



THE UNIVERSITY OF
TOLEDO



FY 2021 Annual **Financial Report**

FUELING **TOMORROWS**

OHIO AUDITOR OF STATE
KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of the University of Toledo, Lucas County, prepared by CliftonLarsonAllen LLP, for the audit period July 1, 2020 through June 30, 2021. 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

March 02, 2022

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THE UNIVERSITY OF TOLEDO
LUCAS COUNTY
REGULAR AND SINGLE AUDIT
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
The University of Toledo
Toledo, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of The University of Toledo (the University) and its discretely presented component unit, as of and for the year ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents. These financial statements are reported as a component unit of the state of Ohio.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component unit were not audited under *Government Auditing Standards*.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University of Toledo and its discretely presented component unit as of 2021 and 2020, and the 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-15, schedule of pension funding, and schedule of pension contributions on page 81, and schedule of OPEB funding, and schedule of OPEB contributions on page 82, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 auditing standards generally accepted in the United States of America, 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 audit 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The University of Toledo's basic financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards* (the Uniform Guidance) and is not a required part of the basic financial statements.

The accompanying schedule of expenditures of federal awards 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. Such 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 auditing standards generally accepted in the United States of America. 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.

Board of Trustees
The University of Toledo

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report October 15, 2021, on our consideration of The University of Toledo's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. 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 of Toledo'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 of Toledo's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Toledo, Ohio
October 15, 2021

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of the University of Toledo for the year ended June 30, 2021 with comparative information for the years ended June 30, 2020 and 2019. 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 just over 17,000 students, 1,300 instructional faculty, and 3,800 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 7,916 admitted patients, 194,356 outpatient clinic patients and 24,869 emergency visit patients. In addition, UTMC performed 7,701 surgical cases and, on average, cared for over 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, 2021**

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, 2021**

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 No. 68 and 75, which require the University to recognize its share of the unfunded liability in the State retirement system's pension and other postemployment 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 is negative \$412.0 million as of June 30, 2021, and the net position associated with GASB 75 is negative \$47.2 million. These amounts reflect improvement of \$22.8 million for GASB 68 and \$128.8 million for GASB 75 compared to last year. Total unrestricted net position as of June 30, 2021 is negative \$192.4 million, an improvement of \$264.3 million over the prior year.

The University has a restricted expendable net position of \$126.3 million and a restricted non-expendable net position of \$12.8 million as of June 30, 2021. Net investment in capital is \$218.9 million. The following sections provide additional details on the University's 2021 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. The University has received funding from the Higher Education Emergency Relief Fund through the Coronavirus Aid, Relief, and Economic Security Act (CARES, HEERF I) as well as the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSSA, HEERF II). 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 response, including the transition to remote learning. In addition, UTMC received advance payments from the Centers for Medicare and Medicaid Services (CMS) and stimulus payments from the Department of Health and Human Services and the Ohio Provider Relief Fund. 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, 2021**

FINANCIAL HIGHLIGHTS AND KEY TRENDS

STATEMENTS OF NET POSITION

Impact of GASB 68 and 75 – Significant liability and negative net position related to pensions and other post-employment benefits (OPEB)

