UNIVERSITY OF AKRON FOUNDATION
SUMMIT COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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Board of Directors
University of Akron Foundation
302 Butchel Common
Akron, Ohio 44325

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

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

Keith Faber
Auditor of State
Columbus, Ohio

November 25, 2024

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THE UNIVERSITY OF AKRON FOUNDATION
Akron, Ohio

FINANCIAL STATEMENTS
June 30, 2024 and 2023

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THE UNIVERSITY OF AKRON FOUNDATION
Akron, Ohio

FINANCIAL STATEMENTS
June 30, 2024 and 2023

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Crowe

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The University of Akron Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The University of Akron Foundation (the "Foundation"), a discretely presented component unit of the University of Akron, which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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 Foundation's ability to continue as a going concern for one year from the date the financial statements are available to be issued.

(Continued)

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Columbus, Ohio
September 30, 2024

THE UNIVERSITY OF AKRON FOUNDATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

	2024	2023
ASSETS		
Cash	$ 6,074,570	$ 1,762,587
Accounts receivable	640,640	648,639
Pledges receivable – net of allowances and discounts	12,563,598	11,035,297
Note receivable	2,203,263	1,385,884
Investments - at fair value	254,175,029	235,125,505
Property	1,332,423	1,332,423
Beneficial interest in real estate	335,000	335,000
Total assets	$ 277,324,523	$ 251,625,335
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 438,228	$ 166,059
Contributions payable to the University	175,394	381,712
Funds held for others	5,000	5,000
Deferred revenue	28,500	28,500
Annuity/Unitrust agreements	8,705,909	8,394,893
Total liabilities	9,353,031	8,976,164
Net assets		
Without donor restrictions	11,763,677	10,393,994
With donor restrictions	256,207,815	232,255,177
Total net assets	267,971,492	242,649,171
Total liabilities and net assets	$ 277,324,523	$ 251,625,335

See accompanying notes to financial statements.

THE UNIVERSITY OF AKRON FOUNDATION
STATEMENT OF ACTIVITIES
Year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other additions (reductions)			
Contributions – financial	$ 5,404,551	$ 12,065,734	$ 17,470,285
Realized gain and net change in fair value of investments	1,181,985	24,302,356	25,484,341
Change in fair value of annuity/unitrust agreements	19,271	337,134	356,405
Dividend and interest income, net of fees	2,693,265	(183,684)	2,509,581
Other income	11,870	381,033	392,903
Total revenue and other additions – net	9,310,942	36,902,573	46,213,515
Release of restrictions	12,949,935	(12,949,935)	-
Total revenue and other additions (reductions) and release of restrictions	22,260,877	23,952,638	46,213,515
Expenses			
Distributions to or for The University of Akron:			
Direct distributions to the University	17,856,929	-	17,856,929
Distributions on behalf of the University	1,064,929		1,064,929
Administration of the Foundation			
Services performed by University personnel	583,350	-	583,350
Professional fees	355,690	-	355,690
Travel and cultivation	808,337	-	808,337
Office expenses	145,435	-	152,577
Other expenses	76,524	-	76,524
Total expenses	20,891,194	-	20,891,194
Change in net assets	1,369,683	23,952,638	25,322,321
Net assets – beginning of year	10,393,994	232,255,177	242,649,171
Net assets – end of year	$ 11,763,677	$ 256,207,815	$ 267,971,492

See accompanying notes to financial statements.

THE UNIVERSITY OF AKRON FOUNDATION
STATEMENT OF ACTIVITIES
Year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other additions (reductions)			
Contributions – financial	$ 3,597,251	$ 5,383,195	$ 8,980,446
Realized gain and net change in fair value of investments	647,057	15,577,922	16,224,979
Change in fair value of annuity/unitrust agreements	8,165	745,492	753,657
Dividend and interest income, net of fees	2,294,709	(825,311)	1,469,398
Other income	4,716	63,018	67,734
Total revenue and other additions – net	6,551,898	20,944,316	27,496,214
Release of restrictions	9,640,229	(9,640,229)	-
Total revenue and other additions (reductions) and release of restrictions	16,192,127	11,304,087	27,496,214
Expenses			
Distributions to or for The University of Akron:			
Direct distributions to the University	13,253,404	-	13,253,404
Distributions on behalf of the University	431,089	-	431,089
Administration of the Foundation:			
Services performed by University personnel	517,974	-	517,974
Property expenses	2,077	-	2,077
Professional fees	357,851	-	357,851
Travel and cultivation	315,342	-	315,342
Office expenses	155,969	-	155,969
Other expenses	46,087	-	46,087
Total expenses	15,079,793	-	15,079,793
Change in net assets	1,112,334	11,304,087	12,416,421
Net assets – beginning of year	9,281,660	220,951,090	230,232,750
Net assets – end of year	$ 10,393,994	$ 232,255,177	$ 242,649,171

See accompanying notes to financial statements.

