	-	-	-	28,250
Building and Equipment	26,321,152	-	239,387	-	26,560,539
Total Property and Equipment	<u>32,499,919</u>	<u>1,092,091</u>	<u>15,780,846</u>	<u>-</u>	<u>49,372,856</u>
Less: Accumulated Depreciation	3,255,084	263,563	3,915,900	-	7,434,547
Net Property and Equipment	<u>29,244,835</u>	<u>828,528</u>	<u>11,864,946</u>	<u>-</u>	<u>41,938,309</u>
Total Assets	<u>\$ 661,759,404</u>	<u>\$ 1,169,158</u>	<u>\$ 15,360,475</u>	<u>\$ (12,425,093)</u>	<u>\$ 665,863,944</u>

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

LIABILITIES AND NET ASSETS	The University of Toledo Foundation	The University of Toledo Foundation Real Estate Corp.	UTF Gateway Investments LLC	Eliminating Entries	Total
CURRENT LIABILITIES					
Accounts Payable	\$ 1,814,464	\$ 77	\$ 1,379,787	\$ (1,357,500)	\$ 1,836,828
Accrued Liabilities	386,821	1,371	192,185	(144,000)	436,377
Deferred Revenue	-	6,971	60,282	-	67,253
Senior Secured Notes Payable	-	-	353,039	-	353,039
Total Current Liabilities	<u>2,201,285</u>	<u>8,419</u>	<u>1,985,293</u>	<u>(1,501,500)</u>	<u>2,693,497</u>
NONCURRENT LIABILITIES					
Due to University of Toledo Foundation	-	8,303,504	-	(8,303,504)	-
Senior Secured Notes Payable, Net of Debt Issuance Costs	-	-	7,662,541	-	7,662,541
Gateway Funding from Pooled Investments	-	-	2,229,911	-	2,229,911
Grantor Trust Payable to a Related Party	2,012,824	-	-	-	2,012,824
Annuities Payable	2,197,854	-	-	-	2,197,854
Funds Held for Affiliates	275,117,455	-	-	-	275,117,455
Total Liabilities	<u>281,529,418</u>	<u>8,311,923</u>	<u>11,877,745</u>	<u>(9,805,004)</u>	<u>291,914,082</u>
NET ASSETS (DEFICIT)					
Without Donor Restrictions:					
Operating Funds:					
Undesignated	1,617,614	-	-	-	1,617,614
Designated:					
Real Estate	39,245,052	(7,142,765)	-	-	32,102,287
Gateway	-	-	3,482,730	(2,620,089)	862,641
Board	10,395,270	-	-	-	10,395,270
Total Without Donor Restrictions Operating Funds	<u>51,257,936</u>	<u>(7,142,765)</u>	<u>3,482,730</u>	<u>(2,620,089)</u>	<u>44,977,812</u>
Board Endowed	15,715,364	-	-	-	15,715,364
Total Without Donor Restrictions	<u>66,973,300</u>	<u>(7,142,765)</u>	<u>3,482,730</u>	<u>(2,620,089)</u>	<u>60,693,176</u>
With Donor Restrictions	313,256,686	-	-	-	313,256,686
Total Net Assets (Deficit)	<u>380,229,986</u>	<u>(7,142,765)</u>	<u>3,482,730</u>	<u>(2,620,089)</u>	<u>373,949,862</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 661,759,404</u>	<u>\$ 1,169,158</u>	<u>\$ 15,360,475</u>	<u>\$ (12,425,093)</u>	<u>\$ 665,863,944</u>

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

ASSETS	The University of Toledo Foundation	The University of Toledo Foundation Real Estate Corp.	UTF Gateway Investments LLC	Eliminating Entries	Total
CURRENT ASSETS					
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>
NONCURRENT ASSETS					
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
PROPERTY AND EQUIPMENT					
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
Building and 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)

