

FY 2023 Annual **Financial Report**

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
The University of Toledo
2801 W. Bancroft Street
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We have reviewed the *Independent Auditors' Report* of The University of Toledo, Lucas County, prepared by CliftonLarsonAllen LLP, for the audit period July 1, 2022 through June 30, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

January 09, 2024

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**THE UNIVERSITY OF TOLEDO
LUCAS COUNTY
REGULAR AND SINGLE AUDIT
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

PREPARED BY GORDON CHAUVIN, CONTROLLER



CPAs | CONSULTANTS | WEALTH ADVISORS

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**THE UNIVERSITY OF TOLEDO
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
The University of Toledo
Toledo, Ohio

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of The University of Toledo (the University), a component of the State of Ohio, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise The University's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of The University, as of June 30, 2023 and 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 of the financial statements, the University implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023, which represents a change in accounting principle. The University's June 30, 2022, statement of net position and statement of revenues, expenses, and changes in net position were restated to reflect the impact of adoption. Our opinions are not modified with respect to this matter.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2023, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Toledo, Ohio
October 16, 2023

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of the University of Toledo (the University) for the year ended June 30, 2023, with comparative information for the years ended June 30, 2022 and 2021. The MD&A complements the accompanying audited financial statements and footnotes.

ABOUT THE UNIVERSITY OF TOLEDO

The University is a leading research institution in the state of Ohio with over 15,000 students, 1,300+ instructional faculty, and 3,700+ staff members. The University is comprised of thirteen colleges: Arts and Letters; Business and Innovation; Education; Engineering; Graduate Studies; Health and Human Services; Honors; Law; Medicine and Life Sciences; Natural Sciences and Mathematics; Nursing; Pharmacy and Pharmaceutical Sciences, and University College. The University offers more than 300 undergraduate, graduate, and professional programs leading to degrees in over 60 instructional departments. The University operates The University of Toledo Medical Center (UTMC), which includes 319 registered beds and, during the most recent fiscal year, provided services to 9,262 admitted patients, 191,708 outpatient clinic patients and 26,401 emergency visit patients. In addition, UTMC performed 7,075 surgical cases and, on average, cared for nearly 700 patients per day in both an inpatient and outpatient setting. UTMC specializes in kidney transplantation, cardiology, behavioral health, family medicine, orthopedic surgery, and cancer treatment.

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

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

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

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

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

ABOUT THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

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

The *Notes to the Financial Statements* follow the financial statements of the University. The Notes provide additional information and details to supplement the financial statements.

Impact of GASB Statements No. 68 and No. 75

GASB Statements 68 and 75, which require the University to recognize its share of the unfunded liability in the State retirement system's pension and other post-employment benefit (OPEB) plans, continue to have a significant impact on both the University's net position and operating results. The net position associated with GASB 68 and 75 is negative \$372.9 million as of June 30, 2023, which reflects an improvement of \$2.9 million over the prior year. Total unrestricted net position as of June 30, 2023 is negative \$80.6 million, an improvement of \$19.0 million over the prior year.

The University has a restricted expendable net position of \$90.4 million and a restricted non-expendable net position of \$12.8 million as of June 30, 2023. Net investment in capital is \$214.4 million. The following sections provide additional details on the University's 2023 financial position and results and a look ahead at significant economic conditions expected to affect the University in the future.

Effects of the COVID-19 Pandemic on the University

On January 30, 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. During March 2020, the University discontinued in-person classes and most campus operations and shifted to remote academic delivery for the remainder of the semester. Although the University has gradually transitioned back to in-person classes, the effects of the pandemic have exacerbated the trend of declining enrollment.

In response to the pandemic, the Federal government enacted multiple pieces of legislation intended to provide economic relief to both individuals and businesses. Since the pandemic, the University (including UTM), has received a total of \$128.3 million in stimulus funding from a variety of programs including \$6.1 million in 2023 and \$27.8 million in 2022. Part of the funding was restricted to direct aid for students and part was available to offset lost revenue and assist with various expenses related to the pandemic. The funding from these various programs is reflected in the financial statements as non-operating federal grant revenue.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

FINANCIAL HIGHLIGHTS AND KEY TRENDS

Summary Statements of Net Position (in thousands)			
	2023	2022 restated	2021 restated
Assets			
Cash and cash equivalents	\$ 95,244	\$ 134,327	\$ 173,547
Receivables, inventories, and other current assets	136,663	142,526	125,015
Total current assets	231,907	276,853	298,562
Restricted cash	2,096	4,336	3,063
Endowment and loan investments	63,265	61,524	69,658
Long-term investments	308,622	296,116	231,286
Capital assets, net of accumulated depreciation	495,488	515,627	527,253
Net pension asset	3,623	6,178	4,708
Net OPEB asset	18,535	52,478	34,905
Other non-current assets	13,886	15,738	18,444
Total non-current assets	905,515	951,997	889,317
Total assets	1,137,422	1,228,850	1,187,879
Deferred outflows of resources			
Deferred outflows of resources - pension and OPEB	199,306	76,546	68,340
Deferred outflows of resources - other	8,709	11,506	23,083
Total deferred outflows of resources	208,015	88,052	91,423
Liabilities			
Accounts payable and accrued expenses	99,692	115,661	90,300
Other current liabilities	91,704	91,237	103,095
Total current liabilities	191,396	206,898	193,395
Bonds, notes, and loans	240,390	264,155	282,119
Net OPEB liability	7,621	-	-
Net pension and OPEB liability	514,851	195,712	365,587
Other long-term liabilities	46,536	56,092	66,150
Total non-current liabilities	809,398	515,959	713,856
Total liabilities	1,000,794	722,857	907,251
Deferred inflows of resources			
Deferred inflows of resources - pension and OPEB	49,811	293,200	201,556
Deferred inflows of resources - other	57,810	55,989	5,343
Total deferred inflows of resources	107,621	349,189	206,899
Net position			
Net investment in capital assets	214,411	214,555	218,891
Restricted – non-expendable	12,808	12,808	12,808
Restricted – expendable	90,449	117,182	126,289
Unrestricted	(80,646)	(99,689)	(192,836)
Total net position	\$ 237,022	\$ 244,856	\$ 165,152

Current Assets

Current assets (\$231.9 million) decreased \$44.9 million in 2023 including a \$39.0 million decrease in cash and a \$5.9 million decrease in receivables and other assets. The degradation in cash reflects the continued operational challenges associated with declining enrollment as well as the gradual reduction and cessation of stimulus payments from the pandemic. In addition, spending that was tightly monitored in the aftermath of the pandemic has somewhat normalized, while staffing and supply chain issues, as well as inflation, have adversely affected the cash position. Receivables have been trending to a more normalized level after a spike driven by the transition to a new electronic medical record system at UTMC as well as increased volumes. The University's liquidity continues to provide a sufficient level of working capital. The **Statements of Cash Flows**, discussed later in more detail, will provide additional information regarding the sources and uses of cash.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

Non-Current Assets

The majority of the University's endowments and long-term investments are pooled with assets of the University of Toledo Foundation and Alumni Association. University endowments (\$63.3 million) increased \$1.7 million with a rebound in the investment market partially offset by endowment spending in support of the University. University long-term investments (\$308.6 million) increased \$12.5 due to favorable results in investment earnings. Capital assets (\$495.5 million), including University land, buildings, infrastructure, improvements, and equipment decreased \$20.1 million with depreciation expense continuing to outpace capital investment. Capital spending was predominantly focused on deferred maintenance and infrastructure projects funded by state appropriations, but also included completion of the Epic electronic medical record (EMR) project at UTMC. The net OPEB asset (\$18.5 million) decreased \$33.9 million as a result of the University's share of the State retirement system's performance.

Deferred Outflows of Resources

Deferred outflows of resources (\$208.0 million) increased \$120.0 million due primarily to pensions and OPEB and the University's share of activity in the State retirement system.

Current Liabilities

Current liabilities (\$191.4 million) decreased \$15.5 million with decreases of \$23.3 million in accrued liabilities and \$6.4 million in unearned revenue partially offset by a \$7.4 million increase in accounts payable. The increase in accounts payable is primarily attributable to the timing of year-end payments and a set-aside for Medicaid monies received in error. The decrease in accrued liabilities is attributable to Medicare cost report settlements at UTMC and the timing of the pay cycle affecting accrued payroll. The decrease in unearned revenue is attributable to lower summer tuition payments as well as lower advance payments for grant projects.

Non-Current Liabilities

Total non-current liabilities (\$1,000.8 million) increased \$277.9 million and continue to be significantly impacted by the University's share of unfunded liabilities in the State retirement systems. The University's share of the net pension liability (\$514.8 million) increased \$319.1 million due to unfavorable activity in the state plans. The University is only obligated to pay contributions to the retirement systems and not the actual benefits themselves. Bonds, notes, and leases (\$240.4 million) decreased \$23.8 million reflecting scheduled bond payments as well as loan payments for the Epic implementation. Other long-term liabilities (\$46.5 million) decreased \$9.6 million, driven by lease payments associated with various right-of-use assets, an increase in the fair value of derivative instruments and a return of federal capital related to the Perkins loan program.

Deferred Inflows of Resources

Deferred inflows of resources (\$107.6 million) decreased \$241.6 million driven primarily by the University's share of actuarial activity in the State retirement plans. Deferred inflows not related to pension and OPEB totaled \$57.8 million reflecting an increase of \$1.8 million over the prior year. That includes \$52.2 million associated with the agreement to outsource the University's parking services, \$2.1 million related to anticipated future lease income, \$1.9 million associated with derivative instruments, and \$1.5 million tied to bond refunding.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

Prior Years' Highlights

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

In 2021, the University had total assets of approximately \$1.188 billion, an increase of \$181.7 million from the previous year driven mainly by cash, receivables and investments. Cash increased \$54.0 million due primarily to stimulus payments received by the University in response to the pandemic. Receivables increased \$24.8 million driven by an increase in patient volumes at UTMC after the ban on elective procedures during the pandemic. Investments increased \$69.2 million due to favorable results in the investment market. Total liabilities were \$907.3 million, a decrease of \$229.3 million, with a decrease of \$254.6 in pension and OPEB liability offset slightly by additional debt associated with the Epic implementation and ComDoc lease. Net position was \$165.2 million reflecting an increase of \$273.8 million.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

Summary of Revenues, Expenses, and Changes in Net Position (in thousands)			
<i>(in thousands)</i>	2023	2022 restated	2021 restated
Operating revenues:			
Hospital, net	\$ 377,609	\$ 325,697	\$ 297,676
Tuition and fees, net	178,962	172,515	187,799
Grants and contracts	61,815	61,867	53,664
Auxiliary	46,234	50,221	40,138
Other patient services revenue	75,944	76,329	83,742
Other	123,865	149,256	91,677
Total operating revenue	864,429	835,885	754,696
Operating expenses:			
Salaries, wages, and benefits	607,091	495,253	404,443
Supplies	182,019	150,690	131,473
Outside purchased services	92,249	78,577	70,531
Depreciation and Amortization	62,135	59,082	55,927
Other	99,959	111,805	95,733
Total operating expenses	1,043,453	895,407	758,107
Operating Loss	(179,024)	(59,522)	(3,411)
Non-operating revenues (expenses):			
State share of instruction and grants & contracts	152,397	174,410	226,054
Investment income	21,621	(33,046)	59,016
Interest on debt	(13,493)	(13,373)	(13,911)
Asset disposal	(4,135)	(17)	(640)
Other	404	307	3,115
Total non-operating revenues (expenses)	156,794	128,281	273,634
Other changes			
Capital appropriations	13,322	10,162	2,476
Other	1,074	783	1,104
Total other changes	14,396	10,945	3,580
Increase/(decrease) in net position	(7,834)	79,704	273,803
Net position - beginning of the year	244,856	165,152	(108,651)
Net position - end of the year	\$ 237,022	\$ 244,856	\$ 165,152

Operating Revenues

Operating revenues (\$864.4 million) increased \$28.5 million with increases in hospital-based revenue partially offset by reductions in other revenue. UTMC's net patient revenue increased \$51.9 million driven by favorable volumes. Tuition and fees (\$179.0 million) increased \$6.4 million due primarily to the discount calculation associated with stimulus funding in the prior year. Auxiliary revenue (\$46.2 million) decreased \$4.0 million due to lower utilization of housing and dining services. Other revenue decreased \$25.4 million due to a change in the structure of Academic Affiliation payments as well as a one-time payment received in the prior year tied to a newly implemented Medicaid program.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

Operating Expenses

Total operating expenses (\$1,043.5 million) increased \$148.0 million with \$102.6 million attributable to GASB 68 and 75 adjustments. Excluding the GASB adjustments, salaries and benefits increased \$9.2 million or 1.5%. Supply expense increased \$31.3 million due mainly to continued growth of the pharmacy 340B pricing program at UTMC as well as favorable patient volumes and general inflation. Purchased services increased \$13.7 million driven mainly by external staffing expenses at UTMC amid a challenging market for hiring employees. Other operating expenses decreased \$11.8 million due primarily to the capitalization of internal labor associated with the Epic EMR project.

Non-Operating Revenues and Expenses

Total non-operating revenues (\$156.8 million) decreased \$28.5 million with an increase in investment income partially offset by a decrease in federal grants. Federal non-operating grants decreased \$22.9 million due to reduced stimulus funding compared to the prior year. Investment income increased \$54.7 million due to a rebound in the investment market. State support was essentially flat.

Other Changes

Total other changes (\$14.4 million) increased \$3.5 million due primarily to greater state capital appropriations utilized.

Prior Years' Highlights

In 2022, the University experienced an increase in net position of \$79.7 million. Operating revenues were \$835.9 million, an increase of \$81.2 million driven by UTMC growth and other revenue. Patient revenue at UTMC increased \$28.0 million due to favorable volumes. Tuition and fees decreased \$15.3 million due to declining enrollment. Grant revenue increased \$8.2 million driven by a \$4.1 million increase in federal awards. Auxiliary revenue (\$50.2 million) increased \$10.1 million with \$7.7 million attributable to Athletics as they resumed in-person events and more normal operations, and \$2.9 million attributable to dining and housing with more students physically on campus. Operating expenses were \$895.4 million, an increase of \$137.3 million, with \$46.1 million attributable to GASB 68 and 75 adjustments. Excluding the GASB adjustments, salaries and benefits increased \$44.7 million reflecting more normalized operations after the temporary furloughs and salary reductions in 2021. Supply expense increased \$19.2 million due mainly to continued growth of the pharmacy 340B pricing program at UTMC as well as favorable patient volumes. Purchased services increased \$8.0 million driven mainly by external staffing expenses at UTMC. Total non-operating revenue (\$128.3 million) decreased \$145.4 million with \$52.6 million attributable to federal grants and \$92.1 million attributable to investment losses. State support increased a modest \$1.2 million and capital appropriations increased \$7.4 million consistent with the second year of the capital biennium.

In 2021, the University experienced an increase in net position of \$273.8 million. Operating revenues were \$754.7 million, an increase of \$42.6 million, driven by growth of \$45.5 million in net patient revenue at UTMC due to a rebound in patient volumes following the ban on elective procedures during the pandemic. Tuition and fees decreased \$5.9 million and auxiliary revenue decreased \$17.6 million due to lower enrollment and less students on campus as well as refunds issued to students in response to the pandemic. Affiliation payments increased \$3.3 million as scheduled in the agreement. Operating expenses were \$758.1 million, a decrease of \$187.1 million, with \$185.6 million attributable to GASB 68 and 75 adjustments. Excluding the GASB adjustments, salaries and benefits decreased \$31.9 million driven mainly by temporary furloughs and salary reductions in response to the pandemic. Supply expense increased \$31.7 million due mainly to continued growth of the pharmacy 340B pricing program at UTMC as well as a rebound in patient volumes and associated expenses. In addition, there were numerous supply items purchased on both campuses in response to the pandemic including cleaning.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

Prior Years' Highlights (continued)

supplies, testing kits and various technology items to enable distance learning. Total non-operating revenue (\$273.6 million) increased \$129.4 million with \$60.7 million attributable to federal grants and \$62.7 million attributable to investment gains. State support increased \$5.6 million and capital appropriations dropped \$13.8 million which is consistent with the first year of the capital biennium.

STATEMENTS OF CASH FLOWS

Summary of Cash Flows (in thousands)			
	2023	2022 restated	2021
Net cash flows from operating activities	\$ (142,661)	\$ (115,976)	\$ (120,574)
Net cash flows from non-capital financing activities	156,359	174,300	229,279
Net cash flows from capital and related financing activities	(60,850)	(53,222)	(42,053)
Net cash flows from investing activities	5,829	(43,049)	(10,980)
Net increase (decrease) in cash	<u>\$ (41,323)</u>	<u>\$ (37,947)</u>	<u>\$ 55,672</u>

Cash and cash equivalents decreased \$41.3 million during 2023. The University had net cash used in operating activities of \$142.7 million, an increase of \$26.7 million over last year. The University had net cash provided by non-capital financing of \$156.4 million, a decrease of \$17.9 million from the previous year reflecting a continued reduction in non-operating grants related to pandemic relief. Net cash used in capital and related financing activities was \$60.9 million, including capital asset purchases of \$36.7 million and debt service payments of 41.1 million (net of proceeds from bond refinancing). Net cash provided by investing activities was \$5.8 million driven by net investment activity.

Prior Years' Highlights

Cash and cash equivalents decreased \$37.9 million during 2022. The University had net cash used in operating activities of \$116.0 million, a decrease of \$4.6 million over the prior year. The University had net cash provided by non-capital financing of \$174.3 million, a decrease of \$55.0 million from the previous year reflecting a reduction in non-operating grants related to pandemic relief. Net cash used in capital and related financing activities was \$53.2 million, including capital asset purchases of \$31.9 million and debt service payments of 32.3 million. Net cash used by investing activities was \$43.0 million driven by net investment activity.

Cash and cash equivalents increased \$55.7 million during 2021. The University had net cash used in operating activities of \$120.6 million, an increase of \$30.2 million driven primarily by reduced tuition and auxiliary revenue as well as an increase in patient receivables at UTMC reflecting the nature of the revenue cycle as volumes rebounded from the pandemic. The University had net cash provided by non-capital financing of \$229.3 million, an increase of \$68.1 million from the previous year reflecting a \$5.6 million increase in state support as well as an increase of \$60.0 million in non-operating grants related primarily to pandemic relief. Net cash used in capital and related financing activities was \$42.1 million, including capital asset purchases of \$43.7 million and debt service payments of 27.5 million. Net cash used by investing activities was \$11.0 million driven by net investment activity.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

Higher Education and the University

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

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

The state of Ohio implemented a performance-based funding model for State Share of Instruction (SSI) in fiscal year 2014. The revised methodology includes performance-based metrics such as course completion and degrees awarded, as well as consideration for at-risk students. The University received modest SSI increases of 0.3% in FY23 and 1.1% in FY22. The state of Ohio passed its biennium budget in July 2022 that allowed state universities to increase tuition and general fees up to 2% for non-guaranteed students, and up to 4.6% for the fall 2022 incoming cohort.

On December 28, 2017, the Board of Trustees approved the adoption of the Toledo Tuition Guarantee Plan, a cohort-based, guaranteed undergraduate tuition program developed in accordance with Ohio Revised Code §3345.48. New, degree-seeking undergraduate students who enroll for the first time beginning summer or fall semester 2018 were the first cohort to participate in the plan. The plan provides a fixed undergraduate tuition rate for 12 consecutive semesters, including intersessions & summer, and fixed-rate general fees for four years. Students who take classes beyond their four-year guarantee period will pay the tuition rate set for the next unexpired cohort.

Since 2016, the University of Toledo has worked diligently to ensure that strategic planning processes engage stakeholders' institution-wide to accurately reflect the needs of the entire institution. These plans include: (1) an institutional strategic plan; (2) a facilities master plan; and (3) a diversity strategic plan. These planning processes required feedback from a range of internal and external constituents, including Faculty Senate and Graduate Council. In addition to these over-arching institutional strategic plans, various colleges and units also have developed strategic plans using similar practices that engage a range of constituents with the goal of continuous improvement.

After his arrival in July 2020, President Postel introduced a series of key initiatives to address critical systemic challenges within the institution and to prioritize strategic planning efforts, while also managing the impact of the pandemic. In no particular order these initiatives include develop and implement a systemic approach to the elimination of racism on our campuses; develop a department and plan for enterprise risk management; develop and implement a strategic enrollment management plan; enhance educational opportunities and partnerships through academic affiliation agreement with ProMedica; enhance, stabilize, and sustain UTMC; develop and implement reinvestment strategy; develop and implement budget modernization; modernize human resources. These key initiatives are seen as a way to focus the institutional strategic plan in light of current workgroups, composed of faculty, staff and students, focus on increasing efficiencies, addressing operational challenges, and embracing innovative ideas. As the University prepares for its next strategic plan, these teams will create a solid foundation upon which the new strategic plan will evolve and ensure the institution is fulfilling its mission.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

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

The University completed an affiliation agreement in fiscal year 2016 between the University's College of Medicine and Life Sciences and ProMedica, a locally owned health system in northwest Ohio and southeast Michigan with a network of hospitals, physicians, health care professionals, researchers, and specialty clinics and facilities. The partnership continues to provide long-term strength and expansion of educational and financial opportunities for the University's College of Medicine and Life Sciences. ProMedica's Toledo Hospital and Toledo's Children's Hospital have become academic medical centers and University students and residents now train at the ProMedica facilities. ProMedica will provide the University with significant financial support for operations and capital investment.