THE UNIVERSITY OF AKRON FOUNDATION
STATEMENTS OF CASH FLOWS
Years ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Change in net assets	$ 25,322,321	$ 12,416,421
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net change in the fair value of investments	(26,785,866)	(17,242,301)
Contributions restricted for long-term investments	(8,584,056)	(4,997,257)
Change in fair value of annuity/unitrust agreements	(356,405)	(753,657)
Change in allowance for doubtful accounts	60,022	16,591
Change in pledge discount	(881,107)	694,372
Changes in operating assets and liabilities:		
Accounts receivable	7,999	(241,749)
Pledges receivable	(707,216)	242,694
Accounts payable and other liabilities	65,851	(15,147)
Net cash from operating activities	(11,858,457)	(9,880,033)
Cash flows from investing activities		
Changes in note receivable	(817,379)	(1,165,000)
Proceeds from sale of investments	25,807,921	9,946,529
Purchase of investments	(18,071,579)	(11,148,050)
Purchase of property	-	(584,523)
Net cash flows from investing activities	6,918,963	(2,951,044)
Cash flows from financing activities		
Proceeds from contributions restricted for:		
Investment in endowment	8,584,056	4,997,257
Other financing activities:		
Interest and dividends restricted for annuity agreements	111,455	79,973
Net change in restricted annuity agreements	1,303,208	995,170
Payments of annuity obligations	(747,242)	(801,203)
Net cash from financing activities	9,251,477	5,271,197
Net change in cash	4,311,983	(7,559,880)
Cash – beginning of year	1,762,587	9,322,467
Cash – end of year	$ 6,074,570	$ 1,762,587

See accompanying notes to financial statements.

NOTE 1 – ORGANIZATION

The University of Akron Foundation (the "Foundation"), a discretely presented component unit of The University of Akron (the "University"), is a not-for-profit organization. The Foundation's mission is to provide financial assistance to the University by encouraging, investing and administering gifts and bequests on behalf of alumni, friends, corporations, organizations and foundations who have a deep and abiding interest in supporting the University.

Through the generosity of University benefactors, the Foundation provides University students and faculty with resources to grow and excel; meaningful and experiential learning and teaching opportunities; as well as pathways for University students to succeed and graduate.

Bestowing scholarships, lectureships, professorships, chairs, instructional grants, equipment funds, building and landscape improvements, and many other important programs, the Foundation is a vital part of supporting the University's mission and goals.

University benefactors are recognized by the Foundation as members of the John R. Buchtel Society, which includes eleven giving societies, ranging from the Loyalty Club for annual donors of up to $99 to the Leadership Club for lifetime contributions of $5 million or more.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>Basis of Accounting</u>: The accounts of the Foundation are maintained in accordance with the principles of not-for-profit accounting. The statements have been prepared on an accrual basis.

<u>Basis of Presentation</u>: The Foundation reports net assets based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

- Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations. This category includes quasi-endowment principal, annuity funds, and earnings designated by the board of directors to function as endowments.

- Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time, including quasi-endowments, which are purpose-restricted donor contributions, designated to function as endowments. This category includes endowment earnings as well as net assets subject to donor-imposed stipulations to be maintained permanently by the Foundation. The donors of these assets permit the Foundation to use the appreciation earned on related investments for general or specific purposes. This category includes annuity funds and endowment principal.

<u>Revenues</u>: Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless its use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as the release of restrictions in the accompanying statements of activities.

<u>Cash</u>: The Foundation maintains its cash in bank deposits which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to significant risk of loss.

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments: Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value. The fair values of investments are based on quoted market prices. Investments not publicly traded are stated either at cost or at appraised market values when applicable. Alternatives, for which there is no ready market, are recorded at their net asset value according to the most recent available valuation as provided by the investment custodian. Donated investments including donated property are recorded as contributions at fair value on the date received. Realized gains (losses) on investments are the difference between the proceeds received and the fair market value of investments sold. Net appreciation in the fair value of investments (including realized and unrealized gains and losses) is included in revenue, gains, and other income of net assets without donor restrictions, unless the net appreciation or investment income is restricted by the donor or by law. Dividend and interest income is presented net of investment fees of approximately $1,048,000 and $943,000 for the years ended June 30, 2024 and 2023, respectively, on the statement of activities.

Underwater Endowments: In Ohio, the Uniform Prudent Management of Institutional Funds Act (UPMIFA) governs the investment of and spending from endowments. The Foundation has interpreted this act as requiring the preservation of the historical value of the original gift as of the gift date of the donor-restricted endowment fund. Under this interpretation, if the market value of an endowment drops below the historic gift value, the endowment is considered underwater.

Property: Property is held for investment purposes and recorded at cost at the date of acquisition or estimated fair value at the date of donation.

Impairment: The Foundation annually reviews the recoverability of long-lived assets, including property, for events or changes in circumstances that indicate that the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on the ability to recover the carrying value of the asset from the expected future cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. The measurement of impairment requires management to make estimates of these cash flows related to long-lived assets, as well as other fair value determinations.