LIABILITIES AND NET ASSETS	The University of Toledo Foundation	The University of Toledo Foundation Real Estate Corp.	UTF Gateway Investments LLC	Eliminating Entries	Total
CURRENT LIABILITIES					
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>
NONCURRENT LIABILITIES					
Due to University of Toledo Foundation	-	8,303,504	-	(8,303,504)	-
Senior Secured Notes Payable, Net of Debt Issuance Costs	-	-	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>
NET ASSETS (DEFICIT)					
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 ACTIVITIES
YEAR ENDED JUNE 30, 2022
(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
SUPPORT, REVENUE, AND GAINS (LOSSES)							
Contributions	\$ 11,141,005	\$ -	\$ -	\$ -	\$ 340,318	\$ 10,800,687	\$ 11,141,005
Unconditional Promises to Give	3,534,238	-	-	-	20,711	3,513,527	3,534,238
Administrative Fees	3,382,148	-	-	-	6,438,203	(3,056,055)	3,382,148
Annuities and Trusts, Net of Actuarial Adjustments	114,440	-	-	-	-	114,440	114,440
Ancillary and Nongift	1,001,236	-	-	-	8,391	992,845	1,001,236
Bookstore Revenue	3,461,730	-	-	-	3,461,730	-	3,461,730
Center for Alumni and Donor Engagement	1,024,755	-	-	-	1,024,755	-	1,024,755
Income - UTF Gateway Investments	-	-	1,521,254	(360,559)	1,160,695	-	1,160,695
Income - Real Estate Corp.	-	63,735	-	-	63,735	-	63,735
Interest and Dividends	5,643,157	-	132,401	-	1,259,507	4,383,650	5,643,157
Investment Fees	(958,309)	-	-	-	(185,980)	(772,329)	(958,309)
Net Realized and Unrealized Losses	(34,209,306)	-	(535,318)	-	(6,701,236)	(28,043,388)	(34,744,624)
Satisfaction of Program and Donor Restrictions	-	-	-	-	16,140,975	(16,140,975)	-
Other Transfers	-	-	-	-	(22,591)	22,591	-
Total Support, Revenue, and Gains (Losses)	(5,864,906)	63,735	1,118,337	(360,559)	23,009,213	(28,185,007)	(5,175,794)
EXPENSES							
University Program Services:							
Academics	6,966,860	-	-	-	6,966,860	-	6,966,860
Athletics	4,095,411	-	-	-	4,095,411	-	4,095,411
Student Aid	4,896,114	-	-	-	4,896,114	-	4,896,114
Capital Projects	848,535	-	-	-	848,535	-	848,535
Research	259,231	-	-	-	259,231	-	259,231
Bookstore	3,561,277	-	-	(360,559)	3,200,718	-	3,200,718
Donor Life Insurance Premiums	130,760	-	-	-	130,760	-	130,760
Management and General	4,910,532	13,844	1,362,842	-	6,287,218	-	6,287,218
Fundraising	4,718,696	-	-	-	4,718,696	-	4,718,696
Total Expenses	30,387,416	13,844	1,362,842	(360,559)	31,403,543	-	31,403,543
CHANGE IN NET ASSETS, BEFORE TRANSFERS	(36,252,322)	49,891	(244,505)	-	(8,394,330)	(28,185,007)	(36,579,337)
CAPITAL TRANSFERS	-	-	196,221	(196,221)	-	-	-
CHANGE IN NET ASSETS	(36,252,322)	49,891	(48,284)	(196,221)	(8,394,330)	(28,185,007)	(36,579,337)
Net Assets (Deficit) - Beginning of Year	413,962,856	(7,192,656)	3,923,587	(2,816,445)	69,087,506	341,441,693	410,529,199
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ 377,710,534</u>	<u>\$ (7,142,765)</u>	<u>\$ 3,875,303</u>	<u>\$ (3,012,666)</u>	<u>\$ 60,693,176</u>	<u>\$ 313,256,686</u>	<u>\$ 373,949,862</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
SUPPORT, REVENUE, AND GAINS							
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
EXPENSES							
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
CHANGE IN NET ASSETS, BEFORE TRANSFERS	84,694,509	50,860	274,697	-	16,105,366	68,840,507	84,945,873
CAPITAL TRANSFERS	-	-	45,306	(45,306)	-	-	-
CHANGE IN NET ASSETS	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
NET ASSETS (DEFICIT) - END OF YEAR	<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>



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

Board of Trustees
The University of Toledo Foundation
Toledo, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of The University of Toledo Foundation, which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 29, 2022.

Report on Internal Control Over Financial Reporting

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

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

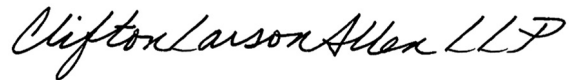
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Toledo, Ohio
September 29, 2022



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