University maintains prudent levels of debt and sufficient liquidity

Summary Statements of Net Position (in thousands)			
	2021	2020	2019
Assets			
Cash and cash equivalents	\$ 173,547	\$ 119,594	\$ 52,775
Receivables, inventories, and other current assets	124,845	100,167	113,013
Total current assets	298,392	219,761	165,788
Restricted cash	3,063	1,344	2,231
Endowment and loan investments	69,658	55,734	58,756
Long-term investments	231,286	175,977	183,509
Capital assets, net of accumulated depreciation	508,553	521,024	541,857
Net pension asset	4,708	3,584	1,717
Net OPEB asset	34,905	13,503	13,251
Other non-current assets	13,729	15,235	42,034
Total non-current assets	865,902	786,401	843,355
Total assets	\$ 1,164,294	\$ 1,006,162	\$ 1,009,143
Deferred outflows of resources			
Deferred outflows of resources - pension and OPEB	\$ 68,340	\$ 122,516	\$ 149,223
Deferred outflows of resources - other	23,083	29,539	23,121
Total deferred outflows of resources	\$ 91,423	\$ 152,055	\$ 172,344
Liabilities			
Accounts payable and accrued expenses	\$ 90,244	\$ 80,520	\$ 76,944
Other current liabilities	101,192	100,458	67,716
Total current liabilities	191,436	180,978	144,660
Bonds, notes, and leases	278,397	274,240	277,062
Net OPEB liability	-	181,519	156,522
Net pension liability	365,587	438,665	507,499
Other long-term liabilities	53,127	61,138	56,567
Total non-current liabilities	697,111	955,562	997,650
Total liabilities	\$ 888,547	\$ 1,136,540	\$ 1,142,310
Deferred inflows of resources			
Deferred inflows of resources - pension and OPEB	\$ 201,556	\$ 130,220	\$ 77,003
Deferred inflows of resources - other	-	108	225
Total deferred inflows of resources	\$ 201,556	\$ 130,328	\$ 77,228
Net position			
Net investment in capital assets	\$ 218,891	\$ 245,711	\$ 264,446
Restricted – non-expendable	12,808	12,807	12,798
Restricted – expendable	126,289	89,550	95,035
Unrestricted	(192,374)	(456,719)	(410,330)
Total net position	\$ 165,614	\$ (108,651)	\$ (38,051)

Current Assets

Current assets (\$298.4 million) increased \$78.6 million (35.8%) in 2021 with significant increases in both cash and accounts receivable. Cash and cash equivalents (\$173.5 million) increased \$54.0 million due primarily to various payments received by the University in response to the pandemic. The University received \$38.6 million from several HEERF-related grants to compensate for lost revenue, provide additional aid to students, and fund the University's response to the pandemic. UTMC received stimulus payments totaling \$17.5 million from the Department of Health and Human Services and the Ohio Provider Relief Fund. In addition to these cash payments, spending was tightly monitored across all categories to preserve as much working cash as possible for the uncertainties ahead. Receivables increased \$26.1 million driven mainly by a rebound in volumes at UTMC after the ban on elective procedures was lifted. 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, 2021

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 (\$69.7 million) increased \$13.9 million or 25.0% due to the robust recovery in the investment market. University long-term investments (\$231.3 million) increased \$55.3 million or 31.4% again due to the strong recovery in investment earnings. Capital assets (\$508.6 million), including University land, buildings, infrastructure, improvements, and equipment decreased \$12.5 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 the initial investment in the Epic electronic medical record (EMR) project at UTMC which was recently approved by the Board of Trustees. In addition, several large projects were completed and placed in service this year including the new Public Safety Building, renovations to Driscoll Hall, the Cisco telecommunications system, and the ComDoc printer/multi-function device implementation. The net OPEB asset (\$34.9 million) increased \$21.4 million as a result of the University's share of the State retirement system's performance.

Deferred Outflows of Resources

Deferred outflows of resources (\$91.4 million) decreased \$60.6 million driven primarily by the University's share of actuarial activity in the State retirement systems. Deferred outflows on pensions and OPEB decreased \$54.2 million while deferred outflows on debt refunding and derivatives decreased \$6.5 million.

Current Liabilities

Current liabilities (\$191.4 million) increased \$10.5 million with accounts payable increasing \$7.5 million due to the timing of year-end payments and the current portion of long-term debt increasing \$7.3 million due to additional obligations associated with the Epic EMR project as well as scheduled payments related to the telecommunications and multi-function device projects. These increases were partially offset by a \$7.0 million decrease in unearned revenue as advance payments received by UTMC from CMS in the prior year were recognized as revenue in the current year.

Non-Current Liabilities

Total non-current liabilities (\$697.1 million) 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 (\$365.6 million) decreased \$73.1 million while its share of the net OPEB liability was eliminated as it is now an asset, reflecting a decrease of \$181.5 million. The University is only obligated to pay contributions to the retirement systems and not the actual benefits themselves. Bonds, notes, and leases (\$278.4 million) increased \$4.2 million with increases for the Epic and ComDoc obligations partially offset by scheduled debt payments. Other long-term liabilities (\$53.1 million) decreased \$8.0 million, including \$5.1 million in the fair value of derivative instruments and \$1.6 million in refundable federal student loans which reflects the current year return of Perkins loan program federal capital contributions (FCC) to the U.S. Department of Education (DOE). The University will continue to collect on outstanding Perkins loans and return the FCC to the DOE as it is collected.