There were no impairment losses for the years ended June 30, 2024 and 2023.

Pledges Receivable: The Foundation records pledges including unconditional promises to give as receivables and revenue in the year the pledge is made. Those that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as revenue until the conditions are substantially met.

Fair Value of Financial Instruments: The estimated fair value amounts have been determined by the Foundation using available market information and appropriate valuation methodologies. These estimates are subjective in nature and involve uncertainties and matters of considerable judgment. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Foundation could realize in a current market exchange. The use of different assumptions, judgments, and/or estimation methodologies may have a material effect on the estimated fair value amounts. All investment securities are carried at fair value in the financial statements. The fair values of short-term financial instruments, including cash equivalents, accounts receivable and payable, approximate the carrying amounts in the accompanying financial statements due to the short maturity of such instruments. The inputs are based upon terms in contractual agreements. The fair values of these financial instruments are determined using Level 2 inputs.

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Credit Risk Concentrations: Financial instruments which potentially expose the Foundation to concentrations of credit risk include investments in marketable securities and pledges receivable. As a matter of policy, the Foundation only maintains balances with financial institutions having a high credit quality. Concentration of credit risk for investments in marketable securities is mitigated by both the distribution of investment funds among asset managers and the overall diversification of managed investment portfolios. Concentration of credit risk for pledges receivable is generally limited due to the dispersion of these balances over a wide base of donors.

Fundraising: Fundraising costs are charged to expense as incurred. During the fiscal years ended June 30, 2024 and 2023, total fundraising costs were approximately $904,000 and $458,000, respectively.

Expenses: The Foundation's expenses are classified into two categories: (1) distributions to or for the University of Akron and (2) administration of the Foundation. The expenses relating to the administration of the Foundation include administrative support, facilities operation and maintenance, and fundraising. Costs are allocated between the various programs and support activities on an actual basis, where available, or based upon the functional expense area most related to their purpose. Although methods of allocation used are considered appropriate, other methods could be used that would produce different results.

Income Taxes: The Foundation is an Ohio nonprofit organization, tax-exempt under Section 501(c)(3) of the Internal Revenue Code, and exempt from federal, state, and local income tax on related income.

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

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

Fair Value Option: The fair value option for financial assets and financial liabilities permits entities to choose to measure many financial instruments and certain other items at fair value. The fair value option may be applied instrument by instrument, is irrevocable, and is applied only to entire instruments and not to portions of instruments. Management made the election for the fair value option to provide an accurate portrayal of these balances by discounting the annuity pool given the length of time involved with some of the annuities and by adjusting the refundable advances to their underlying investment's market value.

The fair value of the annuity pool, which relates to the annuity and unitrust agreements is estimated by discounting expected cash inflows and outflows to present value using appropriate rates with the risk of realizing such cash inflows and outflows. The fair value of the liability of the annuity pool at June 30, 2024 and 2023 is $8,705,909 and $8,394,893, respectively.

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Pronouncements: On July 1, 2023, the Foundation adopted Accounting Standards Update ("ASU") 2016-13 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326). This standard replaces existing financial asset impairment guidance with the current expected credit loss ("CECL") methodology.

Under the CECL methodology, the Foundation must estimate the expected credit losses on applicable financial assets considering the risk of loss over their contractual lives and incorporating reasonable and supportable forecasts of key inputs in addition to historical credit loss trends and current conditions. The adoption did not have a material impact to the Foundation's financial statements.

NOTE 3 – PLEDGES RECEIVABLE

Unconditional promises to give are included in the financial statements as pledges receivable. Pledges are recorded at their approximate present value, discounted using the U.S. Treasury note rate in effect the year the pledge is received. For pledges made during the years ended June 30, 2024 and 2023, the future expected cash flows from pledges receivable have been discounted using discount rates ranging from 1.41% to 4.59%.

Pledges receivable at June 30, 2024 and 2023 are expected to be realized as follows:

	2024	2023
Less than one year	$ 2,379,042	$ 1,864,846
One to five years	5,466,583	5,223,563
More than five years	7,259,329	7,309,329
Total	15,104,954	14,397,738
Less amount estimated to be uncollectible	(585,438)	(525,416)
Less unamortized discount	(1,955,918)	(2,837,025)
Total pledges receivable – net	$ 12,563,598	$ 11,035,297

The allowance for uncollectible contributions is a general valuation based on the percentage of prior year pledge write-offs. Specific pledges deemed uncollectible are charged against the allowance for uncollectible pledges in the period in which the determination is made. Both the general allowance and the specific write-offs are reported as reductions in total revenues in the statement of activities.

As of June 30, 2024 and 2023, the Foundation has $59,155,165 and $38,764,479 in numerous outstanding pledges, which are considered intentions to give and are contingent upon future events. These pledges are not recognized as contributions receivable or revenues because they do not represent unconditional promises to give. It is not practicable to estimate the ultimate realizable value of these commitments or the period over which they might be collected.