As the pandemic forced many Universities into remote learning modes, the University recognizes the importance of adapting to technological advances for how education is delivered. The U.S. Department of Education reports that one-quarter of students are exclusively distance learners or use some form of online courses toward obtaining a degree. The University continues to look for opportunities to expand its online education, while balancing with the full student experience, having in person classes, on campus activities and providing amenities that students' desire.

Healthcare and the University

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

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

During fiscal year 2023, UTMC continued to support the mission of the University "to improve the human condition" by providing patient-centered, university quality care. In response to increased volumes from the move to Level II trauma and the recent closure of a St. Luke's hospital, UTMC has opened 42 additional beds in key areas of the hospital. Also during fiscal 2023, UTMC implemented the Epic electronic health records system, bringing its EHR to state-of-the-art and providing enhanced interoperability with other health care providers.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

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

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

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

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

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

Contacting Financial Management

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

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

THE UNIVERSITY OF TOLEDO
STATEMENTS OF NET POSITION
JUNE 30, 2023 AND 2022
(DOLLARS IN THOUSANDS)

	University		UT Foundation	
	2023	2022 restated	2023	2022
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 95,244	\$ 134,327	\$ 2,634	\$ 1,803
Accounts receivable, net	119,510	122,931	1,191	943
Contributions receivable, net	-	-	4,911	5,092
Inventories	11,171	10,437	-	-
Notes receivable, net	869	1,387	-	-
Other	5,113	7,771	512	83
Total current assets	231,907	276,853	9,248	7,921
Noncurrent assets:				
Restricted cash	2,096	4,336	-	-
Endowment and loan investments	63,265	61,524	-	-
Notes receivable, net	716	2,137	-	-
Lease receivable	2,258	5,002	-	-
Long-term investments	308,622	296,116	648,926	605,249
Investments held by insurance captive	6,785	6,434	-	-
Contributions receivable, net	-	-	5,127	4,913
Capital assets, net	495,488	515,627	42,482	41,938
Rocket Innovations	2,021	2,008	-	-
Charitable remainder trusts and annuity contracts	-	-	4,800	3,773
Cash surrender value of life insurance policies	-	-	1,349	1,477
Net pension asset	3,623	6,178	-	-
Net OPEB asset	18,535	52,478	-	-
Other	2,106	157	-	593
Total noncurrent assets	905,515	951,997	702,684	657,943
Total assets	\$ 1,137,422	\$ 1,228,850	\$ 711,932	\$ 665,864
Deferred outflows:				
Deferred outflow of resources - derivatives	\$ -	\$ 1,916	\$ -	\$ -
Deferred outflow of resources - OPEB	24,019	1,517	-	-
Deferred outflow of resources - pension	175,287	75,029	-	-
Deferred outflow of resources - refunding	8,709	9,590	-	-
Total deferred outflows	\$ 208,015	\$ 88,052	\$ -	\$ -

See accompanying Notes to the Financial Statements.

THE UNIVERSITY OF TOLEDO
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2023 AND 2022
(DOLLARS IN THOUSANDS)

	University		UT Foundation	
	2023	2022 restated	2023	2022
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 53,920	\$ 46,540	\$ 2,774	\$ 1,837
Accrued liabilities	45,772	69,121	415	436
Unearned revenue	33,486	39,850	62	67
Compensated absences - current portion	26,709	26,526	-	-
Long-term liabilities - current portion	31,509	24,861	371	353
Total current liabilities	191,396	206,898	3,622	2,693
Noncurrent liabilities:				
Compensated absences	7,636	7,886	-	-
Long-term liabilities	240,390	264,155	14,074	14,104
Right of use lease and subscription based information technology arrangement liabilities	25,341	31,765	-	-
Refundable federal student loans	3,398	4,503	-	-
Other	-	611	-	-
Insurance captive reserve for losses	10,161	9,411	-	-
Fair value of derivative investment	-	1,916	-	-
Net OPEB liability	7,621	-	-	-
Net pension liability	514,851	195,712	-	-
Funds held for affiliates	-	-	306,915	275,117
Total noncurrent liabilities	809,398	515,959	320,989	289,221
Total liabilities	\$ 1,000,794	\$ 722,857	\$ 324,611	\$ 291,914
Deferred inflows:				
Deferred inflow of resources - OPEB	\$ 20,831	\$ 61,749	\$ -	\$ -
Deferred inflow of resources - pension	28,980	231,451	-	-
Deferred inflow of resources - other	57,810	55,989	-	-
Total deferred inflows	\$ 107,621	\$ 349,189	\$ -	\$ -
NET POSITION				
Net investment in capital assets	\$ 214,411	\$ 214,555	\$ 33,685	\$ 32,965
Restricted for:				
Nonexpendable	12,808	12,808	156,416	145,246
Expendable	90,449	117,182	169,426	168,011
Unrestricted	(80,646)	(99,689)	27,794	27,728
Total net position	\$ 237,022	\$ 244,856	\$ 387,321	\$ 373,950

See accompanying Notes to the Financial Statements.

THE UNIVERSITY OF TOLEDO
STATEMENTS OF REVENUES, EXPENSES, AND OTHER
CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2023 AND 2022
(DOLLARS IN THOUSANDS)

	<u>University</u>		<u>UT Foundation</u>	
	<u>2023</u>	<u>2022 restated</u>	<u>2023</u>	<u>2022</u>
REVENUES				
Operating revenues:				
Hospital patient service revenue, net of bad debt of \$8,121 and \$7,078 respectively	\$ 377,609	\$ 325,697	\$ -	\$ -
Student tuition and fees, net of student aid of \$78,217 and \$75,072 respectively	178,962	172,515	-	-
Federal grants and contracts	47,605	44,351	-	-
State grants and contracts	3,004	2,569	-	-
Local grants and contracts	441	497	-	-
Private grants and contracts	10,765	14,450	-	-
Sales and services	3,555	3,374	-	-
Auxiliary Enterprises, net of student aid of \$2,507 and \$2,422, respectively	46,234	50,221	-	-
Other patient services revenue	75,944	76,329	-	-
Contributions and support	-	-	13,001	14,789
Residency reimbursement	22,189	23,773	-	-
Academic Affiliation Investment	36,086	44,619	-	-
Other	62,035	77,490	7,990	7,870
Total operating revenues	864,429	835,885	20,991	22,659
EXPENSES				
Operating expenses:				
Salaries and wages	468,146	456,537	-	-
Benefits	138,945	38,716	-	-
Supplies	182,019	150,690	-	-
Travel and entertainment	13,099	10,898	-	-
Information and communication	30,307	26,281	-	-
Occupancy	31,076	33,827	-	-
Scholarship	23,684	31,971	-	-
Outside purchased services	92,249	78,577	-	-
Provision for doubtful accounts	1,411	1,301	-	-
Support to University	-	-	18,108	17,066
Fundraising and development	-	-	5,640	4,719
Management	-	-	5,723	5,296
Depreciation and amortization	62,135	59,082	1,122	1,122
Other	382	7,527	2,959	3,201
Total operating expenses	1,043,453	895,407	33,552	31,404
Operating loss	\$ (179,024)	\$ (59,522)	\$ (12,561)	\$ (8,745)

See accompanying Notes to the Financial Statements.

THE UNIVERSITY OF TOLEDO
STATEMENTS OF REVENUES, EXPENSES, AND OTHER
CHANGES IN NET POSITION (CONTINUED)
YEARS ENDED JUNE 30, 2023 AND 2022
(DOLLARS IN THOUSANDS)

	<u>University</u>		<u>UT Foundation</u>	
	<u>2023</u>	<u>2022 Restated</u>	<u>2023</u>	<u>2022</u>
Operating loss	\$ (179,024)	\$ (59,522)	\$ (12,561)	\$ (8,745)
NONOPERATING REVENUES (EXPENSES)				
State share of instruction	111,082	110,700	-	-
Income (Loss) after state share of instruction	(67,942)	51,178	(12,561)	(8,745)
Federal grants and contracts	24,233	47,118	-	-
State grants and contracts	10,832	11,167	-	-
Gifts	6,250	5,425	-	-
Investment income	21,621	(33,046)	23,692	(30,060)
Interest on debt	(13,493)	(13,373)	-	-
Asset disposal	(4,135)	(17)	-	-
Other	404	307	2,240	2,226
Total nonoperating revenues	45,712	17,581	25,932	(27,834)
Income (loss) before other changes	(22,230)	68,759	13,371	(36,579)
Other changes				
Capital appropriations	13,322	10,162	-	-
Capital grants, gifts, and contracts	1,074	783	-	-
Total other changes	14,396	10,945	-	-
Increase (Decrease) in net position	(7,834)	79,704	13,371	(36,579)
NET POSITION				
Net position at beginning of year	244,856	165,152	373,950	410,529
Net position at end of year	<u>\$ 237,022</u>	<u>\$ 244,856</u>	<u>\$ 387,321</u>	<u>\$ 373,950</u>

See accompanying Notes to the Financial Statements.

THE UNIVERSITY OF TOLEDO
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022
(DOLLARS IN THOUSANDS)

	<u>2023</u>	<u>2022 restated</u>
Cash flows from operating activities		
Tuition and fees	\$ 180,171	\$ 172,546
Grants and contracts	65,978	62,251
Patient revenues	461,528	387,017
Payments to suppliers and outside purchased services	(401,835)	(343,765)
Payments to employees	(618,680)	(601,372)
Auxiliary Enterprise charges	45,514	48,264
Student direct lending receipts	104,465	104,907
Student direct lending disbursements	(104,247)	(106,397)
Other	124,445	160,573
Net cash used in operating activities	<u>(142,661)</u>	<u>(115,976)</u>
Cash flows from non-capital financing activities		
State share of instruction	111,082	110,700
Student loan repayments, net of loans issued	862	1,359
Return of Perkins capital to Federal government	(1,105)	(1,469)
Issuance of line of credit	37,210	-
Payments on line of credit	(33,005)	-
Gifts, grants, and contracts	41,315	63,710
Net cash provided by non-capital financing activities	<u>156,359</u>	<u>174,300</u>
Cash flows from capital and related financing activities		
Purchases of capital assets	(36,660)	(35,526)
Principal paid on capital debt	(51,640)	(19,265)
Capital appropriations	13,322	10,162
Proceeds from debt issuance	24,045	376
Capital grants and gifts	3,627	4,033
Interest paid on capital debt	(13,544)	(13,002)
Net cash used in capital and related financing activities	<u>(60,850)</u>	<u>(53,222)</u>
Cash flows from investing activities		
Proceeds from sales of investments	25,570	53,686
Purchases of investments	(27,500)	(96,114)
Investment income (loss)	7,759	(621)
Net cash provided by (used in) investing activities	<u>\$ 5,829</u>	<u>\$ (43,049)</u>

See accompanying Notes to the Financial Statements.

THE UNIVERSITY OF TOLEDO
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2023 AND 2022
(DOLLARS IN THOUSANDS)

	<u>2023</u>	<u>2022 restated</u>
Net decrease in cash	\$ (41,323)	\$ (37,947)
Cash and cash equivalents - beginning of year	138,663	176,610
Cash and cash equivalents - end of year	<u>\$ 97,340</u>	<u>\$ 138,663</u>

	<u>2023</u>	<u>2022 restated</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (179,024)	\$ (59,522)
Adjustments to reconcile operating loss to Net cash used in operating activities:		
Depreciation and amortization	62,135	59,082
Provision for patient bad debt	1,411	(1,712)
(Increase) decrease in assets:		
Accounts receivable, net	3,639	(18,630)
Inventories	(734)	(1,193)
Other current assets	2,658	528
Increase (decrease) in liabilities:		
Accounts payable, accrued liabilities and other	(23,803)	26,472
Deferred revenue	(6,364)	(16,555)
Compensated absences	(67)	659
Medical profession liability accrual	377	377
Net pension liability and pension deferrals	(2,889)	(105,482)
Net cash used in operating activities	<u>\$ (142,661)</u>	<u>\$ (115,976)</u>

Supplemental disclosure of noncash transactions

Acquisition of right of use and SBITA assets under agreements	<u>\$ 6,880</u>	<u>\$ 7,987</u>
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See accompanying Notes to the Financial Statements.

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022
(DOLLARS IN THOUSANDS)

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

The University of Toledo (the University) is a leading research institution in the state of Ohio with over 15,000 students, 1,300+ instructional faculty and 3,700+ staff members. The University is comprised of thirteen colleges: Arts and Letters, Business and Innovation, Education, Engineering, Graduate Studies, Health and Human Services, Honors, Law, Medicine and Life Sciences, Natural Sciences and Mathematics, Nursing, Pharmacy and Pharmaceutical Sciences, and University College. The University offers more than 300 undergraduate, graduate and professional programs leading to degrees in over 60 instructional departments. The University operates The University of Toledo Medical Center (UTMC), which includes 319 registered beds and, during the most recent fiscal year, provided services to 9,262 admitted patients, 191,078 outpatient clinic patients, and 26,401 emergency visit patients. In addition, UTMC performed 7,075 surgical cases and, on average, cared for nearly 700 patients per day in both an inpatient and outpatient setting. UTMC specializes in kidney transplantation, cardiology, behavioral health, family medicine, orthopedic surgery and cancer treatment.

Organization

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022
(DOLLARS IN THOUSANDS)

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

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

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

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

The financial statements have been prepared in accordance with GASB Statement No. 61 *The Financial Reporting Entity: Omnibus*. This standard requires examination of significant operational or financial relationships with the University and establishes criteria for identifying and presenting component units of the organization. Based on this examination and application of these criteria, the University has identified three component units: The University of Toledo Foundation, The University of Toledo Physicians, Clinical Faculty, Inc. (UTP-CF), and Rocket Innovations as described in the following paragraphs.

Component Units of the Organization

The University of Toledo Foundation

The University of Toledo Foundation is a legally separate, tax-exempt entity that acts primarily as a fundraising organization to supplement the resources available to the University in support of its programs. The Foundation transferred approximately \$18,108 and \$17,066 during fiscal years 2023 and 2022, respectively, to the University for both restricted and unrestricted purposes in support of its programs. Certain marketable investments of the University are pooled with marketable investments of the Foundation. The Foundation manages these funds and charges the University a management fee equal to 1.25% of the fair market value of the University's share of the pooled investments.

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

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

Component Units of the Organization (Continued)

The University of Toledo Foundation (Continued)

The Foundation is a nonprofit organization that reports under Financial Accounting Standards Board (FASB) standards, including Accounting Standards Codification 958-205, previously FASB Statement No. 117, and *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the University's financial reporting entity for these differences.

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

The University of Toledo Physicians, Clinical Faculty, Inc.

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

UTP-CF is a multi-specialty corporation that employs over 246 physicians in Northwest Ohio and is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. The Organization provides physician services at The University of Toledo Medical Center and other local facilities in the following areas: anesthesiology, medicine, neurology, obstetrics, orthopedics, pathology, pediatrics, psychiatry, radiology, radiation oncology, rehabilitation, surgery, urology, family medicine, and emergency medicine. UTP-CF also provides administrative support, billing and collection services for physician services at UTMC. Total Operating Revenues for UTP-CF, net of provision for doubtful accounts, were \$115,375 and \$117,151 for the fiscal years ended June 30, 2023 and 2022, respectively.

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

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

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

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

Component Units of the Organization (Continued)

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

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

University of Toledo Physicians Clinical Faculty, Inc.

Condensed Statements of Net Position

	2023	2022
ASSETS		
Current assets	\$ 28,784	\$ 26,754
Due from University of Toledo	2,739	2,378
Capital assets	8,346	3,299
Investments held by insurance captive	25,045	26,766
Noncurrent assets	8,616	9,479
Total assets	73,530	68,676
LIABILITIES		
Current liabilities	28,069	22,619
Due to University of Toledo	10,051	904
Noncurrent Liabilities	8,032	8,760
Total liabilities	46,152	32,283
NET POSITION		
Invested in Capital Assets	4,564	3,299
Unrestricted	22,814	33,094
Total net position	\$ 27,378	\$ 36,393

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022
(DOLLARS IN THOUSANDS)

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

Component Units of the Organization (Continued)

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

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2023	2022
OPERATING REVENUES		
Net patient service revenue	\$ 96,267	\$ 95,390
Other Revenues	19,111	21,763
Total operating revenues	<u>115,378</u>	<u>117,153</u>
OPERATING EXPENSES		
Salaries, wages, and benefits	101,285	99,197
Depreciation	2,121	1,367
Other	20,995	19,270
Total operating expenses	<u>124,401</u>	<u>119,834</u>
Operating loss	(9,023)	(2,681)
Total nonoperating revenues (expenses)	<u>8</u>	<u>(4,148)</u>
Decrease in net position	(9,015)	(6,829)
Net position - beginning of the year	36,393	43,222
Net position - end of the year	<u>\$ 27,378</u>	<u>\$ 36,393</u>

Condensed Statements of Cash Flows

	2023	2022
Net cash flows from operating activities	\$ (2,596)	\$ 1,042
Net cash flows from financing activities	400	(4,889)
Net cash flows from investing activities	<u>2,749</u>	<u>(7,966)</u>
Net increase (decrease) in cash	553	(11,813)
Cash and cash equivalents - beginning of year	12,512	24,325
Cash and cash equivalents - end of year	<u>\$ 13,065</u>	<u>\$ 12,512</u>

Rocket Innovations

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

THE UNIVERSITY OF TOLEDO
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(DOLLARS IN THOUSANDS)

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

Component Units of the Organization (Continued)

Rocket Innovations (Continued)

The Corporation consists of equity investments (common stock, preferred stock, warrant options, and promissory notes) valued at approximately \$2,043 and \$2,460 as of June 30, 2023 and 2022, respectively. Total cash available to help fund future investments for the years ended June 30, 2023 and 2022 was approximately \$299 and \$383, respectively. In accordance with GASB Statement No. 61, the Corporation's financials are presented in a blended manner, reflected as a part of the University's financials, and are also shown below in condensed format as of and for the year ended June 30 of each respective year.

Rocket Innovations

Condensed Statements of Net Position

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets	\$ 3,917	\$ 4,596
Other assets	2,021	2,008
Total assets	<u>5,938</u>	<u>6,604</u>
LIABILITIES		
Current liabilities	15	26
Total liabilities	<u>15</u>	<u>26</u>
NET POSITION		
Unrestricted	5,923	6,578
Total net position	<u>\$ 5,923</u>	<u>\$ 6,578</u>

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>2023</u>	<u>2022</u>
Total operating revenue	\$ 875	\$ 1,608
Total operating expenses	1,091	1,164
Operating income (loss)	(216)	444
Investment income	(439)	34
Increase(decrease) in net position	(655)	478
Net position - beginning of the year	6,578	6,100
Net position - end of the year	<u>\$ 5,923</u>	<u>\$ 6,578</u>

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

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

Component Units of the Organization (Continued)

Rocket Innovations (Continued)

Condensed Statements of Cash Flows

	2023	2022
Net cash flows from operating activities	\$ (248)	\$ 453
Cash and cash equivalents - beginning of year	4,141	3,688
Cash and cash equivalents - end of year	\$ 3,893	\$ 4,141

Significant Accounting Policies

Cash and Cash Equivalents

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

Inventories

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

Patient Revenue and Accounts Receivable

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

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

THE UNIVERSITY OF TOLEDO
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(DOLLARS IN THOUSANDS)

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

Significant Accounting Policies (Continued)

Patient Revenue and Accounts Receivable (Continued)

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

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

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

	Year Ended 6/30/2023	Year Ended 6/30/2022
Traditional charity care	\$ 2,215	\$ 2,467
Unpaid costs of traditional Medicaid programs	13,955	11,123
Unpaid costs of other welfare programs	1,741	15,515
Total charity and uncompensated care	<u>\$ 17,911</u>	<u>\$ 29,105</u>

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022
(DOLLARS IN THOUSANDS)

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

Significant Accounting Policies (Continued)

Capital Assets

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

Subscription Based Information Technology Arrangements (SBITA)

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

Deferred Outflows of Resources

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

Pensions and OPEB

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

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

Significant Accounting Policies (Continued)

Unearned Revenue

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

Insurance Captive Reserve for Losses

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

Note Payable to Foundation

As described in Note 9, the University borrowed \$5,798 from the pooled investment portfolio during the year ended June 30, 2017 to fund various capital projects. The balance outstanding as of June 30, 2023 was \$3,653, of which \$1,640 represents the University's share and has therefore, been eliminated in the financial statements. The remaining \$2,013 represents the portion of the loan effectively owed to the Foundation. The balance outstanding as of June 30, 2022 was \$3,720, with \$1,701 eliminated as the University's share and \$2,019 effectively owed to the Foundation.