(Continued)

NOTE 4 – INVESTMENTS

Investments are stated at fair value. Fluctuations in fair value, as well as gains or losses on sales of securities, are recognized in the statement of activities. The pooled investment funds are invested in diverse portfolios. Limitations have been placed on the trust fund managers to stay within specified parameters in managing the portfolios. Opportunistic investments are investments that encompass strategies that seek to benefit from anomalies in the capital market structure but are not easily classified by asset class.

Investments as of June 30, 2024 and 2023 were as follows:

	2024	2023
Bonds	$ 10,692,094	$ 10,165,352
Cash and cash equivalent	7,535,990	9,016,574
Common stocks	1,208,860	2,889,907
Equity funds	28,304,907	26,854,252
Equity trust	-	36,939
Exchange traded funds	234,838	243,875
Fixed income funds	20,335,511	16,379,743
Floaters	380,000	380,000
Hedge funds	49,877,564	43,411,616
Insurance policies – cash surrender value	12,028	12,828
International equity funds	69,239,892	62,026,038
Mutual funds	22,934,312	17,398,155
Opportunistic	7,893,160	7,407,796
Preferred stocks	42,050	40,115
Private equity funds	14,794,881	14,913,698
Real estate funds	2,685,494	2,134,809
U.S. Treasury note	11,944,884	13,057,715
U.S. Treasury obligations	6,058,564	8,756,093
	$ 254,175,029	$ 235,125,505

NOTE 5 – PROPERTY

Property consists of the following at June 30, 2024 and 2023:

	2024	2023
Non-depreciable		
Brown Street	$ 36,000	$ 36,000
East Exchange Street	1,270,523	1,270,523
Miller Parkway	25,900	25,900
Total	$ 1,332,423	$ 1,332,423

NOTE 6 – BENEFICIAL INTEREST IN REAL ESTATE

The Foundation has the irrevocable right to receive ownership of certain real estate. The donors have retained the right to use the real estate for the donors' lifetime. The carrying value of the real estate (based upon an independent appraisal) is reported as a beneficial interest in real estate and as net assets with donor restrictions. Based on the agreement, the Foundation is required to pay periodic fixed payments to the donors during their lifetime. The Foundation recorded the present value of this annuity payable using the applicable American Council on Gift Annuities (ACGA) tables (discount rates used at June 30, 2024 and 2023 were 5.6% and 4.2%, respectively), based on the term of the agreement, as a liability of $63,890 and $72,014 at June 30, 2024 and 2023, respectively.

NOTE 7 – CONTRIBUTIONS PAYABLE TO THE UNIVERSITY

The Foundation at times receives gifts on behalf of the University. At June 30, 2024 and 2023, the Foundation owed the University $175,394 and $381,712, respectively, for such gifts received. During the years ended June 30, 2024 and 2023, the Foundation recorded $5,389,089 and $3,578,034, respectively, of contribution revenues for amounts received on behalf of the University.

NOTE 8 – NOTE RECEIVABLE

During November 2019, the University and the University of Akron Foundation executed an agreement for a $1,000,000 line of credit. The Foundation provided the line of credit which, at 2% per annum and to be fully settled by November 2024, provides funding for the University's baseball field renovation project. The line of credit is expected to be repaid with donations. The line of credit balance was $198,507 and $210,884 during the years ended June 30, 2024 and 2023, respectively.

During December 2021, the University and the University of Akron Foundation executed an agreement for a $3,100,000 line of credit. The Foundation provided the line of credit which, at 2% per annum and to be fully settled by December 2026, provides funding for the University's outdoor track and field facility, and multi-purpose gymnasium renovation projects. In March 2024 the line of credit was increased to $5,000,000 for the purchase of a new video board and main sign ribbon board for InfoCision Stadium, improvement to the Kenmore Locker Room, Coaches' Offices and Team Room and for continued funding of the projects for which the LOC was originally established. The settlement date was extended to February 2028 with the March 2024 Agreement. The line of credit is expected to be repaid with donations. At June 30, 2024 and 2023, the line of credit balance was $2,004,756 and $1,175,000, respectively.

NOTE 9 – ANNUITY AND UNITRUST AGREEMENTS

The Foundation has entered into charitable gift annuity agreements, which include provisions requiring the Foundation to pay periodic fixed payments to beneficiaries during their lifetimes. Charitable gift annuities differ from other charitable giving options in that the annuity is a general obligation of the Foundation. Accordingly, if the assets of the gift are exhausted as a result of required payments to beneficiaries, then other Foundation assets without donor restrictions will be utilized to fund the remaining future payments.

The Foundation has also entered into unitrust, annuity trust, and pooled income agreements, which include provisions either for the Foundation to pay beneficiaries' periodic payments until the assets of the trust have been exhausted or until death of the beneficiaries. Upon the death of the beneficiaries, any remaining investments in the trust or pooled income will be available to the Foundation in accordance with the agreements.

(Continued)

NOTE 9 – ANNUITY AND UNITRUST AGREEMENTS (Continued)

The Foundation accounts for such agreements by recording the fair market value of assets donated as of the date of the gift and by recording the actuarial present value of the annuities payable using the applicable ACGA tables (discount rates used at June 30, 2024 and 2023 were 5.6% and 4.2%, respectively) based on the term of the agreement, as a liability. The balance of the gift is recorded as contributions without donor restrictions or with donor restrictions, as appropriate.

The Foundation's payments to beneficiaries under the annuity and unitrust agreements reduce the annuity liability. Adjustments to the annuity liability are made to report amortization of the discount and record changes in the life expectancy of the beneficiary. These adjustments, as well as the return on the underlying investment assets (fair value of $11,086,110 and $10,287,534 at June 30, 2024 and 2023, respectively), are recognized in the statements of activities as changes in the value of annuity and unitrust agreements.

NOTE 10 – NET ASSETS

Net assets without donor restrictions at June 30, 2024 and 2023 are as follows:

	2024	2023
Current operations	$ 1,712,161	$ 2,881,799
Board-designated academic and student support	8,800,758	6,089,421
Facilities and operation maintenance	737,201	906,018
Administrative support	513,557	516,756
Total	$ 11,763,677	$ 10,393,994

Net assets with donor restrictions, principally related to scholarships, specific colleges and departments within the University, department chairs, and various other purposes related to support of the University at June 30, 2024 and 2023 are as follows:

	2024	2023
Specific purpose funds and endowment fund returns	$ 70,187,765	$ 57,758,704
Permanent endowment funds	170,047,159	160,412,669
Annuity and unitrust agreements	3,409,293	3,048,507
Pledges receivable	12,563,598	11,035,297
Total	$ 256,207,815	$ 232,255,177

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes of scholarships and development of the University in the amount of $12,949,935 and $9,640,229 during fiscal years 2024 and 2023, respectively.

NOTE 11 – TRANSACTIONS WITH THE UNIVERSITY

The Foundation and the University regularly transfer funds between one another. The net amount of these transfers is recorded as "direct distributions to the University" in the statement of activities. For the years ended June 30, 2024 and 2023, distributions transferred to the University of $17,856,929 and $13,253,404, respectively, are gross of amounts received from the University of $101,000 and $72,300, respectively.

(Continued)

NOTE 11 – TRANSACTIONS WITH THE UNIVERSITY (Continued)

The University allocated certain personnel expenses to the Foundation totaling $583,350 and $517,974 in fiscal years 2024 and 2023, respectively. The Foundation reimburses the University for these amounts, which are recorded as "services performed by University personnel" in the statement of activities.

At June 30, 2024, other amounts due to the University of $428,269 is included in accounts payable on the statement of financial position. There were no other amounts due to the University at June 30, 2023.

NOTE 12 – FAIR VALUE MEASUREMENTS

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the valuation techniques and inputs used to measure fair value.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities 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 or liability. These Level 3 fair value measurements are based primarily on management's own estimates using fund statements, pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset. In some instances, net asset value is used as a practical expedient for estimating fair value.

In instances whereby 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 Foundation'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 Foundation's policy is to recognize transfers between levels of the fair value hierarchy as of the end of the fiscal year. For the years ended June 30, 2024 and 2023, there were no transfers between levels of the fair value hierarchy.

(Continued)

NOTE 12 – FAIR VALUE MEASUREMENTS (Continued)

The following tables present information about the Foundation's assets and liabilities measured at fair value on a recurring basis at June 30, 2024 and 2023 and the valuation techniques used by the Foundation to determine those fair values.

	Balance June 30, 2024	Identical Assets (Level 1)	Inputs (Level 2)	Inputs (Level 3)	Net Asset Value
Assets – Investments					
Beneficial interest in real estate	$ 335,000	$ -	$ -	$ 335,000	$ -
Bonds	10,692,094	-	10,692,094	-	-
Cash and cash equivalent	7,535,990	7,535,990	-	-	-
Common stocks	1,208,860	1,208,860	-	-	-
Equity funds	28,304,907	8,244,291	-	-	20,060,616
Equity trust	-	-	-	-	-
Exchange traded funds	234,838	234,838	-	-	-
Fixed income funds	20,335,511	-	9,313,679	-	11,021,832
Floaters	380,000	-	380,000	-	-
Hedge funds	49,877,564	-	-	-	49,877,564
International equity funds	69,239,892	19,203,888	-	-	50,036,004
Mutual funds	22,934,312	22,934,312	-	-	-
Opportunistic	7,893,160	-	-	-	7,893,160
Other	12,028	-	12,028	-	-
Preferred stocks	42,050	42,050	-	-	-
Private equity funds	14,794,881	-	-	-	14,794,881
Real estate funds	2,685,494	-	-	-	2,685,494
U.S. Treasury note	11,944,884	11,944,884	-	-	-
U.S. Treasury obligations	6,058,564	-	6,058,564	-	-
Liabilities					
Annuity/unitrust agreements and refundable advances	$ (8,705,909)	$ -	$ -	$ (8,705,909)	$ -