Deferred Inflows of Resources

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

Net Position

Net position is classified into the three following categories:

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

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

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

Significant Accounting Policies (Continued)

Net Position (Continued)

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

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

Nonexpendable restricted net position	2023	2022
Scholarships and fellowships	\$ 10,635	\$ 10,635
University purposes	2,173	2,173
Total	\$ 12,808	\$ 12,808

Expendable restricted net position is categorized as shown below:

Expendable restricted net position	2023	2022
Capital projects	\$ 1,327	\$ 32,901
Debt service	22,984	20,956
Research	8,457	5,617
Scholarships and fellowships	50,006	48,329
University purposes	7,675	9,379
Total	\$ 90,449	\$ 117,182

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

Compensatory Time

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

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

Significant Accounting Policies (Continued)

Compensated Absences

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

Grants and Contracts

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

Operating and Nonoperating Revenue

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

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

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

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

Significant Accounting Policies (Continued)

Scholarship Discounts and Allowances

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

State Subsidies

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

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

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

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

Significant Accounting Policies (Continued)

Endowments

For donor-restricted endowments, the Uniform Prudent Management of Institutional Funds Act, as adopted by Ohio, permits the University and the Foundation to distribute an amount of realized and unrealized endowment appreciation as the Board of Trustees determines to be prudent. The University's and the Foundation's Board of Trustees established an investment policy for the endowments and quasi endowments with the objectives of protecting principal and maximizing total investment return without assuming extraordinary risks. It is the goal of the University to provide spendable income levels that are reasonably stable and sufficient to meet budgetary requirements and to maintain a spending rate, currently 4.0% of the three-year market average, which ensures a proper balance between the preservation of corpus and enhancement of the purchasing power of investment earnings. As of June 30, 2023 and 2022, net appreciation of \$50,226 and \$48,329, respectively, was available to be spent, of which \$39,151 and \$37,976, respectively, was restricted to specific purposes.

Interest Rate Swap Agreements

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

Significant Accounting Policies (Continued)

Perkins Loan Program Termination

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

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

Adoption of New Accounting Standards

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements

In March 2020, the GASB issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This standard provides accounting and financial reporting requirements for public-private and public-public partnership arrangements (PPPs) that either meet the definition of an SCA or are not within the scope of Statement 87, as amended. This standard also provides guidance for accounting and financial reporting for availability payment arrangements (APAs), which are arrangements in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

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

Significant Accounting Policies (Continued)

Adoption of New Accounting Standards (Continued)

GASB Statement No. 96, Subscription-Based Information Technology Arrangements

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The University of Toledo adopted the requirements of the guidance effective July 1, 2022, and has applied the provisions of the standards to the beginning of the earliest comparative period presented. The financial statements for the fiscal year June 30, 2022, were restated as summarized below:

Statement of Revenues and Expenses	2022			
Change in net position, as previously reported	\$		79,267	
Implementation of GASB 94 and 96				
Operating Revenues			296	
Operating Expenses			141	
Change in Net Position, as restated	\$		<u>79,704</u>	
Balance Sheet at June 30, 2022		Balance as		
		Previously		
		Reported	GASB 94 &	
			96 Changes	
			Balance as	
			Restated	
Total Current Assets	\$	276,853	\$ -	\$ 276,853
Total Noncurrent Assets		945,680	6,317	951,997
Deferred Outflow of Resources		88,052	-	88,052
Total Assets		<u>\$ 1,310,585</u>	<u>\$ 6,317</u>	<u>\$ 1,316,902</u>
Total Current Liabilities	\$	207,333	\$ (435)	\$ 206,898
Total NonCurrent Liabilities		516,136	(177)	515,959
Deferred Inflow of Resources		342,697	6,492	349,189
Net Position		244,419	437	244,856
Inflows of		<u>\$ 1,310,585</u>	<u>\$ 6,317</u>	<u>\$ 1,316,902</u>
Resources and Net Position				

Reclassifications

Certain items in the June 30, 2022 comparative information have been reclassified to correspond to the June 30, 2023 financial statement presentation.

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NOTE 2 CASH AND CASH EQUIVALENTS

The carrying amount of the University's cash and cash equivalents for all funds was \$97,340 and \$138,663 as of June 30, 2023 and 2022, respectively, as compared to bank balances of \$97,463 and \$146,093, respectively. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. The University had cash deposits with a single financial institution totaling \$16,263 and \$26,621 as of June 30, 2023 and 2022. \$250 of the cash deposits is insured by the Federal Deposit Insurance Corporation (FDIC) as of June 30, 2023 and 2022. The remaining amounts are collateralized with single financial institution collateral pools at the Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the University, per the Ohio Revised Code 135.181B which requires that the total market value of the securities so pledged is at least equal to 105% of the total amount of all public deposits.

UTP-CF does not have a deposit policy for custodial credit risk but does require cash to be employed productively at all times by investment in short-term cash equivalents to provide safety, liquidity, and return. On June 30, 2023 and 2022, UTP-CF had approximately \$663 and \$1,000, respectively, on deposit with financial institutions that exceeded the \$250 Federal Deposit Insurance Corporation (FDIC) limit.

NOTE 3 INVESTMENTS

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

THE UNIVERSITY OF TOLEDO
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NOTE 3 INVESTMENTS (CONTINUED)

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

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

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

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

The carrying values of investments as of June 30, 2022, exclusive of accrued interest, consisted of the following:

	Endowment and Loan Investments	Long-Term Investments	Investments Held by Insurance Captive	Total
Certificates of deposit	\$ -	\$ 5,711	\$ -	\$ 5,711
Corporate bonds and notes	-	60,043	2,182	62,225
Corporate stock	-	-	31	31
Equity in internal investment pool	60,583	211,923	-	272,506
Money market	47	493	-	540
Mutual funds - equity	777	5,519	-	6,296
Mutual funds - fixed income	117	-	-	117
U.S. government and agencies	-	12,427	4,221	16,648
Total investments	\$ 61,524	\$ 296,116	\$ 6,434	\$ 364,074

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NOTE 3 INVESTMENTS (CONTINUED)

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

Interest Rate Risk

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

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

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

As of June 30, 2022, the University had the following interest-bearing investments and maturities:

Investment Type	Fair Value	Investment Maturity (in Years)			
		< 1	1 - 5	6 - 10	> 10
U.S. government and agencies	\$ 16,648	\$ -	\$ 11,892	\$ 937	\$ 3,819
Corporate bonds and notes	62,225	18,079	30,053	5,076	9,017
Mutual funds - fixed income	117	-	14	85	18
Total	\$ 78,990	\$ 18,079	\$ 41,959	\$ 6,098	\$ 12,854

Credit Risk

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

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NOTE 3 INVESTMENTS (CONTINUED)

Credit Risk (Continued)

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

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

The credit ratings of the University's interest-bearing investments as of June 30, 2022 are as follows:

Investment Type	Fair Value	Credit Rating (Moody's)			
		Aaa	Aa	A	Baa and less
U.S. government and agencies	\$ 16,648	\$ 16,648	\$ -	\$ -	\$ -
Corporate bonds and notes	62,225	348	4,192	23,928	33,757
Mutual funds - fixed income	117	3	99	15	-
Total	\$ 78,990	\$ 16,999	\$ 4,291	\$ 23,943	\$ 33,757

Concentration Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The University's investment policy requires investment pool direct placements to be sufficiently diversified and provides that no more than 7% of its equity holdings and 5% of its fixed income holdings can be invested in any issue. The foregoing restrictions do not apply to securities that are issued or fully guaranteed by the United States government. The University did not have investments in any single issuer that equaled 5% or more in 2023 or 2022.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The University had no foreign equity holdings as of June 30, 2023 and 2022.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The University had no exposure to custodial credit risk for the years ended June 30, 2023 and 2022.

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NOTE 3 INVESTMENTS (CONTINUED)

The University of Toledo Foundation and Subsidiaries Investments

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

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Mutual funds, index funds and ETFs - equities	\$ 276,302	\$ 246,520	\$ 278,014	\$ 258,872
Mutual funds and ETFs - fixed income	70,460	72,091	64,040	72,092
Real Estate	9,143	16,653	12,772	14,328
Common stock	38,959	59,751	56,938	59,722
Hedge funds	72,569	56,305	44,876	43,805
Partnerships	127,067	67,822	121,077	70,147
U.S. government and agency issues	12,082	12,584	12,222	12,489
Corporate bonds	2,497	2,701	2,467	2,701
Cash equivalents	30,131	30,176	4,542	4,542
Total pooled investments	<u>\$ 639,210</u>	<u>\$ 564,603</u>	<u>\$ 596,948</u>	<u>\$ 538,698</u>

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

	2023	2022
Unrealized gains:		
Ending balance	\$ 39,803	\$ 28,833
Beginning balance	28,833	67,112
Unrealized appreciation/(depreciation)	10,970	(38,279)
Realized appreciation	7,299	5,311
Total realized and unrealized appreciation/(depreciation)	<u>\$ 18,269</u>	<u>\$ (32,968)</u>

THE UNIVERSITY OF TOLEDO
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NOTE 4 FAIR VALUE MEASUREMENTS

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

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

The University has the following recurring fair value measurements as of June 30, 2023, and 2022:

Assets and Liabilities Measured at Fair Value on a Recurring Basis

	Balance at June 30, 2023	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Certificates of deposit	\$ 504	\$ -	\$ 504	\$ -
Corporate bonds and notes	64,633	-	64,633	-
Corporate stock	59	-	59	-
Mutual funds - equity	848	848	-	-
Mutual funds - fixed income	150	150	-	-
U.S. Government and agencies	8,836	8,836	-	-
Total investments by fair value level	\$ 75,030	\$ 9,834	\$ 65,196	\$ -
Investments measured at the net asset value (NAV):				
Equity in internal investment pool	\$ 303,608			
Total investments measured at the NAV	\$ 303,608			
Total investments measured at fair value	\$ 378,638			
Derivative instruments by fair value level:				
Interest rate swap asset	\$ 1,948	\$ -	\$ 1,948	\$ -
Total derivative instruments by fair value level	\$ 1,948	\$ -	\$ 1,948	\$ -

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

Assets and Liabilities Measured at Fair Value on a Recurring Basis

	Balance at June 30, 2022	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Certificates of deposit	\$ 5,711	\$ -	\$ 5,711	\$ -
Corporate bonds and notes	62,225	-	62,225	-
Corporate stock	31	-	31	-
Mutual funds - equity	6,296	6,296	-	-
Mutual funds - fixed income	117	117	-	-
U.S. Government and agencies	16,648	16,648	-	-
Total investments by fair value level	\$ 91,028	\$ 23,061	\$ 67,967	\$ -
Investments measured at the net asset value (NAV):				
Equity in internal investment pool	\$ 272,506			
Total investments measured at the NAV	\$ 272,506			
Total investments measured at fair value	\$ 363,534			
Derivative instruments by fair value level:				
Interest rate swap liability	\$ 1,916	\$ -	\$ 1,916	\$ -
Total derivative instruments by fair value level	\$ 1,916	\$ -	\$ 1,916	\$ -

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

Investments in Entities that Calculate Net Asset Value per Share

The University holds an equity interest in the investment pool of the Foundation. Fair value is measured on a recurring basis using the net asset value per share as a practical expedient. The fair value of the University's equity interest in the investment pool was \$303,608 and \$272,506 as of June 30, 2023 and 2022, respectively. There were no unfunded commitments and there is no redemption notice period or restriction on redemption frequency.

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

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

The University of Toledo Foundation and Subsidiaries Investments

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

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

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

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2023
Pooled Investments:				
Mutual Funds, Index Funds, and ETFs - Equities	\$ 287,020	\$ -	\$ -	\$ 287,020
Mutual Funds and ETFs - Fixed Income	70,460	-	-	70,460
Common Stock	38,960	-	-	38,960
U.S. Government and Agency Issues	-	12,082	-	12,082
Corporate Bonds	-	2,497	-	2,497
Real Estate	-	5,946	-	5,946
Subtotal	<u>396,440</u>	<u>20,525</u>	<u>-</u>	<u>416,965</u>
Hedge Funds - NAV Practical Expedient	-	-	-	61,851
Partnerships - NAV Practical Expedient	-	-	-	127,067
Real Estate - NAV Practical Expedient	-	-	-	3,196
Cash Equivalents	-	-	-	30,131
Total Pooled Investments	<u>\$ 396,440</u>	<u>\$ 20,525</u>	<u>\$ -</u>	<u>\$ 639,210</u>

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

The University of Toledo Foundation and Subsidiaries Investments (Continued)

Disclosures concerning assets measured at fair value on a recurring basis for June 30, 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
Pooled Investments:				
Mutual Funds, Index Funds, and ETFs - Equities	\$ 282,289	\$ -	\$ -	\$ 282,289
Mutual Funds and ETFs - Fixed Income	64,489	-	-	64,489
Common Stock	58,209	-	-	58,209
U.S. Government and Agency Issues	-	12,222	-	12,222
Corporate Bonds	-	2,467	-	2,467
Real Estate	-	12,772	-	12,772
Subtotal	<u>404,987</u>	<u>27,461</u>	<u>-</u>	<u>432,448</u>
Hedge Funds - NAV Practical Expedient	-	-	-	44,876
Partnerships - NAV Practical Expedient	-	-	-	123,115
Cash Equivalents	-	-	-	4,344
Total Pooled Investments	<u>\$ 404,987</u>	<u>\$ 27,461</u>	<u>\$ -</u>	<u>\$ 604,783</u>

NOTE 5 ACCOUNTS AND NOTES RECEIVABLE

The accounts and notes receivable, shown net of allowances for uncollectible accounts at June 30, 2023 and 2022, respectively, are summarized as follows:

	2023	2022
Accounts receivable:		
Tuition and fees	\$ 4,514	\$ 7,071
Patient services	78,218	76,691
Sales and services	13,773	8,774
Auxiliary services	42	543
Grants and contracts	22,963	29,852
Total accounts receivable - net of allowances	<u>119,510</u>	<u>122,931</u>
Notes receivable:		
Current	869	1,387
Noncurrent	716	2,137
Total notes receivable - net of allowances	<u>1,585</u>	<u>3,524</u>
Total accounts and notes receivable - net of allowances	<u>\$ 121,095</u>	<u>\$ 126,455</u>

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NOTE 5 ACCOUNTS AND NOTES RECEIVABLE (CONTINUED)

Accounts receivable is for transactions relating to tuition and fees, patient services, auxiliary enterprise sales, grants and contracts, and miscellaneous sales and services. Accounts receivable are recorded net of contractual allowances and allowances for uncollectible accounts totaling \$13,556 and \$12,239 for fiscal years 2023 and 2022, respectively. Student notes receivable are recorded net of allowance for uncollectible accounts of \$760 as of June 30, 2023 and 2022, respectively.

The University of Toledo Foundation – Contributions Receivable

As of June 30, 2023 and 2022, 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, 2023 and 2022 amounted to \$566 and \$958, respectively.

Contributions receivable as of June 30 are as follows:

	2023	2022
Within one year	\$ 5,304	\$ 5,505
Over one to five years	5,874	5,491
More than five years	311	319
Total	11,489	11,315
Risk premium	(1,018)	(998)
Present value discount	(433)	(312)
Net contributions receivable	<u>\$ 10,038</u>	<u>\$ 10,005</u>
Net due in one year	\$ 4,911	\$ 5,092
Net due in excess of one year	5,127	4,913
Total contributions receivable	<u>\$ 10,038</u>	<u>\$ 10,005</u>

THE UNIVERSITY OF TOLEDO
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NOTE 6 LEASES RECEIVABLE

The University, acting as lessor, leases certain land and office space under long-term, non-cancelable lease agreements. The leases expire at various dates through 2066 and provide for renewal options ranging from one year to ten years. During the year ended June 30, 2023, the University recognized \$272 and \$199 in lease revenue and interest revenue, respectively, pursuant to these contracts. During the year ended June 30, 2022, the University recognized \$354 and \$241 in lease revenue and interest revenue, respectively, pursuant to these contracts.

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

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

	Principal	Interest	Total
2024	\$ 24	\$ 102	\$ 126
2025	27	101	128
2026	37	100	137
2027	38	98	136
2028	40	96	136
2029-2033	152	461	613
2034-2038	204	425	629
2039-2043	310	370	680
2044-2048	447	288	735
2049-2053	625	172	797
2054-2058	211	53	264
2059-2063	97	28	125
2064-2067	70	5	75
TOTALS	\$ 2,282	\$ 2,299	\$ 4,581

THE UNIVERSITY OF TOLEDO
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NOTE 7 CAPITAL ASSETS

Capital assets are recorded at cost or if acquired by gift at their acquisition value as of the date of donation. Capital assets activity for the year ended June 30, 2023, consisted of the following:

	Balance 6/30/2022 Restated	Additions	Reallocation/ Reductions	Balance 6/30/2023
Capital assets, not being depreciated or amortized:				
Land and land improvements	\$ 26,326	\$ -	\$ (253)	\$ 26,073
Construction in progress	51,732	13,169	(43,261)	21,640
Total capital assets, not being depreciated or amortized	78,058	13,169	(43,514)	47,713
Capital assets, being depreciated or amortized:				
Land improvements	17,781	1,886	(135)	19,532
Infrastructure	185,800	3,779	32,527	222,106
Buildings	1,150,722	713	(11,606)	1,139,829
Equipment	231,780	28,098	(881)	258,997
Total capital assets, being depreciated and amortized	1,586,083	34,476	19,905	1,640,464
Less accumulated depreciation and amortization:				
Land improvements	15,482	865	(147)	16,200
Infrastructure	155,499	8,356	(1,379)	162,476
Buildings	790,952	36,719	(10,333)	817,338
Equipment	186,581	16,195	(6,101)	196,675
Total Accumulated Depreciation and Amortization	1,148,514	62,135	(17,960)	1,192,689
Total capital assets, being depreciated or amortized, net	437,569	(27,659)	37,865	447,775
Capital assets, net	\$ 515,627	\$ (14,490)	\$ (5,649)	\$ 495,488

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NOTE 7 CAPITAL ASSETS (CONTINUED)

Capital assets activity for the year ended June 30, 2022, consisted of the following:

	Balance 6/30/2021 Restated	Additions	Reallocation/ Reductions	Balance 6/30/22 Restated
Capital assets, not being depreciated or amortized:				
Land and land improvements	\$ 26,326	\$ -	\$ -	\$ 26,326
Construction in progress	26,975	12,640	12,117	51,732
Total capital assets, not being depreciated or amortized	53,301	12,640	12,117	78,058
Capital assets, being depreciated or amortized:				
Land improvements	17,781	-	-	17,781
Infrastructure	185,800	-	-	185,800
Buildings	1,146,488	2,581	1,654	1,150,723
Equipment	219,576	26,533	(14,329)	231,780
Total capital assets, being depreciated and amortized	1,569,645	29,114	(12,675)	1,586,084
Less accumulated depreciation and amortization:				
Land improvements	14,517	965	-	15,482
Infrastructure	146,469	5,479	-	151,948
Buildings	755,440	37,014	-	792,454
Equipment	172,873	15,624	(538)	187,959
Total Accumulated Depreciation and Amortization	1,089,299	59,082	(538)	1,147,843
Total capital assets, being depreciated or amortized, net	479,674	(29,968)	(12,137)	438,241
Capital assets, net	\$ 532,975	\$ (17,328)	\$ (20)	\$ 515,627

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NOTE 7 CAPITAL ASSETS (CONTINUED)

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

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

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

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

NOTE 8 PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS

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

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

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

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

In accordance with the requirements of GASB Statement No. 94, Public-Private and Public-Public Partnerships, the University recorded a deferred inflow of resources, which will be amortized to revenue over the life of the agreement. The balance of the deferred inflow of resources as of June 30, 2023, is \$52,213 which reflects revenue of \$1,500 recognized during the year as well as ParkUToledo's investment of \$2,713 in parking lot improvements. The parking assets continue to be reported in the University's financial statements, including depreciation as applicable.

NOTE 9 DEBT

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

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

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

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NOTE 9 DEBT (CONTINUED)

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

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

On June 27, 2013, the University issued \$15,610 in General Receipts Bonds, Series 2013D through a direct placement with U.S. Bank National Association. Proceeds of the Series 2013D were used to fund the purchase of \$15,050 of outstanding General Receipts Bonds, Series 2007B that were tendered for purchase, to redeem on July 16, 2013 the outstanding General Receipts Bonds, Series 2005, and to pay cost of issuance of the Series 2013D Bonds. The Series 2013D Bonds bear interest at 72% of the one-month LIBOR plus 0.50%. On November 7, 2017, Huntington National Bank purchased the bonds at 72% of the sum of LIBOR plus 0.85% subject to a mandatory tender on July 7, 2023.

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

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NOTE 9 DEBT (CONTINUED)

On June 21, 2013, the University issued \$86,485 in General Receipts Bonds, Series 2013B through a direct placement with PNC Bank, National Association. Proceeds of the Series 2013B were used to advance refund General Receipts Bonds, Series 2011A, and to pay the cost of issuance of the Series 2011A Bonds. Series 2013B Bonds bear interest at 72% of the one-month LIBOR plus 0.39%. The Bonds have a mandatory tender date of June 1, 2023.

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

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

The University has defeased a portion of the Series 2011B Bonds through an advance refunding during the year ended June 30, 2018, and accordingly, they are not reflected in the accompanying financial statements. The amount of Bonds that have been defeased and are outstanding as of June 30, 2022 is \$38,385.

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

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NOTE 9 DEBT (CONTINUED)

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

UTP-CF has a line of credit available through Signature Bank, originated in February 27, 2013, with maximum borrowings of \$4,500 and interest at Prime minus 0.50% (7.75% and 4.25% at June 30, 2023 and 2022, respectively) secured by substantially all assets of UTP-CF. As of June 30, 2023 and 2022 the line had outstanding borrowings of \$4,205 and \$0, respectively.

During the year ended June 30, 2023, UTP-CF opened a line of credit for working capital through Signature Bank with maximum borrowings of \$4,500 and interest at 8.00% at June 30, 2023, secured by substantially all assets of UTP-CF. As of June 30, 2023, the line had no outstanding borrowings.

The estimated cost to complete construction in progress at June 30, 2023, is \$10,050.

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

	Principal	Interest	Total
2024	\$ 4,430	\$ 110	\$ 4,540
2025	2,297	35	2,332
2026	793	5	798
Total	\$ 7,520	\$ 150	\$ 7,670

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NOTE 9 DEBT (CONTINUED)

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

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

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

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NOTE 9 DEBT (CONTINUED)

Long-term liabilities activity for the year ended June 30, 2022, consisted of the following:

Description	Due Dates	Interest Rate	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022	Current
General Receipts Series 2013A, private placement bonds Refund Series 2004	2014-2025	1.99%	\$ 3,640	\$ -	\$ 885	\$ 2,755	\$ 900
General Receipts Series 2013B, private placement bonds Refund Series 2011A	2015-2032	Variable	69,100	-	435	68,665	1,685
General Receipts Series 2013D, private placement bonds Refund partial Series 2007B and all of Series 2005	2031-2036	Variable	15,610	-	-	15,610	-
Total private placement bonds			88,350	-	1,320	87,030	2,585
General Receipts Series 2007B, term bonds: Renovations for athletic, classrooms, and library	2031-2036	Variable	1,325	-	-	1,325	-
General Receipts Series 2011B, serial and term bonds: Health Science campus improvements and Medical Center reconstruction for cancer center	2015-2031	4.5% to 5.0%	-	-	-	-	-
General Receipts Series 2013C, serial bonds Refund Series 2009B	2019-2031	5.00%	28,585	-	2,290	26,295	2,400
General Receipts Series 2017A, serial bonds Refund partial Series 2008A and all of Series 2007A	2019-2047	3.625% to 5.0%	64,855	-	3,180	61,675	3,415
General Receipts Series 2017B, serial bonds Refund Series 2011B maturities 2022-2031	2022-2031	5.00%	35,655	-	2,835	32,820	2,975
General Receipts Series 2018A, serial bonds Refund remaining Series 2008A	2019-2027	5.00%	6,840	-	1,065	5,775	1,180
General Receipts Series 2018B, serial bonds Refund partial Series 2008A and all of Series 2007A	2033-2044	4.26%	28,320	-	-	28,320	-
Total serial bonds			165,580	-	9,370	156,210	9,970
Unamortized bond premium			13,375	-	1,055	12,320	1,055
Unamortized bond discount			(578)	-	(75)	(503)	(75)
Interest rate swap contract			10,544	-	1,035	9,509	1,054
Loan payable-Epic			19,522	-	4,188	15,334	4,272
Financing Obligation			1,482	-	384	1,097	-
Note payable-UT Foundation			2,204	-	185	2,019	-
Total other long-term debt			46,549	-	6,772	39,776	6,306
Total long-term debt			300,479	-	17,462	283,016	18,861
Less current portion						18,861	
Long-term liabilities						<u>\$ 264,155</u>	

Description	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022	Current
Compensated absences	\$ 33,753	\$ 17,258	\$ 16,599	\$ 34,412	\$ 26,526
Long-term liabilities	300,479	-	17,462	283,016	18,861
Right of use lease and SBITA liability	30,004	7,871	5,392	32,483	5,797
Refundable federal student loans	10,842	-	6,339	4,503	-
Other	1,017	10,397	3,812	7,602	203
Insurance captive reserve for losses	9,034	1,788	1,411	9,411	-
Fair value of derivative investment	12,423	-	10,507	1,916	-
Net pension liability	365,587	22,135	192,010	195,712	-
Total noncurrent liabilities	763,139	59,449	253,532	569,055	51,387
Less current portion				51,387	
Noncurrent liabilities				<u>\$ 517,668</u>	

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NOTE 9 DEBT (CONTINUED)

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

	Principal	Interest	Swap Interest	Net Interest	Net P&I
2024	\$ 13,330	\$ 12,304	\$ (1,864)	\$ 10,440	\$ 23,770
2025	13,735	11,708	(1,906)	9,802	23,537
2026	14,295	10,986	(1,783)	9,203	23,498
2027	14,020	10,352	(1,804)	8,548	22,568
2028	12,555	9,618	(1,707)	7,911	20,466
2029-2033	101,740	35,258	(6,522)	28,736	130,476
2034-2038	29,745	9,945	(376)	9,569	39,314
2039-thereafter	31,415	6,874	-	6,874	38,289
Totals	\$ 230,835	\$ 107,045	\$ (15,962)	\$ 91,083	\$ 321,918

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

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NOTE 10 INTEREST RATE SWAPS

In order to hedge against interest rate fluctuations on the Series 2002 variable rate bonds, the University entered into three interest rate derivative (swap) agreements in November 2002. One swap expired June 1, 2020. The two remaining swaps expire on June 1, 2032 and have a current notional value of \$52,125. These swaps are associated with the Series 2013B Bonds and the counterparty for these swaps is JP Morgan Chase. The University pays a fixed rate of 3.888% to the counterparty and receives a variable rate of interest of 71% of one-month LIBOR from the counterparty on these two swaps. Only the net difference in interest payments is actually exchanged with the counterparty. The swap agreement's fair value is estimated using the zero-coupon method, whereby the future net settlement payment as required by the swap is calculated, and then discounted using the spot rates implied by the current yield curve. The mark-to-market valuation on the two swap agreements as of June 30, 2023 is an asset of \$847 compared to a liability of \$1,442 on June 30, 2022.

In April, 2007, the University entered into a swap agreement with JP Morgan Chase that expires on June 31, 2036, in the notional amount of \$33,250, to hedge a portion of the exposure against interest rate fluctuations arising from the variable interest rates on the Series 2007B. \$17,640 of the notional amount is now associated with the Series 2013B and the remaining \$15,610 notional value is associated with the Series 2013D. Based on the swap agreement, the University owes interest calculated at a fixed rate of 3.666% to the swap counterparty. In return, the counterparty owes the University interest at a variable rate based on 68% of one-month LIBOR. Only the net difference in interest payments is actually exchanged with the counterparty. The swap agreement's fair value is estimated using the zero-coupon method, whereby the future net settlement payment as required by the swap is calculated, and then discounted using the spot rates implied by the current yield curve. The mark-to-market valuation on the swap agreement as of June 30, 2023 is an asset of \$1,102 compared to a liability of \$474 on June 30, 2022.

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

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NOTE 10 INTEREST RATE SWAPS (CONTINUED)

Effective Date	Type	Objective	Notional Amount	Pays	Receives	Maturity Date	Counter Party Credit Rating	MTM @	
								06/30/23	06/30/22
11/16/02	Pay-Fixed, Rec-Var.	Synthetic Fixed Interest	\$ 24,690	3.888%	71% Libor	6/1/32	Aa3/A+	\$ 402	\$ (683)
11/19/02	Pay-Fixed, Rec-Var.	Synthetic Fixed Interest	27,435	3.888%	71% Libor	6/1/32	Aa3/A+	445	(758)
4/26/07	Pay-Fixed, Rec-Var.	Synthetic Fixed Interest	31,150	3.660%	68% Libor	6/1/36	Aa3/A+	1,102	(475)
			<u>\$ 83,275</u>					<u>\$ 1,949</u>	<u>\$ (1,916)</u>

Interest rate swaps are classified as hedging derivative instruments, if the hedging instruments meet the criteria outlined in GASB Statement No. 53, paragraph 27a and b, or as investment derivative instruments if they do not meet the criteria. All of the swap agreements have been determined to be effective hedging derivative instruments as of both June 30, 2023 and June 30, 2022.

All of the University's hedging relationships in fiscal year 2012 were terminated in fiscal year 2013 and designated into new hedging relationships. In accordance to GASB 53 these swaps are considered hybrid instruments consisting of a financing element and an embedded derivative. The at-market amount of the swaps at the time of the new hedging relationship is designated as a hedging instrument with a current mark-to-market value of \$1,949. The above-market amounts which equal \$8,842 are considered borrowings and are included in long term debt which will be paid down by a portion of the swaps' periodic fixed payments.

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

	Change in Fair Value		2023 Classification		2022 Classification	
	2023	2022	Amount	Notional	Amount	Notional
	Business-type activities					
Cash flow hedges:						
Pay-fixed interest rate swaps (receive-variable)	\$ 3,865	\$ 10,507	\$ 1,949	\$ 83,275	\$ (1,916)	\$ 84,950

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

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NOTE 10 INTEREST RATE SWAPS (CONTINUED)

Rating	Bear Stearns (JPM) 2002 (Swap A and B)	Bank One (JPM) 2002 (Swap C)	JPM 2007B
Aaa/AAA	Infinity	Infinity	Infinity
Aa1, Aa2, Aa3/AA+, AA, AA-	Infinity	Infinity	Infinity
A1/A	10,000	Infinity	Infinity
A2/A	10,000	Infinity	Infinity
A3/A-	10,000	Infinity	Infinity
Baa1/BBB+	5,000	5,000	5,000
Baa2/BBB	500	3,000	3,000
Baa3/BBB-	500	0	0
Below Baa3/BBB- or suspended, withdrawn or unrated	0	0	0

As of June 30, 2023, the University's net liability position is \$6,893 exclusive of accrued interest in the amount of \$11 compared to a net liability position of \$11,425 in 2022. The University has not been required to post collateral with any counterparty as of June 30, 2023.

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

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

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

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

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

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NOTE 10 INTEREST RATE SWAPS (CONTINUED)

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

NOTE 11 LEASE OBLIGATIONS

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

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

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

	Principal	Interest	Total
2024	\$ 5,874	\$ 1,195	\$ 7,069
2025	5,215	929	6,144
2026	3,895	708	4,603
2027	3,069	561	3,630
2028	2,085	462	2,547
2029-2033	7,625	1,263	8,888
2034-2038	1,989	119	2,108
TOTALS	\$ 29,752	\$ 5,237	\$ 34,989

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

	FY 2023	FY 2022
Buildings	\$ 22,692	\$ 21,979
Equipment	20,107	15,210
Total right of use assets	42,799	37,189
Less: Accumulated Amortization	(14,417)	(5,600)
Net right of use assets	\$ 28,382	\$ 31,589

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NOTE 12 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

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

The future subscription payments under SBITA agreements are as follows:

	Principal	Interest	Total
2024	\$ 2,215	\$ 157	\$ 2,372
2025	926	61	987
2026	439	24	463
2027	98	5	103
TOTALS	\$ 3,678	\$ 247	\$ 3,925

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

	FY 2023	FY 2022
Equipment	\$ 10,418	\$ 9,148
Total right of use assets	10,418	9,148
Less: Accumulated Amortization	(6,323)	(2,831)
Net right of use assets	\$ 4,095	\$ 6,317

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NOTE 13 RETIREMENT BENEFITS

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

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

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

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

Contributions

STRS – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the plan years ended June 30, 2022 and 2021, the contribution rate was 14% of covered payroll for both members and employers. Under Ohio law, funds to pay health care costs may be deducted from employer contributions. For the year ended June 30, 2022, no employer allocation was made to the health care fund.

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

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NOTE 13 RETIREMENT BENEFITS (CONTINUED)

Contributions (Continued)

ARP – The ORC provides statutory authority for member and employer contributions. Member contribution rates are the same as those required by the respective state retirement systems. For STRS-eligible employees who elected an ARP, the University contributed 9.53% of covered payroll to the selected investment provider during the 2022 plan year and 4.47% to STRS. For OPERS-eligible employees who elected an ARP, the University contributed 11.56% of covered payroll to the selected investment provider and 2.44% to OPERS during the portion of the plan year from January 1, 2022 through June 30, 2022. Effective July 1, 2022, the University contributed 11.76% of covered payroll to the selected investment provider and 2.24% to OPERS. The employer amounts remitted to STRS and OPERS are based on the statutory mitigating rate which is designed to offset any negative financial impact of the ARP on the state retirement systems.

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

Plan	2023	2022
STRS	\$ 12,190	\$ 13,070
OPERS	29,228	27,306
ARP	8,890	7,680
Total	\$ 50,308	\$ 48,056

Benefits

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

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective Aug. 1, 2015, the calculation is 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until Aug. 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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NOTE 13 RETIREMENT BENEFITS (CONTINUED)

Benefits (Continued)

The Defined Contribution (DC) Plan allows members to place all their member contributions and the 9.53% portion of the 14% employer contribution into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% portion of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

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

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

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

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NOTE 13 RETIREMENT BENEFITS (CONTINUED)

Benefits (Continued)

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

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

Net Pension Liability, Deferrals, and Pension Expense – At June 30, 2023 and 2022, the University reported a liability for its proportionate share of the net pension liability of STRS and the OPERS traditional plan, as well as an asset for its proportionate share of the net pension asset of the OPERS combined plan and member-directed plan. The net pension liability and asset were measured as of June 30, 2022 and June 30, 2021 respectively for STRS and December 31, 2022 and December 31, 2021 respectively for the OPERS plans. The total pension liability used to calculate the net pension liability or asset was determined by an actuarial valuation as of those dates. The University's proportion of the net pension liability or asset was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

Plan	Date			2023	2022	Change
		2023	2022	Proportionate Share	Proportionate Share	
STRS	June 30	\$ 159,120	\$ 93,424	0.716%	0.731%	0.02%
OPERS Traditional	December 31	355,731	102,288	1.204%	1.176%	-0.03%
OPERS Combined and Member-Directed	December 31	(3,623)	(6,178)	1.288%	1.329%	0.04%

For the year ended June 30, 2023 and 2022, the University recognized pension income (expense) of \$18,953 and (\$66,057), respectively.

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NOTE 13 RETIREMENT BENEFITS (CONTINUED)

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

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

At June 30, 2022, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	STRS		OPERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 2,886	\$ 586	\$ 5,465	\$ 2,912
Changes of assumptions	25,919	-	13,097	-
Difference between projected and actual investment earnings	-	80,514	-	122,994
Changes in proportion and differences between University contributions and proportionate share of contributions	-	18,409	1,866	6,036
Contributions after the measurement date	13,070	-	12,726	-
Total	\$ 41,875	\$ 99,509	\$ 33,154	\$ 131,942

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NOTE 13 RETIREMENT BENEFITS (CONTINUED)

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

Year Ending June 30	Amount
2024	\$ 13,735
2025	19,959
2026	22,767
2027	62,256
2028	62
Thereafter	208
Total	<u>\$ 118,987</u>

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year (2024).

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

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

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NOTE 13 RETIREMENT BENEFITS (CONTINUED)

	STRS - as of 6/30/21	OPERS - as of 12/31/21
Valuation date	June 30, 2021	December 31, 2021
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	0.00%	.5% - 3.0%
Salary increases, including inflation	2.5% - 12.5%	2.75% - 10.75%
Price inflation	2.50%	2.75%
Investment rate of return	7%, net of investment expense, including inflation	6.90%
Experience study rate	Period of 5 years ended June 30, 2016	Period of 5 years ended December 31, 2020
Mortality basis	RP-2014 Annuitant Mortality Table and MP-2016 mortality improvement scale	RP-2014 Healthy Annuitant Mortality Table and MP-2020 mortality improvement scale

Discount Rate – The discount rate used to measure the total pension liability was 7.00% and 7.00% for STRS and 6.9% and 6.9% for OPERS as of 2022 and 2021 respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Based on those assumptions, each pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

THE UNIVERSITY OF TOLEDO
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NOTE 13 RETIREMENT BENEFITS (CONTINUED)

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

STRS as of 6/30/2022			OPERS as of 12/31/2022		
Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	26.00%	4.35%	Fixed Income	22.00%	2.62%
International Equity	22.00%	4.55%	Domestic Equity	22.00%	4.60%
Alternatives	19.00%	5.13%	Real Estate	13.00%	3.27%
Fixed Income	22.00%	-0.50%	Private Equity	15.00%	7.53%
Real Estate	10.00%	3.50%	International Equity	21.00%	5.51%
Liquidity Reserves	1.00%	-1.25%	Risk Parity	2.00%	4.37%
Total	<u>100.00%</u>		Other Investments	5.00%	3.27%
			Total	<u>100.00%</u>	

STRS as of 6/30/2021			OPERS as of 12/31/2021		
Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	28.00%	5.10%	Fixed Income	24.00%	1.03%
International Equity	23.00%	5.30%	Domestic Equity	21.00%	3.78%
Alternatives	17.00%	4.84%	Real Estate	11.00%	3.66%
Fixed Income	21.00%	0.75%	Private Equity	12.00%	7.43%
Real Estate	10.00%	3.75%	International Equity	23.00%	4.88%
Liquidity Reserves	1.00%	0.00%	Other Investments	9.00%	5.77%
Total	<u>100.00%</u>		Total	<u>100.00%</u>	4.21%

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

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

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NOTE 13 RETIREMENT BENEFITS (CONTINUED)

Plan	1.00% decrease		Current discount rate		1.00% increase	
STRS 6/30/2021	6.00%	\$ 174,948	7.00%	\$ 93,424	8.00%	\$ 24,536
OPERS 12/31/2021	5.90%	265,050	6.90%	96,110	7.90%	(44,392)
Total		\$ 439,998		\$ 189,534		\$ (19,856)

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

Payable to the Pension Plan – The University reported a payable of \$4,836 and \$3,448 to OPERS at June 30, 2023 and 2022, respectively, for the outstanding amount of contributions required for the years then ended.

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS

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

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

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

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NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Descriptions

STRS (State Teachers Retirement System)

STRS administers a cost-sharing health plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

ORC Chapter 3307 authorizes STRS to offer the plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the health care plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to postemployment health care.

OPERS (Ohio Public Employees Retirement System)

The ORC permits, but does not require, OPERS to offer postemployment health care coverage. The ORC allows a portion of the employers' contributions to be used to fund health care coverage. The health care portion of the employer contribution rate for the Traditional Pension Plan and Combined Plan is comparable, as the same coverage options are provided to participants in both plans.

Prior to January 1, 2015, the System provided comprehensive health care coverage to retirees with 10 or more years of qualifying service credit and offered coverage to their dependents on a premium deduction or direct bill basis. Beginning January 1, 2015, the service eligibility criteria for health care coverage increased from 10 years to 20 years with a minimum age of 60, or 30 years of qualifying service at any age. Beginning with January 2016 premiums, Medicare-eligible retirees could select supplemental coverage through the Connector and may be eligible for monthly allowances deposited to an HRA to be used for reimbursement of eligible health care expenses. Coverage for non-Medicare retirees includes hospitalization, medical expenses, and prescription drugs. The System determines the amount, if any, of the associated health care costs that will be absorbed by the System and attempts to control costs by using managed care, case management, and other programs. Additional details on health care coverage can be found in the Plan Statement in the OPERS 2022 ACFR.

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NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Descriptions (Continued)

OPERS (Ohio Public Employees Retirement System) (Continued)

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

With the assistance of the System’s actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of postemployment health care coverage. The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was 0.0% for 2022 and 2021, respectively. The employer contribution as a percent of covered payroll deposited for Member-Directed Plan health care accounts was 4.0% for 2022 and 2021.

Net OPEB Asset, Deferrals, and OPEB Expense – At June 30, 2023 and 2022, the University reported an asset for its proportionate share of the net OPEB asset of OPERS, respectively, and an asset for its proportionate share of the net OPEB asset of STRS. The net OPEB asset for OPERS was measured as of December 31, 2022 and December 31, 2021. The net OPEB asset for STRS were measured as of June 30, 2022 and June 30, 2021, respectively. The total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation s of those dates. The University’s proportion of the net OPEB asset was based on its share of contributions to the respective retirement systems relative to the contributions of all participating entities.

Plan	Measurement Date	Share of Net OPEB				
		Liability (Asset)		Proportionate Share		
		2023	2022	2023	2022	Change
STRS	July 1	\$ (18,535)	\$ (15,415)	0.72%	0.73%	0.01%
OPERS	December 31	7,621	(37,063)	1.21%	1.18%	-0.03%

For the years ended June 30, 2023 and 2022, the University recognized OPEB expense of \$21,843 and \$39,424, respectively.