	Balance June 30, 2023	Identical Assets (Level 1)	Inputs (Level 2)	Inputs (Level 3)	Net Asset Value
Assets – Investments					
Beneficial interest in real estate	$ 335,000	$ -	$ -	$ 335,000	$ -
Bonds	10,165,352	-	10,165,352	-	-
Cash and cash equivalent	9,016,574	9,016,574	-	-	-
Common stocks	2,889,907	2,889,907	-	-	-
Equity funds	26,854,252	10,065,148	-	-	16,789,104
Equity trust	36,939	36,939	-	-	-
Exchange traded funds	243,875	243,875	-	-	-
Fixed income funds	16,379,743	-	-	-	16,379,743
Floaters	380,000	-	380,000	-	-
Hedge funds	43,411,616	-	-	-	43,411,616
International equity funds	62,026,038	16,798,377	-	-	45,227,661
Mutual funds	17,398,155	17,398,155	-	-	-
Opportunistic	7,407,796	-	-	-	7,407,796
Other	12,828	12,828	-	-	-
Preferred stocks	40,115	40,115	-	-	-
Private equity funds	14,913,698	-	-	-	14,913,698
Real estate funds	2,134,809	-	-	-	2,134,809
U.S. Treasury note	13,057,715	13,057,715	-	-	-
U.S. Treasury obligations	8,756,093	8,756,093	-	-	-
Liabilities					
Annuity/unitrust agreements and refundable advances	$ (8,394,893)	$ -	$ -	$ (8,394,893)	$ -

(Continued)

NOTE 12 – FAIR VALUE MEASUREMENTS (Continued)

Included in the Level 1 money market and mutual funds above is approximately $432,385 invested in a Fidelity Government Money Market Fund as of both June 30, 2024 and 2023. All investment allocations are in accordance with the Foundation's investment policy. No other significant concentrations of investments exist as of June 30, 2024 or 2023.

Changes in Level 3 Assets and Liabilities Measured at Fair Value on a Recurring Basis at June 30, 2024:

	Beneficial Interest in Real Estate	Annuity/Unitrust Agreements and Refundable Advance
Balance at July 1, 2023	$ 335,000	$ (8,394,893)
Total gains (losses) included in changes in net assets:		
Unrealized	-	(132,992)
Realized	-	(568,811)
Purchases	-	(356,455)
Sales	-	747,242
Balance at June 30, 2024	$ 335,000	$ (8,705,909)

Changes in Level 3 Assets and Liabilities Measured at Fair Value on a Recurring Basis at June 30, 2023:

	Beneficial Interest in Real Estate	Annuity/Unitrust Agreements and Refundable Advance
Balance at July 1, 2022	$ 335,000	$ (8,874,610)
Total gains (losses) included in changes in net assets:		
Unrealized	-	(95,495)
Realized	-	(146,018)
Purchases	-	(79,973)
Sales	-	801,203
Balance at June 30, 2023	$ 335,000	$ (8,394,893)

Investment Policies: the Investment Policy is designed to achieve the Foundation's desired objectives. The Investment Policy asset allocation targets and ranges follow:

	Target	Allowable Range
Equities	50%	40%-60%
Alternatives (net)	22%	10%-32%
Real assets	8%	0%-18%
Fixed income	20%	10%-30%
Opportunistic	0%	0%-10%
Cash	0%	0%-20%
Total portfolio	100%	

(Continued)

NOTE 12 – FAIR VALUE MEASUREMENTS (Continued)

Annuity and unitrust agreement liabilities characterized as Level 3 liabilities consist primarily of charitable gift annuity agreements. Refundable advance characterized as Level 3 liability consist of a revocable trust. The Foundation estimates the fair value of these liabilities based upon the present value of the expected future cash flows using management's best estimates of key assumptions including life expectancies of annuitants, payment periods, and a discount rate commensurate with the current market and other risks involved. Significant changes in these key assumptions would result in a significantly lower or higher fair value measurement.

The Foundation measures property on a nonrecurring basis and records impairment charges to the extent the carrying value of the asset is greater than fair value. The fair value of the property is based primarily on Level 3 inputs including a sales comparison method using the property's competitive market area. Using this method, there were no impairments recorded for the years ended June 30, 2024 and 2023.