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NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Descriptions (Continued)

OPERS (Ohio Public Employees Retirement System) (Continued)

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

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

At June 30, 2022, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	STRS		OPERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 541	\$ 2,830	\$ -	\$ 5,622
Changes of assumptions	962	9,212	-	15,003
Difference between projected and actual investment earnings	-	4,265	-	17,669
Changes in proportion and differences between University contributions and proportionate share of contributions	-	2,045	14	5,103
Contributions after the measurement date	-	-	-	-
Total	<u>\$ 1,503</u>	<u>\$ 18,352</u>	<u>\$ 14</u>	<u>\$ 43,397</u>

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

Year Ending	STRS	OPERS
June 30		
2024	\$ (5,001)	\$ 4,784
2025	(5,050)	4,405
2026	(2,253)	3,830
2027	(1,063)	6,505
2028	(1,691)	-
Thereafter	(1,304)	-
total	<u>\$ (16,362)</u>	<u>\$ 19,524</u>

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NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Descriptions (Continued)

OPERS (Ohio Public Employees Retirement System) (Continued)

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

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

	STRS - as of 6/30/21	OPERS - as of 12/31/21
Inflation	2.50%	2.50%
Salary increases	12.5% at age 20 to 2.5% at age 65	2.75% - 10.75% (includes inflation)
Blended discount rate of return	7.00%	6.00%
Investment rate of return	7.00 percent, net of investment expenses, including inflation	6.00 percent, net of investment expenses
Health care cost trends	-16.18% to 29.98% initial, 4.00% ultimate	5.50% initial, 3.50% ultimate in 2034

STRS

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

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

Plan Descriptions (Continued)

STRS (Continued)

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of the latest available actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022.

Discount Rate

STRS

The discount rate used to measure the total OPEB liability was 7.00% and 7.00% as of June 30, 2022 and 2021, respectively. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on health care fund investments of 7.00% and 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022 and 2021, respectively.

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NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Discount Rate (Continued)

OPERS

A single discount rate of 5.22% and 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2022 and 2021, respectively. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

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

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

STRS as of 6/30/2022			OPERS as of 12/31/2022		
Investment Category	Target Allocation	Long-term Expected	Investment Category	Target Allocation	Long-term Expected
		Real Rate of Return			Real Rate of Return
Domestic Equity	26.00%	4.35%	Fixed Income	34.00%	2.56%
International Equity	22.00%	4.55%	Domestic Equity	26.00%	4.60%
Alternatives	19.00%	5.13%	Real Estate	7.00%	4.70%
Fixed Income	22.00%	-0.50%	International Equity	25.00%	5.51%
Real Estate	10.00%	3.50%	Risk Parity	2.00%	43.70%
Liquidity Reserves	1.00%	-1.25%	Other Investments	6.00%	1.84%
Total	<u>100.00%</u>		Total	<u>100.00%</u>	

STRS as of 6/30/2021			OPERS as of 12/31/2021		
Investment Category	Target Allocation	Long-term Expected	Investment Category	Target Allocation	Long-term Expected
		Real Rate of Return			Real Rate of Return
Domestic Equity	28.00%	5.10%	Fixed Income	34.00%	0.91%
International Equity	23.00%	5.30%	Domestic Equity	25.00%	3.78%
Alternatives	17.00%	4.84%	Real Estate	7.00%	3.71%
Fixed Income	21.00%	0.75%	International Equity	25.00%	4.88%
Real Estate	10.00%	3.75%	Risk Parity	2.00%	2.92%
Liquidity Reserves	1.00%	0.00%	Other Investments	7.00%	1.93%
Total	<u>100.00%</u>		Total	<u>100.00%</u>	

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

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NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

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

Plan	1.00% decrease		Current discount rate		1.00% increase	
STRS 6/30/2021	6.00%	\$ (13,000)	7.00%	\$ (15,415)	8.00%	\$ (17,415)
OPERS 12/31/2021	5.00%	(21,797)	6.00%	(37,063)	7.00%	(49,735)
Total		<u>\$ (34,797)</u>		<u>\$ (52,478)</u>		<u>\$ (67,150)</u>

Plan	1.00% decrease		Current health care trend rate		1.00% increase	
STRS 6/30/2021		\$ (17,334)		\$ (15,415)		\$ (13,021)
OPERS 12/31/2021		(37,464)		(37,063)		(36,588)
Total		<u>\$ (54,798)</u>		<u>\$ (52,478)</u>		<u>\$ (49,609)</u>

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

Payable to the OPEB Plan – The University did not have a payable to the OPEB plans as of June 30, 2023 and 2022.

Assumption Changes Since the Prior Measurement Date

STRS

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

Benefit Term Changes Since the Prior Measurement Date

STRS

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

THE UNIVERSITY OF TOLEDO
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NOTE 15 CONTINGENCIES AND COMMITMENTS

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

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

Through the IUC-RMIC group, the University maintains property insurance with a \$100 deductible, a pre-funded group pool deductible of \$350 per occurrence, and an annual group aggregate stop-loss of \$700. With the policy renewal effective July 1, 2020, losses due to natural catastrophes, such as flood, earthquake, and wind, will incur larger deductibles. Total insurable value for the University of Toledo is approximately \$3,253,000.

The casualty portion of the IUC-RMIC program provides educator's legal liability, general liability, and automobile liability, and includes a \$100 deductible. There is also a casualty group pool fund with dedicated limits for each member totaling \$15,000 which consists of \$1,000 by the members and \$14,000 from reinsurance. Finally, there are shared excess limits totaling \$35,000 which is \$20,000 in excess of the pool.

The IUC-RMIC also provides other coverages such as foreign liability with travel assistance, special accident, crime, cyber and fiduciary. The University's contributions to IUC for property and casualty coverage totaled \$2,365 and \$2,234 for 2023 and 2022, respectively.

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

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022
(DOLLARS IN THOUSANDS)

NOTE 15 CONTINGENCIES AND COMMITMENTS (CONTINUED)

The University is also self-insured for unemployment compensation and substantially all employee health benefits. Liabilities for estimates of losses retained by the University for outstanding claims and claims incurred but not reported under self-insurance programs have been based on the University's experience and actuarial valuation. The estimated value of these claims was \$8,184 and \$8,548 as of June 30, 2023 and 2022, respectively. Settlements have not exceeded insurance coverage in each of the past three years.

Academic Affiliation Agreement

On August 26, 2015, the University and ProMedica Health System (ProMedica) entered into an academic affiliation agreement for a period of 50 years. ProMedica is a nonprofit health system located in Toledo, Ohio, with facility locations in northwest Ohio and southeast Michigan. The agreement aligns the University's University of Medicine and Life Sciences with ProMedica to collaborate and support training of physicians and other healthcare professionals; achieve physician synergies; train the next generation of healthcare providers; extend academic and research capabilities to the community; and support the academic, training, and research missions of the University and its faculty.

As part of the agreement, ProMedica committed to a \$40 million initial investment in the University of Medicine and Life Sciences which was paid in three installments. ProMedica will also make annual academic affiliation investments to support the academic mission of the University of Medicine and Life Sciences that will range from \$12.5 million to \$50 million over a five-year transition period beginning on July 1, 2016. After the transition period, annual academic affiliation payments will be based on ProMedica's annualized patient service revenue and is expected to be at least \$50 million. ProMedica is also committing \$250 million in capital spending to enhance the academic mission of the University of Medicine and Life Sciences.

NOTE 16 RELATED PARTY TRANSACTIONS

At its March 2016 meeting, the Foundation Board of Trustees approved funding by the pooled investment portfolio of up to \$6 million for University capital projects. This 10-year loan was approved by the University in July 2016 with the first draw in August 2016. The balance owed to the pool was \$3,653 and \$3,720 as of June 30, 2023 and 2022, respectively.

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 16 RELATED PARTY TRANSACTIONS (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-VHC Alliance Newco, Inc. (now known as Vizient, Inc.). The purpose for this trust rests in the fact that Vizient, Inc. is a for-profit entity and Ohio law does not permit state entities to hold title or ownership interests in for-profit entities. The initial gift was recorded based on a valuation analysis of the common stock at \$2,000 as of June 30, 2016, and a corresponding receivable was recorded by the University. The value at June 30, 2023 and 2022 is \$2,013.

During the years ended June 30, 2023 and 2022, the University paid \$234,389 and \$23,995, respectively, to UTP-CF primarily for wage expense where the University utilized UTP-CF's employees.

During the years ended June 30, 2023 and 2022, the University received \$1,533 and \$1,840, respectively, from UTP-CF for the hospital facility fee charged to patients in connection with professional services rendered in hospital-based clinics. The University also received \$12,908 and \$15,003 from UTP-CF for the years ended June 30, 2023 and 2022, respectively, as reimbursement for expenses paid on behalf of UTP-CF.

Accounts receivable from UTP-CF were \$10,051 and \$903 as of June 30, 2023 and 2022. Accounts payable to UTP-CF were \$2,739 and \$2,378 as of June 30, 2023 and 2022.

During the years ended June 30, 2023 and 2022, the University paid \$387 and \$372, respectively, to UTMAC LLC for professional liability and medical stop-loss insurance.

During the years ended June 30, 2023 and 2022, UTP-CF paid \$1,886 and \$1,667, respectively, to UTMAC LLC for professional liability insurance.

During the years ended June 30, 2023 and 2022, UTMAC LLC declared and paid dividends of \$0 and \$150, respectively, to UTP-CF.

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

NOTE 17 FUNCTIONAL CLASSIFICATION OF EXPENSES

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

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

Operating expenses by functional classification for the year ended June 30, 2022 (as restated) are summarized as follows:

	Payroll	Supplies	Services	Other	Total
Patient Services	\$ 254,755	\$ 131,573	\$ 31,642	\$ 23,227	\$ 441,197
Instruction	187,275	1,942	2,458	3,036	194,711
Research	24,808	7,560	3,341	16,411	52,120
Public Service	5,008	243	2,061	1,603	8,915
Academic Support	39,249	2,072	13,459	4,216	58,996
Student Services	20,781	619	992	3,567	25,959
Institutional Support	32,436	698	6,774	(1,364)	38,544
Operation and Maintenance of Plant	12,419	3,035	(741)	22,715	37,428
Auxiliary Enterprises	22,701	2,948	18,592	18,324	62,565
	<u>\$ 599,432</u>	<u>\$ 150,690</u>	<u>\$ 78,578</u>	<u>\$ 91,735</u>	<u>920,435</u>
Student Aid					22,902
Depreciation and Amortization					56,251
Pension/OPEB revenue from GASB adjustment					(105,482)
Provision for Bad Debts					1,301
Total Operating Expenses					<u>\$ 895,407</u>

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

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

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

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

**THE UNIVERSITY OF TOLEDO
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023 AND 2022
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Schedule of OPEB Funding	2023		2022		2021		2020		2019		2018	
	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS
Plan year end	June 30, 2022	December 31, 2022	June 30, 2021	December 31, 2021	June 30, 2020	December 31, 2020	June 30, 2019	December 31, 2019	June 30, 2018	December 31, 2018	June 30, 2017	December 31, 2017
University's proportion of the collective net OPEB liability (asset):												
Percentage	0.72%	1.21%	0.73%	1.18%	0.80%	1.17%	0.82%	1.31%	0.82%	1.20%	0.87%	1.31%
Amount	\$ 18,535	\$ 7,621	\$ (15,415)	\$ (37,063)	\$ (14,079)	\$ (20,826)	\$ (13,503)	\$ 181,519	\$ (13,251)	\$ 156,522	\$ 33,878	\$ 142,066
University's covered-employee payroll	\$ 81,452	\$ 193,703	\$ 78,769	\$ 181,471	\$ 84,784	\$ 181,513	\$ 84,785	\$ 182,206	\$ 82,947	\$ 183,753	\$ 85,069	\$ 184,052
University's proportionate share of the collective net OPEB liability as a percentage of covered-employee payroll	22.76%	3.93%	-19.57%	-20.42%	-16.61%	-11.47%	-15.93%	99.62%	-15.98%	85.18%	39.82%	77.19%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	174.73%	128.23%	182.13%	115.56%	174.74%	47.80%	176.00%	46.33%	47.11%	54.14%

Schedule of OPEB Contributions	2023		2022		2021		2020		2019		2018	
	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS
Statutorily required contribution	\$ -	\$ -	\$ -	\$ 14	\$ -	\$ 27	\$ -	\$ 28	\$ -	\$ 31	\$ -	\$ 293
Contributions in relation to the actuarially determined contractually required contribution	\$ -	\$ -	\$ -	\$ 14	\$ -	\$ 27	\$ -	\$ 28	\$ -	\$ 31	\$ -	\$ 293
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 8,466	\$ 204,684	\$ 81,525	\$ 189,768	\$ 78,789	\$ 177,238	\$ 84,710	\$ 183,883	\$ 84,059	\$ 186,901	\$ 82,939	\$ 184,427
Contributions as a percentage of covered employee payroll	0.00%	0.00%	0.00%	0.01%	0.00%	0.02%	0.00%	0.02%	0.00%	0.02%	0.00%	0.16%

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

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

SINGLE AUDIT



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

Board of Trustees
The University of Toledo
Toledo, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of The University of Toledo (the University) (a component unit of the State of Ohio), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 16, 2023.

Report on Internal Control Over Financial Reporting

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

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


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Toledo, Ohio
October 16, 2023



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

Board of Trustees
The University of Toledo
Toledo, Ohio

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The University of Toledo's (the University) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2023. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Board of Trustees
The University of Toledo

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

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

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



CliftonLarsonAllen LLP

Toledo, Ohio
October 16, 2023

THE UNIVERSITY OF TOLEDO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Primary Sponsor	Award Number	Passed Through to Subrecipients	Total Federal Expenditures
STUDENT FINANCIAL ASSISTANCE CLUSTER					
FSEOG	84.007	U.S. Department of Education		\$ -	\$ 1,126,111
Pell Grant	84.063	U.S. Department of Education		-	16,234,528
Federal Workstudy	84.033	U.S. Department of Education		-	635,038
Federal Teach Grant	84.379	U.S. Department of Education		-	110,804
Federal Direct Loans advances during fiscal year	84.268	U.S. Department of Education		-	104,409,746
Federal Perkins Loans outstanding balance at 07/01/2022	84.038	U.S. Department of Education		-	3,836,285
				-	126,352,512
Disadvantaged Student Loans outstanding balance at 07/01/2022	93.342	U.S. Department of Education		-	217,685
Primary Care Loans outstanding balance at 07/01/2022	93.342	U.S. Department of Education		-	285,245
Nurse Faculty Loans outstanding balance at 07/01/2022	93.342	U.S. Department of Education		-	161,183
Total Student Financial Assistance				-	664,113
Total Student Financial Assistance Cluster				-	127,016,625
U.S. DEPARTMENT OF HIGHER EDUCATION EMERGENCY RELIEF FUND					
COVID-19 Emergency Fin Aid Grants to students (CARES)	84.425	U.S. Department of Education	p425e200954	-	291
COVID-19 CARES Act - Governor's Emergency Education Relief (GEER) Fund for Ohio FAFSA Passed-Through from U.S. Department of Education	84.425C	Ohio Department of Higher Education		-	1,321
Total U.S. Department of Higher Education Emergency Relief fund				-	1,612
RESEARCH AND DEVELOPMENT CLUSTER					
U.S. DEPARTMENT OF AGRICULTURE					
Investigating leaf angle response to temperature and carbon dioxide	10.001	U.S. Department of Agriculture		-	17,308
Reducing Impacts of Disease on Rainbow Trout Aquaculture Production	10.001	U.S. Department of Agriculture	58-5090-1-019	-	90,888
NACA: Effects of algal toxins on plants	10.001	U.S. Department of Agriculture	58-5082-1-009	-	164,266
Exploring the virome and RNAi strategies for disease control	10.001	U.S. Department of Agriculture	58-5082-1-008	-	106,385
Molecular and cellular analysis of the effects of silicon on stress tolerance in crop plants	10.001	U.S. Department of Agriculture	58-5082-1-011	-	37,844
RSA for student employment	10.001	U.S. Department of Agriculture		-	2,181
Research Support Agreement-Acquisition of Goods and Services	10.001	U.S. Department of Agriculture	58-5082-2-007_58471	-	8,005
RSA for student employment	10.001	U.S. Department of Agriculture		-	898
Research Support Agreement-Acquisition of Goods and Services Passed from City of Toledo	10.001	U.S. Department of Agriculture	58-5082-3-008	-	7,503
The Function of Centriole Protein POC1B in the Rabbit Sperm Passed Through from Ohio Department of Health	10.310	U.S. Department of Agriculture	67011403386701100000	-	3,431
A new technology for high yield conversion of biomass carbohydrates to furans for bioproducts	10.310	U.S. Department of Agriculture	2018-67021-27953	-	68,888
Centriolar Biomarkers of Bull Sperm	10.310	U.S. Department of Agriculture	2021-67015-33403	-	142,880
RCPP Project ID #2603 Pilot Watershed Project in the Western Lake Erie Basin Passed-Through from U.S. Department of Agriculture	10.310	Ohio State University		-	3,811
Total U.S. Department of Agriculture				-	654,288
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION					
Paleontological and sedimentological analysis of cyanobacteria and eukaryotic phytoplankton on sediment cores collected from Lake Erie Passed Through from National Science Foundation	11.417	National Oceanic and Atmospheric Administration	1305M323PNRMA0138	-	2,989
An empirical for forecasting short-term microcystin concentrations in Western Lake Erie Passed-Through from National Science Foundation	11.417	National Oceanic and Atmospheric Administration	1305M323PNRMA0258	-	5,420
On-site and in laboratory quantitative analysis of pharmaceuticals and PFAS in fish by solid-phase microextraction technology coupled to mass spectrometry Passed-Through from National Oceanic and Atmospheric Administration	11.417	Ohio State University		-	14,700
Assessing the impact of shore management on the resilience of coastal environmental microbiomes Passed-Through from National Oceanic and Atmospheric Administration	11.417	Ohio Sea Grant Program		-	44,400
Structural controls on wetlands' hydrological capacity for nutrient attenuation attenuation within the Maumee watershed Passed-Through from Ohio Sea Grant Program	11.417	Ohio State University		-	995
Locating agricultural drainage tiles at large field scale using UAV imagery - A proof of concept study Passed-Through from National Oceanic and Atmospheric Administration	11.417	Ohio State University	NA18OAR4170100	-	5,531
An Exceptionally Low Lake Level in the Lake Erie Basin ca. 300 Years Ago Passed-Through from National Oceanic and Atmospheric Administration	11.417	Ohio State University	BA18OAR4170100	-	3,825
Building Resilient Shorelines—Shoreline Alterations and Nearshore Habitat Passed-Through from National Oceanic and Atmospheric Administration	11.419	Ohio Department of Natural Resources		-	12,000
Great Lakes Bay Watershed Education and Training (B-WET) program FY21	11.429	National Oceanic and Atmospheric Administration		1,792	2,258
Great Lakes Bay Watershed Education and Training (B-WET) program FY21	11.429	National Oceanic and Atmospheric Administration		-	4,517
Portable toxin detection technology to support Great Lakes decision support tools Passed-Through from National Oceanic and Atmospheric Administration	11.478	Bowling Green State University		-	16,425
Synergistic impact of climate induced acidification, temperature, and nutrients on cyanobacteria HAs in the Great Lakes Passed-Through from Department of Energy	11.478	University of Michigan	SUBAWARD NO: SUBK00016951	-	1,328
Using Microcystin Degrading Bacteria and their Enzymes for Water Treatment	11.478	National Oceanic and Atmospheric Administration	NA20NOS4780182	-	269,228
Total National Oceanic and Atmospheric Administration				1,792	383,617

See Notes to the Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF TOLEDO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Primary Sponsor	Award Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF COMMERCE					
High-throughput analysis of human toxicity and therapeutics targets of emergent chemicals of concern across gut, liver, and kidney systems in health and disease Passed-Through from U.S. Department of Commerce	11.417	Ohio State University		\$ -	\$ 63,433
Total U.S. Department of Commerce				-	63,433
U.S. DEPARTMENT OF DEFENSE					
Seed Program: Investigation of Power Electronics and Control Systems for Nuclear/Renewable Energy Parks Passed-Through from U.S. Department of Energy	12.RD	Idaho National Labs		-	120,209
Photovoltaic Sheets for High Specific Power Space-Based Energy Harvesting (PVS-EH)	12.RD	Airforce Research Laboratory at Virginia		-	2,007,413
Hot Air Tunnel (HAT Program) Passed-Through from U.S. Department of the Army	12.RD	Teledyne Continental Motors		-	339,595
NURTURING STEM in Early Childhood for Military Connected Families	12.006	Office of Naval Research		299,096	864,133
NURTURING STEM in Early Childhood for Military Connected Families	12.006	Office of Naval Research		-	178,942
Fundamental and Applied WBGs Device Modeling Investigation for Next Generation Naval Applications	12.300	Office of Naval Research	N00014-18-1-2676	-	67
Air Wave Bearings for Turbine Engines	12.300	Office of Naval Research		-	131,561
Ultra-wideband and Highly Efficient Plasma-Matched Small HF Antennas	12.300	Office of Naval Research		-	69,826
PROMPT: Process for Rapid Optimization and Modeling of Power Transistors	12.300	Office of Naval Research		-	186,233
Tumor metabolism as the new Achilles' heel in prostate cancer	12.420	Department of Defense	W81XWH2010794	-	121,150
Development of Novel Inducers of Non-Apoptotic Cell Death to Target TNBC	12.420	Department of Defense		-	162,387
Development of an Attenuated Vaccine for the Prevention of Lyme Disease	12.420	Department of Defense	W81XWH2110967	-	283,471
Optimizing Clinical Outcomes for Patients with Patellofemoral Pain Using Strength Training Rehabilitation Incorporating Power Exercises (STRIPLE)					
Passed-Through from U.S. Department of Defense	12.420	University of Connecticut		-	64,032
Maladaptive Nigrovascular Pathophysiology in Parkinsonism	12.420	U.S. Army Medical Research and Materiel Command		-	114,473
A CLOUD (CRISPR-Mediated Loci-Specific Unbiased Discovery) Atlas of Regulatory Binding Proteins for Driver Genes in Prostate Cancer Bone Metastases	12.420	U.S. Army Medical Research and Materiel Command		-	39,581
Active Early Detection and Diagnosis of HABs with Scalable Biological Treatment Strategies	12.630	U.S. Army Corps of Engineers		5,095	499,712
High-Temperature Fluctuating-Stress Ultrasonic Fatigue Tester for Studying Environment-Dependent Ultra-Long-Life Fatigue of Defense-Critical Advanced Materials and Processes Passed-Through from U.S. Department of Education	12.800	Air Force Office of Scientific Research	FA9550-23-1-0179	-	74,779
Development of Low Cost Materials and Devices for Flexible Tandem Space Solar Cells (ROSET)	12.800	Airforce Research Laboratory at Virginia	FA9453-19-C-1002	-	806,647
Development of Low Cost Materials and Devices for Flexible Tandem Space Solar Cells (ROSET)	12.800	Airforce Research Laboratory at Virginia	FA9453-19-C-1002	-	1,290
Assured Digital Microelectronics Education & Training Ecosystem (ADMETE) Passed-Through from Air Force Research Laboratory	12.910	Wright State University		-	338,472
Reconfigurable Plasma Protection against High Power Microwaves					
Passed-Through from Office of Naval Research	12.300C	Purdue University		-	127,660
Molecular Design of Lead Acid Battery Model Expanders	12.RD	Argonne National Laboratory		-	175,134
Plasma Impedance Matching Networks Passed-Through from U.S. Department of Defense	12.RD	Lockheed Martin		-	226,000
Digital Twin Reinforcement Learning Project Passed-Through from U.S. Department of Energy	12.RD	Lawrence Livermore National Laboratory		-	155,560
IORE: NIRS Operational Readiness Estimation Passed-Through from U.S. Department of Defense	12.RD	Aptima Inc		-	14,909
Perovskite PV Accelerator for Commercial technologies (PACT) Passed-Through from Sandia National Laboratory	12.RD	National Technology and Engineering Solutions of Sandia, LLC		-	59,397
Intelligent and Resilient Structures Passed-Through from U.S. Army Corps of Engineers	12.RD	Eaton Corporation		-	162,062
Dynamical Black Hole Masses for a Complete Volume-Limited Hard X-Ray Sample	12.RD	Jet Propulsion Laboratory		-	20,939
Intelligent and Resilient Structures (Phase 2) Passed-Through from U.S. Army Corps of Engineers	12.RD	Eaton Corporation		-	23,857
Modular Designs for New Facilitated Transport Membranes in Olefin Production Passed-Through from Idaho National Labs	12.RD	Batelle Energy Alliance, LLC (BEA)		-	130,162
SONIC: Sensor Operations via Naturalistic Interactive Control Passed-Through from U.S. Air Force	12.RD	Aptima Inc		-	4,004
nXoomms: Intelligent Patient Simulation Platform Passed-Through from U.S. Army Engineer Research and Development Center	12.RD	BioMojo LLC		-	127,418
Development and Validation of Early Detection and Sustained Treatment Methods to Control HABs in Inland Source Waters in Ohio	12.RD	U.S. Army Corps of Engineers	W912HZ2220045	-	138,965
High Strength Functional Composites Passed-Through from U.S. Army Corps of Engineers	12.RD	Eaton Corporation		-	58,063
Advanced Aerodynamic and Instrumentation Features and Simulation (A2iFS) Passed-Through from U.S. Department of Defense	12.RD	Teledyne		-	94,231
Total U.S. Department of Defense				304,151	7,922,334
U.S. DEPARTMENT OF THE INTERIOR					
BLM Contract Solicitation L17PS00986: Production of PZP-22					
Contraceptive Vaccine	15.229	Bureau of Land Management	L17PC00154	-	8,262
Enhancement of Turtle Recruitment in the Kalamazoo River Passed-Through from U.S. Department of the Interior	15.658	U.S. Fish and Wildlife Service		-	2,174
Removal of invasive grass carp from Lake Erie and tributaries: targeted collection and modeling to improve catch Passed-Through from U.S. Fish and Wildlife Service	15.662	Ohio Department of Natural Resources		-	77,768
Regional Aquatic Invasive Species Early Detection, And Response - Phase IV (2020 - 2022) Passed-Through from U.S. Fish and Wildlife Service	15.662	The Nature Conservancy		-	23,351

See Notes to the Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF TOLEDO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Primary Sponsor	Award Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF THE INTERIOR (CONTINUED)					
Removal of invasive grass carp from Lake Erie and tributaries: targeted collection and modeling to improve catch Passed-Through from U.S. Fish and Wildlife Service	15.662	Ohio Department of Natural Resources		\$ -	\$ 354,071
Vegetation Surveying in Support of Grass Carp Spawning Potential in the Sandusky River Basin	15.808	U.S. Geological Survey	G17AC00404	-	13,761
Foodweb Dynamics in Western Lake Erie Associated with CSM1 Sampling	15.808	U.S. Geological Survey		-	15,661
Transitioning to a Long-Term Ecosystem Monitoring Program in the St. Clair-Detroit River System	15.808	U.S. Geological Survey		-	19,634
Lake Sturgeon survival, habitat use, and movements in Lake Erie	15.808	U.S. Geological Survey		10,000	61,475
Grass Carp Reproduction in Lake Erie	15.808	U.S. Geological Survey		-	55,263
Assessment of the responses of fish communities and ecosystems in Great Lakes connecting channels restoration and other environmental change	15.808	U.S. Geological Survey	G21AC10568	-	81,342
Grass Carp Reproduction in Lake Erie	15.808	U.S. Geological Survey		-	57,714
Total U.S. Department of the Interior				10,000	770,476
U.S. DEPARTMENT OF JUSTICE					
LGBTQA+ Programming Initiative Passed-Through from U.S. Department of Justice	16.588	Criminal Justice Coordinating Council		-	5,755
Focus on Runaways Passed-Through from U.S. Department of Justice	16.738	Ohio Office of Criminal Justice Services		-	35,495
Focus on Runaways Passed-Through from U.S. Department of Justice	16.738	Ohio Office of Criminal Justice Services		-	8,524
Lucas County Reentry Program	16.812	Criminal Justice Coordinating Council	2016-BJ-SCA-1605	-	15,149
COSSAP Evaluation - Passed-Through from U.S. Department of Justice	16.838	Lucas County Sheriff's Office		-	58,648
Total U.S. Department of Justice				-	123,571
NATIONAL AERONAUTIC SPACE ADMINISTRATION					
Compact Gas Turbine Compressor CFD Analysis Passed-Through from National Aeronautics and Space Administration	43.002	Hx5		-	71,365
Compact Gas Turbine Compressor CFD Analysis Passed-Through from National Aeronautics and Space Administration	43.002	Hx5		-	118,081
Unlocking Far-Infrared Metal Abundances in NGC628 Passed-Through from National Aeronautics and Space Administration	43.002	Universities Space Research Association	NNA17BF53C	-	75,356
Impact of the magnetic field in the Mon R2 hub-filament system	43.002	Universities Space Research Association		37,994	61,932
Cycle Nine GO Grant Passed-Through from National Institutes of Health	43.002	Universities Space Research Association	NNA17BF53C	-	32,810
PHANGS-HST: Linking Stars and Gas throughout the Scales of Star Formation Passed-Through from National Institute for Occupational Safety and Health	43.001	Space Telescope Science Institute	HST-GO-1564.005-A	-	2,169
Mission Earth: Fusing GLOBE with NASA Assets to Build Systemic Innovation in STEM Education	43.001	National Aeronautics and Space Administration	NNX16AC54A	827,373	1,337,852
Mission Earth: Fusing GLOBE with NASA Assets to Build Systemic Innovation in STEM Education	43.001	National Aeronautics and Space Administration	NNX16AC54A	-	33,888
The 6 pc DASH: A WFC3 1.6 micron Survey of the Orion Integral Shaped Filament Passed-Through from NASA John H. Glenn Research Center at Lewis Field	43.001	Space Telescope Science Institute		-	38,629
A Spitzer, Herschel and WISE Census of Protostars within 500 pc of the Sun 18-ADAP18-0200; Orion The Final Epoch	43.001	National Aeronautics and Space Administration	80NSSC18K1564	2,218	36,010
Clusters, Clumps, Dust and Gas in Extreme Star-Forming Galaxies	43.001	National Aeronautics and Space Administration	80NSSC19K0591	35,696	47,872
GaN-Based Power Bus Converter with Autonomous Control for Deep Space Small Spacecraft Power Subsystems Passed-Through from National Aeronautics and Space Administration	43.001	Jet Propulsion Laboratory		-	233
Improved Constraints on Grain Growth from a Survey of Phosphorus and Chlorine Depletions in the Diffuse ISM	43.001	Space Telescope Science Institute		-	309
Two Decades of Protostellar Variability in the IR: An ISO, Herschel, Spitzer, SOFIA and NEOWISE Arcival Study	43.001	National Aeronautics and Space Administration		5,184	130,577
Investigation of GaN Devices Radiation Effects and Solar Array Maximum Power Point Tracking for Breakthrough Distributed Power Architecture for In Situ Lunar Missions Passed-Through from National Aeronautics and Space Administration	43.001	Jet Propulsion Laboratory		-	20,202
The Spitzer IRS Mapping Legacy Archive Passed-Through from National Aeronautics and Space Administration	43.001	University of California at San Diego		-	41,938
Infrared Gold: A Student-Centered Program to Extract, Analyze and Disseminate 20 Years of IRTF/SpeXPoint-Source Spectroscopy Passed-Through from National Aeronautics and Space Administration	43.001	University of California at San Diego		-	37,964
The First Comprehensive Study of LMXBs Formed in the Globular Cluster Systems of Spiral Galaxies Passed-Through from National Aeronautics and Space Administration	43.001	Harvard-Smithsonian Center for Astrophysics		-	4,944
A Spitzer/HST Case Study of Weather on a Y Dwarf	43.002	Jet Propulsion Laboratory	1530668	-	1,005
Planet Occurrence Rate around Mid-M Dwarfs in the Kepler Field	43.002	Jet Propulsion Laboratory	1570227	-	1,487
Compact Gas Turbine Compressor CFD Analysis Passed-Through from NASA John H. Glenn Research Center at Lewis Field	43.002	Hx5		-	123,688
Advanced Computational Tools for the Simulation of Multistage Turbomachinery in Support of Aeroproplion Passed-Through from NASA John H. Glenn Research Center at Lewis Field	43.002	Hx5		-	123,689
Analysis for Future Aircraft Propulsion Systems Passed-Through from John H. Glenn Research Center at Lewis Field	43.002	Hx5		-	177,135
High Temperature Materials & Coatings for Extreme Environments Passed-Through from NASA John H. Glenn Research Center at Lewis Field	43.002	Hx5		-	195,281
Nondestructive Evaluation for Aerospace Materials & Structures Passed-Through from NASA John H. Glenn Research Center at Lewis Field	43.002	Hx5		-	171,663
Advanced Microscopy and Microstructural Analysis Passed-Through from NASA John H. Glenn Research Center at Lewis Field	43.002	Hx5		-	295,685
Analysis and Testing of Advanced Materials & Structures Passed-Through from NASA John H. Glenn Research Center at Lewis Field	43.002	Hx5		-	253,982
The Vanishing Act: PAHs and Heavy Element Abundance in M101 Passed Through from National Science Foundation	43.RD	Association of Universities for Research in Astronomy	JWST-GO-02452.001-A	-	403
Investigating Protostellar Accretion Across the Mass Spectrum	43.RD	Space Telescope Science Institute		-	16,261
Investigating the Outflows and Shocks of HOPS 361	43.RD	Space Telescope Science Institute		-	30,837

See Notes to the Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF TOLEDO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Primary Sponsor	Award Number	Passed Through to Subrecipients	Total Federal Expenditures
NATIONAL AERONAUTIC SPACE ADMINISTRATION (CONTINUED)					
Modeling Supermassive Black Hole Seed Formation and Growth on Cosmological Scales	43.RD	National Aeronautics and Space Administration	80NSSC22K0629	\$ -	\$ 59,893
A JWST-HST-VLT/MUSE-ALMA Treasury of Star Formation in Nearby Galaxies	43.RD	Space Telescope Science Institute		-	6,214
Bolometric Luminosities of Cool Brown Dwarfs: The Key to Their Effective Temperatures and the Mass uncton	43.RD	Space Telescope Science Institute		-	63,366
An HST Treasury of Stellar Feedback in Action: Sizes, Structures, and Power Sources for 50,000 Extragalactic HII Regions Passed-Through from National Aeronautics and Space Administration	43.RD	Association of Universities for Research in Astronomy		-	33,315
Total National Aeronautic Space Administration				908,466	3,661,012
NATIONAL SCIENCE FOUNDATION					
GOALI/Collaborative: Engineering Biofilm Dynamics for Cyanotoxins in Biological Water Treatment	47.041	National Science Foundation	CBET1605185	-	6,324
GOALI/Collaborative: Engineering Biofilm Dynamics for Cyanotoxins in Biological Water Treatment	47.041	National Science Foundation	CBET1605185	-	3
GOALI/Collaborative: Engineering Biofilm Dynamics for Cyanotoxins in Biological Water Treatment	47.041	National Science Foundation	CBET1605185	-	2,140
Phase II IUOCR The University of Toledo: Center for Disruptive Musculoskeletal Innovations (CDMI)	47.041	National Science Foundation		-	130,635
Spino-pelvic Biomechanics for the Treatment of Spinal Disorders - A Finite Element Study (In Collaboration with UCSF if feasible) Passed-Through from National Science Foundation	47.041	Depuy Spine, Inc.		-	924
Investigating the Effectiveness of DisCure? Treatment Using A Human Disc Organ Culture Under Physiologically Relevant Mechanical Loading Conditions Passed-Through from National Science Foundation	47.041	Rainbow Medical, Ltd.		-	14,237
Collaborative Research: Dry-Wet Phase Inversion Pathway of Graphene Oxide (GO)-Based Mixed-Matrix Membranes for Mineral Ions Separation by Membrane Distillation	47.041	National Science Foundation	2002310	-	44,279
Research Initiation: Measuring mental demand of interactive textbooks using wearables and web analytics	47.041	National Science Foundation		-	53,596
Biomechanics of Cervical Spine with Artificial Disc During Pilot Ejection Passed-Through from National Science Foundation	47.041	Infoscitex		-	25,912
I-Corps: A Super-Sensitive Real-Time Sensor for Reactive Oxygen Species (ROS)	47.041	National Science Foundation		-	3,833
NSF I-Corps Injectable Gel for Bone Healing	47.041	National Science Foundation		-	10,932
Phase II IUOCR The University of Toledo: Center for Disruptive Musculoskeletal Innovations (CDMI) Passed-Through from National Science Foundation	47.041	Spinal Solution Technologies, LLC		-	2,844
Biomechanics of Pediatric Scoliosis Correction using Various Tethering Devices	47.041	Auctus Surgical, LLC		-	1,466
Phase II IUOCR The University of Toledo: Center for Disruptive Musculoskeletal Innovations (CDMI)	47.041	Rosie's Base Inc.		-	15,967
NSF ICORPS: Biomimetic Engineered Space Technology (BEST) Platform CAREER: Dual Function Materials for Capture and Conversion of CO2 into Methanol and Higher Alcohols Passed-Through from National Science Foundation	47.041	National Science Foundation		-	2,810
Ultra-High Efficiency Microwave Plasma for Extreme Low-Power Applications	47.041	Clemson University		-	9,792
Phase II IUOCR The University of Toledo: Center for Disruptive Musculoskeletal Innovations (CDMI)	47.041	National Science Foundation		-	131,261
NSF I-Corps Hub: Great Lakes Region Passed-Through from National Science Foundation	47.041	National Science Foundation		-	10,000
NSF I-Corps Hub: Great Lakes Region Passed-Through from National Science Foundation	47.041	University of Michigan		-	53,951
NSF I-Corps Hub: Great Lakes Region Passed-Through from National Science Foundation	47.041	University of Michigan		-	2,000
Developing a sex-specific finite element model with and without total shoulder arthroplasty (Email 5-2F) Passed-Through from National Science Foundation	47.041	Multiple Sponsors		-	3,392
Evaluating biomechanics of the novel active apex correction technique in pediatric scoliosis (Email# 1-2A) Passed-Through from National Science Foundation	47.041	Multiple Sponsors		-	6,250
PFI TT: A hand-held device for rapid and accurate determination of cancerous tumor margins during surgical resections	47.041	National Science Foundation	2141183	-	103,391
Phase II IUOCR The University of Toledo: Center for Disruptive Musculoskeletal Innovations (CDMI)	47.041	National Science Foundation		-	50,441
PFI TT: A hand-held device for rapid and accurate determination of cancerous tumor margins during surgical resections	47.041	National Science Foundation	2141183	-	12,300
Shear thickening under high shear using bimodal dispersions	47.041	National Science Foundation		-	50,648
Lead free organic-inorganic halide perovskite ferroelectrics with large piezoelectric responses	47.049	National Science Foundation	DMR-1807818	-	213,858
Quantum theories of atomic and molecular interactions, and their applications	47.049	National Science Foundation	PHY1912489	-	24,268
Fundamental study of synthetic and transformational reactions of molecular silver and gold nanoparticles	47.049	National Science Foundation	CHE1905262	-	56,259
Cold Gas Around Black Holes: Fueling and Feedback in Galaxy Mergers Passed-Through from National Science Foundation	47.049	National Radio Astronomy Observatory	1519126	-	302
Modeling the Abundance and Distribution of the First Stars and Galaxies	47.049	National Science Foundation		-	70,879
Tracking the Causes and Effects of Galactic Winds with Resolved Spectroscopy	47.049	National Science Foundation		-	76,522
REU Site: Research Experiences for Undergraduates in Physics and Astronomy at the University of Toledo	47.049	National Science Foundation		-	53,968
CAREER: Expanding the Toolbox for Olefin Functionalization and Difunctionalization Reactions	47.049	National Science Foundation	2047725	-	150,186
LEAPS MPS: Surface subgroups of outer automorphism group of the free group and dynamics on the boundary	47.049	National Science Foundation		-	41,791
Understanding molecular mechanisms underlying chemical behavior of pollutants in heterogeneous environmental systems	47.049	National Science Foundation	2144591	-	90,598

See Notes to the Schedule of Expenditures of Federal Awards.