Investments in Entities that Calculate Net Asset Value per Share: The Foundation holds shares or interests in investment companies where the fair value of the investments are measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At year end, the fair value, unfunded commitments, and redemption rules of those investments is as follows:

	June 30, 2024		June 30, 2023			Redemption
	Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period
Equity funds	$ 20,060,616	$ -	$ 16,789,104	$ -	Daily-Monthly	1-30 days
Fixed income funds	11,021,832	1,604,203	16,379,743	839,703	Daily-Quarterly	1-90 days
International equity funds	50,036,004	-	45,227,661	-	Monthly	30 days
Opportunistic	7,893,160	638,523	7,407,796	1,005,321	Restricted	N/A
Private equity funds	14,794,881	12,893,338	14,913,698	11,760,379	Restricted	N/A
Real estate funds	2,685,494	1,369,830	2,134,809	1,269,743	Restricted	N/A
Hedge funds	49,877,564	-	43,411,616	-	Quarterly	90 days

The University of Akron Foundation seeks to achieve long-term equity-like returns through broadly diversifying by asset class, investment manager, geography, economic sector, and security. The Foundation seeks to achieve its objective by allocating its assets among unaffiliated private equity and/or venture capital funds, including offshore funds, other investment entities, and/or separate accounts managed pursuant to investment management agreements, as well as publicly traded stocks, exchange- traded funds, mutual funds, future contracts, forward contracts, options, swaps, and other derivative-type instruments.

The long-term investment objectives of the portfolio are:

- Equity funds and International equity funds - key return engine but volatile. Equity risk will dominate the portfolio, making diversification with other asset classes critical.
- Fixed income funds - counterbalance to equity volatility and adds a source of liquidity. Can also be a source of value added in less efficient segments.
- Opportunistic - introduce a further source for value added and diversification outside of the traditional alternatives categories of private equity and hedge funds.
- Private equity funds - high expected return, but illiquid. Private equities are also volatile but are not marked-to-market as frequently as public equities.
- Real estate funds - protect against unexpected inflation and/or help diversify the portfolio.
- Hedge funds - primary diversifier to traditional assets and fertile opportunity set for value added.

NOTE 13 – DONOR-RESTRICTED AND BOARD-DESIGNATED ENDOWMENTS

The Foundation's endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law: The board of directors of the Foundation has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions to be kept in perpetuity (a) the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

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

(1) The duration and preservation of the fund
(2) The purposes of the Foundation and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Foundation
(7) The investment policies of the Foundation

Endowment net asset composition by type of fund as of June 30, 2024 and 2023 was:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2024			
Donor-restricted endowment	$ -	$ 215,072,358	$ 215,072,358
Board-designated (quasi-endowment)	5,037,451	-	5,037,451
Total funds	$ 5,037,451	$ 215,072,358	$ 220,109,809
June 30, 2023			
Donor-restricted endowment	$ -	$ 191,571,853	$ 191,571,853
Board-designated (quasi-endowment)	4,368,760	-	4,368,760
Total funds	$ 4,368,760	$ 191,571,853	$ 195,940,613

(Continued)

NOTE 13 – DONOR-RESTRICTED AND BOARD-DESIGNATED ENDOWMENTS (Continued)

Changes in endowment net assets for the fiscal years ended June 30, 2024 and 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2024			
Endowment net assets, beginning of the year	$ 4,368,760	$ 191,571,853	$ 195,940,613
Net investment income	1,050,807	21,811,524	22,862,331
Contributions	-	8,584,056	8,584,056
Appropriation of endowment assets for expenditures	(374,752)	(7,074,434)	(7,449,186)
Change in donor restrictions	(7,364)	179,359	171,995
Endowment net assets, end of the year	$ 5,037,451	$ 215,072,358	$ 220,109,809
June 30, 2023			
Endowment net assets, beginning of the year	$ 3,931,395	$ 177,658,355	$ 181,589,750
Net investment income	591,440	13,462,445	14,053,885
Contributions	-	4,997,257	4,997,257
Appropriation of endowment assets for expenditures	(124,378)	(6,498,899)	(6,623,277)
Change in donor restrictions	(29,697)	1,952,695	1,922,998
Endowment net assets, end of the year	$ 4,368,760	$ 191,571,853	$ 195,940,613

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature exist in 133 donor-restricted endowment funds, which together have a gift value of $25,631,229 and a current fair market value of $7,834,673, and a deficiency of $17,796,556 as of June 30, 2024. Deficiencies of this nature exist in 176 donor-restricted endowment funds, which together have a gift value of $29,063,314 and a current fair market value of $19,975,832, and a deficiency of $9,087,482 as of June 30, 2023. These deficiencies resulted from unfavorable market fluctuations and continued appropriation for certain programs that were deemed prudent by the board of directors.

In accordance with the terms of donor gift instruments, the Foundation is permitted to reduce the balance of restricted endowments below the original corpus. Subsequent investment gains are then used to restore the balance up to the fair market value of the original amount of the gift. Both fund deficiencies and subsequent gains above that amount are recorded in net assets with donor restrictions.

In certain instances, the Foundation provided funding of approximately $55,200 and $19,200 for fiscal years ended June 30, 2024 and 2023, respectively, so the activities supported by the endowments would continue despite being underwater.

Return Objectives and Risk Parameters: The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for donor-specified periods, as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner intended to produce results that are generally consistent with returns in the global equity markets while assuming a moderate level of investment risk. Actual returns in any given year may vary.