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
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Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Primary Sponsor	Award Number	Passed Through to Subrecipients	Total Federal Expenditures
NATIONAL SCIENCE FOUNDATION (CONTINUED)					
Direct Tests of Black Hole Accretion Rate Prescriptions Passed-Through from National Science Foundation	47.049	National Radio Astronomy Observatory		\$ -	\$ 4,912
Sample Testing Agreement: Soil nitrogen and phosphorus analyses Passed-Through from National Institute of Neurological Disorders and Stroke	47.050	University of Alaska, Anchorage	P0566113	-	358
Lake Erie Center for Fresh Waters and Human Health-BGSU NSF subaward Passed-Through from National Science Foundation	47.050	Bowling Green State University	10010192-UT08	-	42,134
Biological and Geochemical Controls on Phosphorus Bioavailability in Arctic Tundra	47.050	National Science Foundation	1914545	-	28,075
Biological and Geochemical Controls on Phosphorus Bioavailability in Arctic Tundra	47.050	National Science Foundation	1914545	-	37,503
CAREER: Model-based Analysis of Dynamic Networks using Continuous-time Network Models	47.070	National Science Foundation		-	18,824
CPS: Breakthrough: Analysis, Identification and Mitigation of Delay Performance Bottlenecks of Network Infrastructure in Cyber-Physical Systems	47.070	National Science Foundation	2146968	42,283	58,291
CRII: CNS: Auction Mechanism Design for Energy-Efficient High Performance Computing	47.070	National Science Foundation		-	25,249
RESEARCH - PGR: Elucidating Maize Gene Regulatory Networks to Accelerate Translational Genomics Passed-Through from National Science Foundation	47.074	Michigan State University	RC108100UTO	-	55,794
Addressing Environmental Challenges and Proposing Sustainable Solutions at the Lake Erie Land-Lake interface	47.074	National Science Foundation	DBI-1852245	-	8,146
Addressing Environmental Challenges and Proposing Sustainable Solutions at the Lake Erie Land-Lake interface	47.074	National Science Foundation	DBI-1852245	-	48,285
CAREER: The Effects of Liquid-Liquid Phase Separation on Ubiquitin Chaperone and Triage Activity	47.074	National Science Foundation	2143412	-	193,176
CAREER: The regulation of cytokinesis by calcium	47.074	National Science Foundation	2144701	8,414	92,928
Stress response mechanisms in Vibrio	47.074	National Science Foundation	2151127	-	226,075
Collaborative Research: BoCP-Implementation: The impact of climate change on functional biodiversity across spatiotemporal scales at Lake Tanganyika, Africa	47.074	National Science Foundation		-	1,285
Collaborative Research: Peripheral Neighborhoods in City Creation Passed-Through from National Institute of Allergy & Infectious Diseases	47.075	National Science Foundation		-	3,553
SaTC: EDU: Collaborative: Visualization and Practice based Cybersecurity Curriculum and Trainingframework for transforming High School Students into the Next Generation Cyber-aware and Cyber-savvy Workforce	47.076	National Science Foundation	1903419	-	79,382
SaTC: EDU: Collaborative: Visualization and Practice based Cybersecurity Curriculum and Trainingframework for transforming High School Students into the Next Generation Cyber-aware and Cyber-savvy Workforce	47.076	National Science Foundation	1903419	-	8,161
Greater, Equity Access, and Readiness for Success for Engineering and Technology (GEARSET)	47.076	National Science Foundation	1930478	-	23,143
Greater, Equity Access, and Readiness for Success for Engineering and Technology (GEARSET)	47.076	National Science Foundation	1930478	-	56,042
NSF Graduate Research Fellowship Program	47.076	National Science Foundation		-	47,974
Collaborative Research: CyberMUG: Cybersecurity Modules aligned with UG Computer Science and Engineering Curriculum	47.076	National Science Foundation		-	62,033
Collaborative Research: IRES: Life Cycle Management and Ecosystem Services Applied to Urban Agriculture	47.079	National Science Foundation	OISE1559394	-	6,317
Collaborative Research: IRES: Life Cycle Management and Ecosystem Services Applied to Urban Agriculture	47.079	National Science Foundation	OISE1559394	-	157
Prevention of Snow Accumulation and Facilitating Its Removal	47.084	National Science Foundation	2219905	-	37,657
A Novel COVID Detection System Using a DNA Cage-Embedded Microfluidics Sensor (I-Corps) Passed-Through from National Institute of General Medical Sciences	47.084	National Science Foundation		-	6,057
PFI-TT: Biomimetic Engineered Space Technology Platform	47.084	National Science Foundation		-	74,264
IPA Assignment	47.000	National Science Foundation		-	297,761
IPA Assignment	47.000	National Institute for Occupational Safety and Health	21IP2116226	-	26,294
Topic II: NSF I-Corps Site at The University of Toledo	47.041	National Science Foundation	IIP-1644631	-	44,532
Advance & I-Corps Joint Program	47.070	National Science Foundation		9,084	83,329
Total National Science Foundation				59,781	3,225,650
U.S. ENVIRONMENTAL PROTECTION AGENCY					
Functional Litter-acy: Trash Trappers for a Cleaner Toledo Passed-Through from U.S. Environmental Protection Agency	66.469	City of Toledo		-	18,074
Reducing the Impacts of Chloride on aquatic species in the Maumee Area of Concern Passed-Through from U.S. Environmental Protection Agency	66.469	Ohio Environmental Protection Agency	XA77NAJYELF1	26,868	78,230
H2Ohio Wetland Monitoring: Sensor Infrastructure and Capacity Passed-Through from University of Georgia at Athens	66.469	Ohio State University	SPC-1000007572 GR130252	-	28,645
Lake Erie Bathing Beach Monitoring Passed-Through from U.S. Environmental Protection Agency	66.472	Ohio Department of Health		-	6,144
Wet Wipes That Turn into Toilet Paper When Flushed	66.516	U.S. Environmental Protection Agency	84014801	-	755
Microbial ecology of environmental and engineered systems associated with public and ecosystems health Passed-Through from U.S. Environmental Protection Agency		Pegasus Technical Services, Inc.	EPA	-	8,363
Total U.S. Environmental Protection Agency				26,868	140,211
U.S. DEPARTMENT OF ENERGY					
Center for Hybrid Organic-Inorganic Semiconductors for Energy (CHOISE) Passed-Through from U.S. Department of Energy	81.000	Alliance for Sustainable Energy LLC	DE-AC36-08GQ28308	-	35,571
COMPASS FME Passed-Through from Miami University	81.000	Pacific Northwest National Laboratory	PO567057	-	48,474
Improving Durability in the Next Generation of Photovoltaic Materials Through Discovery and Mitigation of Interface-Based Degradation Mechanisms	81.RD	Lawrence Livermore National Laboratory		-	113,357
COMPASS FME Passed-Through from U.S. Department of Energy	81.000	Pacific Northwest National Laboratory	PO567057	-	1,620,763
COMPASS GLM Passed-Through from U.S. Department of Energy	81.RD	Batelle Energy Alliance, LLC (BEA)		-	103,684
Harmful Algae Microbiome Passed-Through from U.S. Department of Energy	81.000	Lawrence Livermore National Laboratory	B641342	15,645	37,143
COMPASS FME Passed-Through from U.S. Department of Energy	81.000	Pacific Northwest National Laboratory	PO567057	-	89,412
Harmful Algae Microbiome Passed-Through from U.S. Department of Energy	81.000	Lawrence Livermore National Laboratory	B641342	31,515	58,506

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U.S. DEPARTMENT OF ENERGY (CONTINUED)					
Microwave Photoconduction Spectrometer for Thin-Film Deposited Semiconductor Materials Passed-Through from U.S. Department of Energy	81.049	Tau Science Corporation	DE-SC0020718	\$ -	\$ 62,471
A comprehensive strategy for stable, high productivity cultivation of microalgae with controllable ion mass composition	81.087	Department of Energy	DE-EE0008247	199,919	260,834
Ultra-High Efficiency and Stable All-Perovskite Tandem Solar Cells	81.087	Department of Energy	DE-EE0008753	-	307,001
Perovskite/Perovskite Tandem Photoelectrodes For Low-Cost Unassisted Photoelectrochemical Water Splitting	81.087	Department of Energy		-	159,598
Toward Low-Cost, Efficient and Stable Perovskite Thin-Film Modules	81.087	Department of Energy		33,794	459,191
Back-Contact Interface Engineering for Higher Efficiency CdTe PV Passed-Through from U.S. Department of Energy	81.087	Colorado State University	DE-EE0008974	-	519,635
A New Low-Temperature Approach for Efficient and Low-Cost Group V Doping in CdTe Thin Film Solar Cells Passed-Through from U.S. Department of Energy	81.087	The University of Alabama	DE-TA8-0002243	-	41,937
Integrated LIBS-RAMAN-AL System for Real Time, In-Situ Chemical Analysis of MSW Streams Passed-Through from U.S. Department of Energy	81.087	Lehigh University		-	20,981
High pH/high alkalinity cultivation for Direct Atmospheric Air Capture and Algae Bioproducts Passed-Through from U.S. Department of Energy	81.087	Montana State University		-	271,417
Monolithic Bifacial Halide Perovskite-Cadmium Selenide Telluride (CST) Tandem Thin-Film Solar Cells	81.087	Department of Energy		-	194,820
Remanufacturable "Net-Zero Pb" Perovskite Solar Modules Passed-Through from U.S. Department of Energy	81.087	South Dakota School of Mines & Technology		-	6,682
Minimizing organic carbon losses to improve net productivity in direct air capture cultivation Passed-Through from National Institutes of Health	81.087	Department of Energy	DE-EE0009676	-	23,667
Cadmium Telluride Photovoltaics Accelerator Consortium Passed-Through from U.S. Department of Energy	81.RD	Alliance for Sustainable Energy LLC		-	358,169
Shape memory alloy Passed-Through from U.S. Department of Energy	81.RD	Oak Ridge National Laboratory		-	623,705
High-Throughput and -Yield Process and In-line Metrology for Manufacturing Perovskite Modules (SET) Passed-Through from U.S. Department of Energy	81.RD	First Solar, LLC		-	205,232
High Fidelity Simulations of Membrane Gas Separation Modules (Task 1) Passed-Through from National Energy Technology Laboratory	81.RD	Leidos, Inc.		-	55,200
Membrane Gas Separation Module Simulations for Process Simulators (Task 2) Passed-Through from National Energy Technology Laboratory	81.RD	Leidos, Inc.		-	28,524
Robust High-resolution Magnetic Resonance Sensors for In-situ Measurements of Soil Hydrogeology at oastal Interfaces Passed-Through from U.S. Department of Energy	81.RD	Vista Clara Inc.	SC0021480	-	1,888
Center for Hybrid Organic-Inorganic Semiconductors for Energy (CHOISE) Passed-Through from U.S. Department of Energy	81.RD	Alliance for Sustainable Energy LLC		-	7,924
Facilitating Snow Removal from PV Modules Passed-Through from U.S. Department of Energy	81.RD	National Renewable Energy Laboratory		-	21,861
Total U.S. Department of Energy				280,873	5,737,648
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
NATIONAL INSTITUTES OF HEALTH					
Marinobufagenin as a Target for DIGIBIND in Hypertensive Patients with End-Stage Renal Disease	93.866	National Institute on Aging		-	314
A Multicenter Platform Evaluating Putative Therapeutics for the Treatment of COVID-19 in Hospitalized Adults Passed-Through from National Institute of Allergy & Infectious Diseases	93.317	Social & Scientific Systems, Inc.		-	90,175
Lake Erie Center for Fresh Waters and Human Health--BGSU NIH subaward Passed-Through from National Institutes of Health	93.113	Bowling Green State University	10009736-UT08	-	36,885
Behavioral and Neurological Effects of Developmental Pyrethroid Exposure in Rodents	93.113	National Institute of Environmental Health Sciences	5R00ES027869-05	-	251,638
The role of platelets in oral candidiasis	93.121	National Institute of Dental Craniofacial Research	1R01DE027343-01A1	-	362,480
Identifying the mechanisms of latent inhibition to prevent dental fear Passed-Through from National Institute of Dental and Craniofacial Research	93.121	University of Texas Rio Grande Valley		-	91,567
Engaging Fathers in Cross-Cutting Violence Prevention: A Dual Generation Evaluation of the ACT Raising Safe Kids Program to Prevent Multiple Forms of Violence Passed-Through from Centers for Disease Control and Prevention	93.136	University of Georgia at Athens		-	29,359
Distance Education and Training on Emerging Contaminants and Technologies (DETECT) Passed-Through from National Institute of Environmental Health Sciences	93.143	Purdue University		-	23,203
Study of early brain alterations that predict development of chronic PTSD Passed-Through from National Institute of Mental Health	93.242	National Institutes of Health	1R01MH110483-01-A1	2,786	130,559
Translational assessment of brain bioenergetic function in schizophrenia Passed-Through from National Institutes of Health	93.242	University of Maryland at Baltimore		-	202,119
Mapping treatment components to targets in dialectical behavior therapy Passed-Through from National Institute of Mental Health	93.242	University of Massachusetts, Amherst		-	8,084
Study of early brain alterations that predict development of chronic PTSD Passed-Through from National Institutes of Mental Health	93.242	National Institutes of Health	1R01MH110483-01-A1	-	103,700
The effect of SHANK3 mutation in transgenic prairie voles on natural social behaviors and genetic mechanisms	93.242	National Institutes on Mental Health	1R21MH127500-01A1	49,566	228,941
A large sample machine learning network analysis of vertex cortical thickness measures for high resolution definition of PTSD related cortical structure abnormalities	93.242	National Institutes on Mental Health	1R21MH125277-01A1	3,078	62,001
Using pre-pandemic baseline data in people with and without PTSD to study effects of the COVID-19 pandemic on mental health and brain emotion circuits	93.242	National Institutes on Mental Health	1R21MH126172-01A1	-	58,559
Educating a Community Within a Community: Mental Health First Aid and Green Zone Training at the University of Toledo and Beyond	93.243	Substance Abuse and Mental Health Services Administration		-	82,688
Transcriptional and non-transcriptional functions of IRF3 in ALD Passed-Through from National Institutes of Health	93.273	Cleveland Clinic	1R21AA026017-01A1	-	49,460
Novel GLT-1 activators for the treatment of alcohol dependence: preclinical studies	93.273	National Institute on Alcohol Abuse and Alcoholism	1R01AA029674-01A1	84,288	247,829

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U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)					
NATIONAL INSTITUTES OF HEALTH (CONTINUED)					
Cross platform analysis of drug targets and toxicity of bath salts	93.279	National Institute on Drug Abuse		\$ -	\$ 384,129
Zebrafish Screens to Identify Agents which Reverse the Effects of Synthetic Opioids Passed-Through from	93.279	National Institute on Drug Abuse		-	164,627
Biodesign-based learning platform fortified with clinical immersion and medical device commercialization pathway	93.286	National Institutes of Health		-	20,644
Novel methods and Technologies for Synthesis of Biomedically Relevant Carbohydrates Passed-Through from National Institutes of Health	93.310	University of Georgia at Athens	U01GM125271	-	13,090
COVID-19 Dormitory wastewater monitoring of SARS-CoV-2 at Universities and Colleges in the State of Ohio Passed-Through from Ohio Department of Health - Federal Pass-Through Funds	93.323	Ohio State University	6 NU50CK000543-02-11	-	167
COVID-19 Campus Wastewater Monitoring of University of Toledo Campus Passed-Through from Centers for Disease Control and Prevention	93.323	Ohio Department of Health		-	346,015
Community Health Worker Self-Care Project Passed-Through from Centers for Disease Control and Prevention	93.354	Ohio Department of Health		7,386	168,916
Interplay between Dietary Fiber and Gut Microbiota in Hepatocellular Carcinoma	93.393	National Cancer Institute	7R01CA219144-02	-	229,391
ATR Isomerization in Cellular Responses to UV Damage of DNA Sequencing Familial Lung Cancer Passed-Through from National Institutes of Health	93.393	National Cancer Institute		-	154,353
Normalizing arginine metabolism with sepiaptein for immunostimulatory-shift of HER2+ breast cancer	93.393	Baylor Research Institute		-	38,077
Interplay between Dietary Fiber and Gut Microbiota in Hepatocellular Carcinoma	93.393	National Cancer Institute	1R01CA248304-01	-	80,004
LTP2 Passed-Through from National Cancer Institute	93.394	National Cancer Institute	7R01CA219144-02	-	33,642
Clinical Utility of a Combined Biomarker Approach to Diagnose Lung Cancer Passed-Through from National Cancer Institute	93.394	Boston University	4500003099	-	16,425
Targeting of eIF4A along with immunotherapy to overcome chemoresistance	93.395	Vanderbilt University		9,290	208,574
Targeting eIF4A1 in drug-resistant breast cancer stem-like cells	93.395	National Cancer Institute	R21CA256462	-	272,573
Regulation of MLK3 by LATS	93.396	National Cancer Institute		-	102,237
Molecular targeting the translational control axis in Wnt/β-catenin signaling pathway	93.396	National Cancer Institute	5R01CA211904-05	-	306,548
Understanding and targeting MELK overexpression in breast cancer cells	93.396	National Cancer Institute		2,748	37,631
Regulation of MLK3 by LATS	93.396	National Cancer Institute		-	22,337
Influence of bone microenvironment on drug resistance in prostate cancer bone metastasis	93.396	National Institutes of Health		-	278,127
CDHR5 tumor suppressor function in the intestine	93.396	National Cancer Institute	1R15CA264735-01	-	116,634
Role of prolactin in adipocyte-breast cancer cell crosstalk	93.396	National Cancer Institute		-	92,430
A transcription-independent role of HSF1 in tumorigenesis via suppression of AMPK	93.398	National Cancer Institute		-	156,920
Targeting Gut Microbiota Metabolites to Prevent Liver Cancer	93.398	National Cancer Institute		-	17,415
Project Open House-Better Child Care for the Student with Developmental Disabilities Passed-Through from Administration for Children and Families	93.630	Ohio Developmental Disabilities Council		-	24,199
Interactive Game-Based Virtual Patient Encounters with Adaptive Training/ Education Passed-Through from Centers for Medicare and Medicaid Services	93.778	Ohio State University		-	1,831
UToledo COMLS Regional Quality Improvement Hub (Federal 70%) Passed-Through from Centers for Medicare and Medicaid Services	93.778	Ohio State University		-	143,461
Interactive Game-Based Virtual Patient Encounters with Adaptive Training/ Education Passed-Through from Centers for Medicare and Medicaid Services	93.778	Ohio State University		-	56,310
Randomized Trial to Prevent Vascular Events in HIV - REPRIEVE" ("Study") under Grant Number 5U01HL123336-02 Passed-Through from National Heart, Lung & Blood Institute	93.837	Massachusetts General Hospital	A5332	-	13,898
Counter Regulatory Mechanisms of Cardiotoxic Steroids in Cardio-Renal Syndrome Passed-Through from National Heart, Lung & Blood Institute	93.837	National Institutes of Health	1R01HL137004-01	-	257,122
Genetic, Epigenetic and Dietary Salt effects on Microbiota and Hypertension Passed-Through from National Institutes of Health	93.837	National Heart, Lung & Blood Institute	RHL143082A	-	61,241
Neural mechanisms of host-microbiota interaction in hypertension: a potential for bio-electronic medicine	93.837	National Heart, Lung & Blood Institute		17,100	254,101
Mechanical Control of Coronary Angiogenesis in Myocardial Adaptation to Ischemia	93.837	National Heart, Lung & Blood Institute		-	516,314
YAP1, neointima formation, and blood pressure regulation	93.837	National Heart, Lung & Blood Institute	4r00h153896-03	-	32,625
Evaluation of alternative complement activity within an ARDS cohort Passed-Through from National Heart, Lung & Blood Institute	93.838	University of Pittsburgh		-	1,363
Inhalation Exposure to Aerosolized Cyanotoxins Worsens Pre-Existing Asthma via Activation of Granulocytic Inflammation	93.838	National Heart, Lung & Blood Institute		-	35,201
Myocardial Ischemia and Transfusion (MINT) Passed-Through from National Institutes of Health	93.839	Rutgers University		-	58,356
The Erk1/2-c-Fos/Egr1 Pathway in Neutrophil Versus Monocyte Lineage Specification	93.839	National Heart, Lung & Blood Institute		-	103,699
MicroRNA-based therapy for rheumatoid arthritis Passed-Through from National Institutes of Health	93.846	Washington State University	1R01AR072615-01A1	-	5,362
Role of histone Methyltransferase EZH3 in Acute and Chronic Renal Injury Passed-Through from National Institutes of Health	93.847	Rhode Island Hospital	1R01NS108414-01	-	963
Molecular and Functional Analysis of Hirschsprung Defects in Humans and Mouse Passed-Through from National Institutes of Health	93.847	University of Pittsburgh	1R01DK122798-01A1	-	48,438
Role of GSK3beta in diabetic kidney disease	93.847	National Institute of Diabetes, Digestive & Kidney Diseases	R01DK133203	-	370,991
APOL1 studies in kidney transplantation consortium clinical centers (ASK-CCC) Passed-Through from National Institutes of Health	93.847	Cleveland Clinic Foundation dba: Cleveland Clinic		-	13,341
Gut-brain axis in Parkinson's disease Passed-Through from				80,710	123,280

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U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)					
NATIONAL INSTITUTES OF HEALTH (CONTINUED)					
A Multi-Center, Double-Blind, Randomized Study Comparing the Combined Use of Interferon Beta-1a and Glatiramer Acetate to Either Agent Alone in Patients with Relapsing Remitting Multiple Sclerosis (CombiRx-Phase III) Passed-Through from National Institute of Neurological Disorders and Stroke	93.853	Mount Sinai School of Medicine - New York City		\$ -	\$ 13,400
Cofilin Signaling in Hemorrhagic Stroke	93.853	National Institute of Neurological Disorders and Stroke		-	451,355
Pre- and postsynaptic pathways underlying the stress response in the adrenal medulla	93.853	National Institutes of Health		-	332,402
The Coordination of miRNAs in Axon Guidance	93.853	National Institute of Neurological Disorders and Stroke		-	127,005
Optogenetic and Chemogenetic Dissection of Cell Transplants	93.853	National Institute of Neurological Disorders and Stroke		-	127,051
Intravital assessment of B. burgdorferi immune clearance in skin Passed-Through from National Institute of Allergy & Infectious Diseases	93.855	National Institutes of Health	1R01AI121970-01A1	-	872
Synthesis of natural product scaffold selectively active against dormant Mycobacterium tuberculosis	93.855	National Institutes of Health	1R21AI135313-01-A1	3,473	3,473
Trehalose and Mycolic Acid Use in Mycobacteria Passed-Through from National Institutes of Health	93.855	University of Nebraska Medical Center		-	158,411
Methods to synthesize oligosaccharide-fusion protein conjugates and enhancement of their antigenicity	93.855	National Institute of Allergy & Infectious Diseases		-	191,551
Methods to synthesize oligosaccharide-fusion protein conjugates and enhancement of their antigenicity	93.855	National Institute of Allergy & Infectious Diseases		-	277,761
Understanding the proviral role for TRAF6 interaction with the viral protease in flavivirus replication and pathogenesis	93.855	National Institute of Allergy & Infectious Diseases		-	479,672
Dissecting catalytic and regulatory functions of nonsegmented negative strand RNA viral polymerases	93.855	National Institute of Allergy & Infectious Diseases		-	322,119
Anti-Inflammatory Functions of Non-Transcriptional IRF3	93.855	National Institute of Allergy & Infectious Diseases		-	199,181
A novel model to study COVID-19 and Hypertension	93.855	National Institute of Allergy & Infectious Diseases		-	177,776
Functional Genetic Analysis of Klebsiella pneumoniae Hypervirulence	93.855	National Institute of Allergy & Infectious Diseases	1K22AI145849-01	-	129,257
Integration of Leukotriene and Prostaglandin Receptor Signaling in Mast Cell Activation and Pulmonary Inflammation during Asthma	93.855	National Institute of Allergy & Infectious Diseases		126,022	505,083
Novel antiviral mechanisms of interferon system	93.855	National Institute of Allergy & Infectious Diseases		-	122,121
Stress granules in virus infections	93.855	National Institute of Allergy & Infectious Diseases		-	64,227
O-Specific Polysaccharide Responses and Cholera Passed-Through from National Institutes of Health	93.855	Massachusetts General Hospital		-	42,516
Diverse membrane affinities of Gy members differentially modulate the Gby effectors and cell behaviors	93.859	National Institute of General Medical Sciences	R15GM126455-01A1	-	9,653
Centrosome-localized tyrosine kinase JAK2 regulates cell proliferation	93.859	National Institutes of Health	1R15GM131239-01	-	64,597
Identification of the Elusive NAADP Receptor	93.859	National Institutes of Health	1R15GM131329-01	282	25,157
Late Stage Derivatization of Complex Molecules via Hydrogen Bond-Directed C-H Functionalization	93.859	National Institute of General Medical Sciences		-	34,276
The molecular roles of polycystin in cytokinesis	93.859	National Institute of General Medical Sciences		-	21,681
Effective targeting surviving dimerization interface with small molecule inhibitors	93.859	National Institute of General Medical Sciences		6,742	455,038
Regulation of epithelial junctions and lumen morphogenesis by the Scribble/SGEF/Dlg1 complex	93.859	National Institute of General Medical Sciences		87,061	362,810
Regulation of epithelial junctions and lumen morphogenesis by the Scribble/SGEF/Dlg1 complex	93.859	National Institute of General Medical Sciences		-	41,478
Mechanistic Investigation of Proteostasis at the Outer Mitochondrial Membrane	93.859	National Institutes of Health		-	406,520
Regio- and Enantioselective Alkene Difunctionalizations for the Synthesis of Bioactive Molecules	93.859	National Institute of General Medical Sciences		-	122,668
Structural and proton dynamics of pyridoxal-5'-phosphate dependent enzymes Passed-Through from National Institutes of Health	93.859	University of Georgia at Athens		-	90,567
Optical control of endogenous G protein Coupled Receptor and G Protein Signaling	93.859	National Institute of General Medical Sciences		-	16,813
Optical control of endogenous G protein Coupled Receptor and G Protein Signaling	93.859	National Institute of General Medical Sciences		-	4,169
Regulation of Ferroptosis by the p53/CDK/Rb Axis	93.859	National Institute of General Medical Sciences		-	103,244
Discovery and Characterization of Novel Halogenases from the Human Microbiome	93.859	National Institute of General Medical Sciences	1R15GM144877-01	-	112,388
Functional architecture of intracellular Ca2+ signals Passed-Through from National Institute of General Medical Sciences	93.859	Medical College of Wisconsin		-	214,094
The mechanism of cell size regulation by polycystins	93.859	National Institute of General Medical Sciences		59,881	257,070
Optical control of Endogenous G protein Coupled Receptor and G Protein Signaling, Passed-Through from National Institute of General Medical Sciences	93.859	St. Louis University		-	37,144
New Glycosylation Methods for Microbial Glycan Synthesis	93.859	National Institute of General Medical Sciences	1R15GM147867-01	-	86,944
MTFR2 in the control of mitochondrial dynamics and mitotic spindle integrity	93.859	National Institute of General Medical Sciences		-	58,163
The Role of Rabbit POC1B in Sperm Centrioles Passed-Through from Ohio Department of Health	93.865	National Institute of Child Health & Human Development	R15HD110983	-	698
MicroRNA regulation of guidance receptors in axonal pathfinding	93.865	National Institutes of Health	1R15HD097620-01	-	42,471
Transactional neurobiological influences on parent-child kindergarten adjustment Passed-Through from National Institutes of Health	93.865	Miami University	G03144	-	11,245
Predictors of Parents' Feeding Behaviors: A Dyadic Perspective	93.865	National Institute of Child Health & Human Development	R03HD096095	-	21,183
The Development of Eating Behavior in Infancy: Associations with Behavior, Diet, and Growth to Age 7 years Passed-Through from National Institutes of Health	93.865	University of Michigan		-	7,696
Astrocyte insulin resistance-induced neuroendocrine defects in pubertal delay and hypogonadotropic hypogonadism	93.865	National Institutes of Health		-	465,181
Development of Attenuated Furoxans as Novel Therapies for Alzheimer's Disease Passed-Through from National Institute on Aging	93.866	National Institutes of Health	1R01AG057598-01	-	158,779
PPARG regulates osteocyte bioenergetics and function during aging	93.866	National Institute on Aging		222,361	484,790
Determining the context specificity of metformin treatment on mitochondria and healthspan Passed-Through from National Institute on Aging	93.866	Oklahoma Medical Research Foundation		-	30,232
Role of gut commensal Coprococcus comes in angiotensin-converting enzyme inhibitor resistant hypertension	93.866	National Institute on Aging		-	90,988

See Notes to the Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF TOLEDO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Primary Sponsor	Award Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)					
NATIONAL INSTITUTES OF HEALTH (CONTINUED)					
AMPK localization, expression, and activity in Alzheimer's Disease (N. Henkel Fellowship)	93.866	National Institute on Aging		\$ -	\$ 15,712
Cerebrovascular endothelial cilia in the pathogenesis and therapy of Alzheimer's disease	93.866	National Institute on Aging		-	48,553
Machine Learning and Network Science for Predicting Kidney Transplant Survival	93.879	National Institutes of Health	(FAIN) R01LM013311	-	70,524
Healthy Start Initiative: Eliminating Racial/Ethnic Disparities Passed-Through from Health Resources & Services Administration	93.926	Lucas County Regional Health District		-	37,479
Healthy Start Initiative: Eliminating Racial/Ethnic Disparities Passed-Through from Health Resources & Services Administration	93.926	Lucas County Regional Health District		-	11,433
Health Equity Evaluation of the Health Department Passed-Through from Centers for Disease Control and Prevention	93.940	Lucas County Regional Health District		-	40,503
Biomarker in MS - A Substudy of Combi-Fx	93.853	National Institute of Neurological Disorders and Stroke		-	1,255
High-Dosage Tutoring Project Passed-Through from U.S. Department of Education	93.853	Ohio Department of Education/Ohio Department of Human Svc		-	168,690
Toledo Clinic Affiliation Agreement Passed-Through from National Cancer Institute	93.393		NCI	-	153
Role of telehealth in improving maternal and infant health outcomes Passed-Through from Health Resources & Services Administration	93.926	Lucas County Regional Health District		-	103,651
Ryan White Title IV Women, Infants, Children, Youth and Affected Family Members AIDS Healthcare (WIY--Part D)	93.153	U.S. Department of Health and Human Services	5H12HA24838-09-00	-	60,118
University of Toledo Health Science Campus Ryan White Program Parts C and D	93.153	Health Resources & Services Administration		-	410,026
Total U.S. Department of Health and Human Services				<u>753,484</u>	<u>16,002,917</u>
Total Research and Development Cluster				2,345,414	38,685,157
TRIO CLUSTER					
U.S. DEPARTMENT OF EDUCATION					
UT Student Support Services	84.042	U.S. Department of Education	R03HD096095	-	239,931
UT Student Support Services	84.042	U.S. Department of Education	R03HD096095	-	1,901
Upward Bound Program	84.047	U.S. Department of Education	P047A171403	-	31,840
Upward Bound Program	84.047	U.S. Department of Education	P047A171403	-	187,739
Upward Bound Math & Science Program	84.047	U.S. Department of Education	P047M170558	-	113,480
Upward Bound Math & Science Program	84.047	U.S. Department of Education	P047M170558	-	1,502
Upward Bound Math & Science Program	84.047	U.S. Department of Education		-	182,945
Upward Bound Math & Science Program	84.047	U.S. Department of Education		-	17,696
Total U.S. Department of Education				<u>-</u>	<u>777,034</u>
Total Trio Cluster					777,034
MEDICAID CLUSTER					
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Addressing Implicit Bias and Cultural Humility in Healthcare through Cinematic Virtual Reality Passed-Through from Centers for Medicare and Medicaid Services	93.778	Ohio University		-	63,677
Cardi-OH Passed-Through from Ohio Department of Medicaid	93.778	Case Western Reserve University		-	52,024
Cardi-OH Passed-Through from Ohio Department of Medicaid	93.778	Case Western Reserve University		-	137,029
Addressing Implicit Bias and Cultural Humility in Healthcare through Cinematic Virtual Reality (MES Passed-Through from Centers for Medicare and Medicaid Services)	93.778	Ohio University		-	406,208
Total U.S. Department of Health and Human Services				<u>-</u>	<u>658,938</u>
Total Medicaid Cluster					658,938
U.S. HIGHWAY PLANNING AND CONSTRUCTION					
Using AI/Machine Learning and Computer Vision for Transportation Data Collection Passed-Through from U.S. Department of Transportation	20.205	Ohio Department of Transportation		-	99,925
Evaluation of the Perpetual Pavement Concept Passed-Through from U.S. Department of Transportation	20.205	Ohio University		-	12,365
Investigation of Pavement Performance in Historically Under-Performing Regions Passed-Through from U.S. Department of Transportation	20.205	Ohio Department of Transportation		1,890	85,432
FOCUS on Runaways Passed-Through from U.S. Department of Transportation	20.530	Toledo Area Regional Transportation Authority		-	34,434
Quality Processes for Bridge Analysis Models Passed-Through from Federal Highway Administration	20.205	National Academy of Sciences		-	32,157
Total U.S. Highway Planning and Construction				<u>1,890</u>	<u>264,314</u>
OTHER AWARDS					
DEPARTMENT OF DEFENSE					
ASEE SMART Program Team	12.631			-	2,340
STARTALK_UToledo L.E.A.D.E.R Program for Arabic, Chinese and Korean Teachers	12.900	National Security Agency	9163	-	46,805
STARTALK_UToledo L.E.A.D.E.R Program for Arabic, Chinese and Korean Teachers	12.900	National Security Agency	9163	-	5,013
Total Department of Defense				<u>-</u>	<u>54,157</u>
U.S. DEPARTMENT OF STATE BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS					
Institute of International Education (Fulbright Programs)	19.401			-	37,113
Total U.S. Department of State Bureau of Educational and Cultural Affairs				<u>-</u>	<u>37,113</u>

See Notes to the Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF TOLEDO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Primary Sponsor	Award Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF EDUCATION					
Launching Educators for All Learners: UToledo's Dual License Initiative Passed-Through from U.S. Department of Education	84.087	University of Cincinnati	9265	\$ -	\$ 98,738
CTE Teacher Preparation and Retention Passed-Through from U.S. Department of Education	84.048	Ohio Department of Education/Ohio Department of Human Svc		-	8,746
CTE Teacher Preparation and Retention Passed-Through from U.S. Department of Education	84.048	Ohio Department of Education/Ohio Department of Human Svc		-	95,350
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) Passed-Through from U.S. Department of Education	84.334	Ohio Department of Education/Ohio Department of Human Svc		-	26,019
Upward Bound Program	84.047	U.S. Department of Education		-	232,273
Upward Bound Program	84.047	U.S. Department of Education		-	27,394
BVR - Bureau of Vocational Rehab	84.126	U.S. Department of Education		-	143,838
Project Prepare	84.325	U.S. Department of Education	9300	-	58,365
Project Prepare	84.325	U.S. Department of Education	9300	-	138,825
Great Start Higher Education (GSHE)	84.325	U.S. Department of Education	H325N180008	37,301	139,671
Ohio School Leaders Professional Development Grant Passed-Through from U.S. Department of Education	84.325	Ohio Department of Education/Ohio Department of Human Svc		-	3,714
Ohio School Leaders Professional Development Grant Passed-Through from U.S. Department of Education	84.048	Ohio Department of Education/Ohio Department of Human Svc		-	49,120
Psychometric and statistical support for NIOSH research projects in U.S. middle and high schools (IA)	93.262	National Institute for Occupational Safety and Health	211PA2116239	-	30,109
High-Dosage Tutoring Project Passed-Through from U.S. Department of Education	84.048	Ohio Department of Education/Ohio Department of Human Svc		-	202,494
Efficacy of a Narrative Comprehension Intervention for Elementary School Children at risk for Attention-Deficit Hyperactivity Disorder Passed-Through from	84.325	University of Kentucky		-	11,002
Launching Educators for All Learners: UToledo's Dual License Initiative Passed-Through from U.S. Department of Education	84.027	University of Cincinnati		-	25,899
Total U.S. Department of Education				37,301	1,291,557
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
AHEC Point of Service Maintenance and Enhancement	93.107	Health Resources & Services Administration		864,207	900,425
AHEC Point of Service Maintenance and Enhancement	93.107	Health Resources & Services Administration		543,795	647,483
NIOSH Training Grant Project: Industrial Hygiene-University Toledo	93.262	National Institute for Occupational Safety and Health		-	75,610
Child Care Stabilization	93.575	U.S. Department of Health and Human Services	9005	-	29,470
Child Care Stabilization - Phase 3	93.575	U.S. Department of Health and Human Services		-	323,900
Training in Molecular and Translational Cell Dynamics	93.859	National Institutes of Health	9154	-	179,066
Child Welfare Workforce Professional Education Program Passed-Through from Administration for Children and Families	93.645	Ohio Department of Jobs and Family Services	9176	-	106
Child Welfare Workforce Professional Education Program Passed-Through from Administration for Children and Families	93.667	Ohio Department of Jobs and Family Services	9176	-	122,649
Ryan White 340b Pharmacy Revenue Program UTMIC	93.918	HIV/AIDS Bureau		-	1,303,711
Ryan White Part C (Title III) HIV Early Intervention Services (EIS) Program	93.918	HIV/AIDS Bureau	2 H76HA00732-21-00	-	435,672
Ryan White Part C (Title III) HIV Early Intervention Services (EIS) Program	93.918	HIV/AIDS Bureau		-	140,154
Social Marketing Advertising CTR Passed-Through from Centers for Disease Control and Prevention	93.940	Lucas County Regional Health District		-	26,054
Congenital Syphilis Warmline Passed-Through from Centers for Disease Control and Prevention	93.940	Lucas County Regional Health District		-	104,113
Social Marketing Advertising CTR Passed-Through from Centers for Disease Control and Prevention	93.940	Lucas County Regional Health District		-	800
Congenital Syphilis Warmline Passed-Through from Centers for Disease Control and Prevention	93.977	Lucas County Regional Health District		-	16,197
COVID-19 Provider Relief Funds	93.498			-	1,895,000
Total Department Of Health And Human Services				1,408,003	6,200,412
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
Government Training (Americorp)	94.006			-	30,960
Total Corporation for National and Community Service				-	30,960
OTHER					
Rocket Camp	12.420	Department of Defense		-	77,818
Rocket Camp	12.420	Department of Defense		-	94,275
Military Service Center Student Support	12.000	United States Department of Veterans Affairs		-	1,234
Low Income Taxpayer Clinic	21.008	U.S. Department of Treasury		-	2,016
The University of Toledo Low Income Taxpayer Clinic	21.008	U.S. Department of Treasury		-	52,364
The University of Toledo Low Income Taxpayer Clinic	21.008	U.S. Department of Treasury		-	17,169
COVID-19 Department of Art-Recovery Fund Passed-Through from U.S. Department of the Treasury	21.027	Arts Commission of Greater Toledo Inc		-	86,000
COVID-19 Visiting Professor and guest artist support in Theatre and Film Passed- Through from U.S. Department of the Treasury	21.027	Arts Commission of Greater Toledo Inc		-	62,001
Ohio Space Grant Consortium (OSGC) Scholarships and Fellowships for Fellowships for 2006-2007 to University of Toledo	43.002	Ohio Aerospace Institute	9170	-	11,747
Toledo Tinkers Passed-Through from Institute for Museum and Library Services	45.301	Toledo Science Center DBA Imagination Station		-	2,720

See Notes to the Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF TOLEDO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Primary Sponsor	Award Number	Passed Through to Subrecipients	Total Federal Expenditures
OTHER (CONTINUED)					
Lab-to-Market Inclusive Innovation Ecosystem Prize Competition		U.S. Small Business Administration		\$ 6,304	\$ 19,014
The University of Toledo Program to Address Sexual Assault and Violence				-	102,429
The University of Toledo Program to Address Sexual Assault and Violence on Campus: UT Awareness & Prevention Project	16.525	U.S. Department of Justice	2020-WA-AX-0018		
Broadening Data Fluency Through the Integration of NASA Assets and Place-Based Learning to Advance Connections, Education, and Stewardship				-	83,837
Place-Based Learning to Advance Connections, Education, and Stewardship (PLACES) Passed-Through from National Aeronautics and Space				14,870	31,705
Administration	43.001	WestEd	1416619	<u>21,174</u>	<u>644,328</u>
Renewable Energy and Water for U.S. and Serbia	19.900	U.S. Department of State			
Total Other				<u>\$ 3,813,782</u>	<u>\$ 175,662,207</u>
Total Federal Expenditures					

See Notes to the Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF TOLEDO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of The University of Toledo under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of The University of Toledo, it is not intended to and does not present the financial position, changes in net assets, or cash flows of The University of Toledo.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

NOTE 3 ADJUSTMENTS AND TRANSFERS

During the year ended June 30, 2023, there were the following:

Transferred From	Amount	Transferred to
Federal Work Study	\$ 559,721	FSEOG

THE UNIVERSITY OF TOLEDO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

NOTE 4 LOAN BALANCES

Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the schedule of federal expenditures. The balances of loans outstanding at June 30, 2023 consists of the following:

<u>Cluster/Program Title</u>	<u>ALN</u>	<u>Loan Balance</u>
Federal Perkins Loans	84.038	\$ 2,241,646
Nurse Faculty Loan Program	93.264	140,137
Disadvantaged Student Loans	93.342	217,430
Primary Care Loans	93.342	216,000
Total Loans Outstanding		<u>\$ 2,815,213</u>

NOTE 5 PROVIDER RELIEF FUND RECONCILIATION

The financial statements reflect revenue recognized from the Provider Relief Fund of \$6,111,198 for the year ended 2023. The SEFA includes Provider Relief Funds of \$1,895,000 that were received in Period 4 in accordance with the requirements of the compliance supplement for assistance listing number 93.498.

**THE UNIVERSITY OF TOLEDO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

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

Identification of Major Federal Programs

Assistance Listing Number(s)

84.007, 84.033, 84.379, 84.268,
84.038, 93.342, 93.264

93.498

Name of Federal Program or Cluster

Student Financial Aid

Provider Relief Fund

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

\$ 3,000,000

Auditee qualified as low-risk auditee?

 x yes _____ no

**THE UNIVERSITY OF TOLEDO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

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



U.S. Department of Education

The University of Toledo respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2023.

Audit period: July 1, 2022 – June 30, 2023

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2022–001 National Student Loan Data System (NSLDS) Enrollment Reporting

Condition: An instance was noted where an incorrect enrollment effective date was reported to the NSLDS

Status: Finding was corrected in fiscal year 2023.

If the U.S. Department of Education has questions regarding this plan, please call Matt Schroeder, Executive Vice President for Finance and Administration and CFO, at 419-530-1448.



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OHIO AUDITOR OF STATE KEITH FABER



UNIVERSITY OF TOLEDO

LUCAS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/23/2024

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

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