(Continued)

NOTE 13 – DONOR-RESTRICTED AND BOARD-DESIGNATED ENDOWMENTS (Continued)

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that emphasizes equity investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and Investment Objectives: The Foundation investment and spending policy stipulates that 4.25% of a three-year rolling average of the market value of the endowment is available for expenditure, 1.0% of the market value of the endowment is available for support of the Foundation's administrative expenses, and the remaining income is to be reinvested. If an investment loss is incurred, the loss is allocated in the current period. Over the long term, the Foundation expects the spending policy to allow its endowment to maintain purchasing power.

NOTE 14 – EXPENSES BY NATURE

The statement of activities reflects certain categories of expenses attributable to the programs and supporting functions of the Foundation. Program Activities include academic and student support and auxiliaries. Supporting Activities include administrative support, facilities operation and maintenance, and fundraising.

The table below presents these functional expenses by their natural classification for the year ended June 30, 2024.

	Program Activities		Supporting Activities			
	Academic And Student Support	Auxiliaries	Administrative Support	Facilities Operation and Maintenance	Fundraising	Total
Direct distribution to the University	$ 6,202,576	$ 241,540	$ 5,870,192	$ 5,542,621	$ -	$ 17,856,929
Distributions on behalf of the University	128,770	517,095	193,114	173,637	52,313	1,064,929
Services performed by University personnel	-	-	242,359	164,204	176,787	583,350
Professional fees	-	-	355,690	-	-	355,690
Travel and cultivation	-	-	158,367	-	649,970	808,337
Office expenses	-	-	122,194	-	23,241	145,435
Other expenses	-	-	74,963	-	1,561	76,524
Total expenses	$ 6,331,346	$ 758,635	$ 7,016,879	$ 5,880,462	$ 903,872	$ 20,891,194

(Continued)

NOTE 14 – EXPENSES BY NATURE (Continued)

The table below presents these functional expenses by their natural classification for the year ended June 30, 2023.

	Program Activities		Supporting Activities			
	Academic And Student Support	Auxiliaries	Administrative Support	Facilities Operation and Maintenance	Fundraising	Total
Direct distribution to the University	$ 4,603,549	$ 179,271	$ 4,356,853	$ 4,113,730	$ -	$ 13,253,403
Distributions on behalf of the University	52,127	209,323	78,173	70,289	21,177	431,089
Services performed by University personnel	-	-	215,198	145,802	156,975	517,975
Property expenses	-	-	-	2,077	-	2,077
Professional fees	-	-	357,851	-	-	357,851
Travel and cultivation	-	-	61,781	-	253,561	315,342
Office expenses	-	-	131,045	-	24,924	155,969
Other expenses	-	-	45,147	-	940	46,087
Total expenses	$ 4,655,676	$ 388,594	$ 5,246,048	$ 4,331,898	$ 457,577	$ 15,079,793

NOTE 15 – LIQUIDITY AND AVAILABILITY

The Foundation’s financial assets and liquid resources available within one year of the statement of financial position date for general expense are as follows:

	2024	2023
Cash and cash equivalents	$ 2,845,066	$ 6,088,773
Investments, short term	2,986,854	3,921,117
Expected endowment appropriations	8,026,474	7,509,000
Board-designated endowments	5,287,451	4,368,760
Pledges receivable	1,750,915	1,559,268
Accounts receivable	610,422	575,824
	$ 21,507,182	$ 24,022,742

As part of the Foundation’s liquidity management, the Foundation invests its financial assets to be available as its general expenses, liabilities, and other obligations come due. As part of its liquidity management, the Foundation invests cash in excess of daily requirements in various short and intermediate-term investments, including money market, floaters, corporate bonds, and short-term treasury instruments. The amount of these investments included within the balances above represent holdings that are able to be liquidated and spent on general expenses after considering the impact of donor-imposed restrictions on the investment balance. Similarly, pledges receivable and accounts receivable balances represent funds due within one year that are not subject to purpose restrictions outside of the general expenses of the Foundation.

(Continued)

NOTE 15 – LIQUIDITY AND AVAILABILITY (Continued)

Expected appropriations from donor-restricted endowments and the total market value of board-designated endowments are also included as financial assets available for expense within one year. Draws from donor-restricted and board-designated endowments are made in accordance with the Foundation's spending policies and used to support the general expenses of the Foundation for the following fiscal year, as restricted by the donor(s). While the above amount represents the amount that is able to be drawn in accordance with the policy, actual draws may differ. Although not intended, the balance of board-designated endowment funds could be made available to meet cash needs if necessary.

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 30, 2024, the date the financial statements were available to be issued.

Crowe LLP
Independent Member Crowe Global

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

To Management and the Board of Directors
The University of Akron Foundation

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 University of Akron Foundation, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2024.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's 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 have not been identified.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The University of Akron Foundation'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.

Crowe LLP

Crowe LLP

Columbus, Ohio
September 30, 2024

OHIO AUDITOR OF STATE
KEITH FABER

UNIVERSITY OF AKRON FOUNDATION

SUMMIT 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 12/5/2024