Deferred Inflows of Resources

Deferred inflows of resources (\$201.6 million) increased \$71.2 million due mainly to the University's share of actuarial activity in the State retirement plans. Deferred inflows related to pensions increased \$21.1 million and deferred inflows related to OPEB increased \$50.2 million.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Prior Years' Highlights

In 2020 the University had total assets of approximately \$1.006 billion, a reduction of \$3.0 million from the previous year, with an increase in cash (\$66.8 million) offset by decreases in receivables and inventories (\$12.8 million), endowments and investments (\$10.5 million), capital assets (\$20.8 million) and other non-current assets (\$26.8 million). The increase in cash was largely attributable to payments received by UTMC in response to the pandemic and dividend distributions from UTP-CF in support of operations. The reduction in other non-current assets was driven by activity in the insurance captive including liquidation of investments to facilitate a dividend distribution. Total liabilities were \$1.137 billion, a decrease of \$5.8 million, with increases in unearned revenue (\$32.0 million) and net OPEB liability (\$25.0 million) offset by a decrease in net pension liability (\$68.8 million). Unearned revenue was primarily attributable to an influx of CARES Act funding received by UTMC that will be recognized in future years. Deferred inflows increased \$53.1 million due to pension and OPEB activity. Net position was a deficit of \$108.7 million reflecting a decrease of \$70.6 million.

In 2019 the University had total assets of approximately \$1.009 billion, a reduction of \$34.2 million from the previous year driven mainly by decreases in capital assets (\$30.7 million) and receivables, inventory and other current assets (\$21.4 million) offset partially by the recognition of a net OPEB asset (\$13.3 million). The reduction in receivables was primarily tied to patient accounts at UTMC and the reduction in other current assets reflected the final spending of the 2017A bond proceeds. Deferred outflows increased \$35.0 million due to pension and derivative activities. Total liabilities were \$1.142 billion, an increase of \$82.9 million, with increases in net pension liability and other long-term liabilities offset partially by decreases in bonds payable and net OPEB liability. Net pension liability increased \$98.2 million and other long-term liabilities increased \$20.3 million due mostly to recognition of a \$15.2 million liability to the DOE associated with the terminated Perkins loan program. Bonds, notes, and leases decreased \$11.9 million due to scheduled debt payments, and net OPEB liability decreased \$19.4 million. Deferred inflows decreased \$12.5 million due to pension and OPEB activity. Net position was a deficit of \$38.1 million reflecting a decrease of \$69.6 million.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Rebound in patient revenue offset by lower tuition and auxiliary revenue

GASB 68/75 adjustment decreases benefit expense by \$151.6 million compared an increase of \$34.0 million in 2020

Summary of Revenues, Expenses, and Changes in Net Position (in thousands)			
<i>(in thousands)</i>	2021	2020	2019
Operating revenues:			
Hospital, net	\$ 297,676	\$ 252,181	\$ 290,682
Tuition and fees, net	187,799	193,729	196,059
Grants and contracts	53,664	49,815	47,693
Auxiliary	40,138	57,695	63,339
Other patient services revenue	83,742	76,781	79,089
Other	91,810	81,920	69,837
Total operating revenue	754,829	712,121	746,699
Operating expenses:			
Salaries, wages, and benefits	404,443	621,932	611,893
Supplies	131,473	99,772	104,380
Outside purchased services	72,421	77,504	85,047
Depreciation	54,764	54,011	55,462
Other	95,340	92,021	91,881
Total operating expenses	758,441	945,240	948,663
Operating Loss	(3,612)	(233,119)	(201,964)
Non-operating revenues (expenses):			
State share of instruction and grants & contracts	226,054	159,473	148,400
Investment income	58,764	(3,923)	6,466
Interest on debt	(12,996)	(13,567)	(13,457)
Asset disposal	(640)	(193)	(342)
Other	3,115	2,433	577
Total non-operating revenues	274,297	144,223	141,644
Other changes			
Capital appropriations	2,476	16,272	4,591
Other	1,104	2,024	(13,833)
Total other changes	3,580	18,296	(9,242)
Increase/(decrease) in net position	274,265	(70,600)	(69,562)
Net position - beginning of the year	(108,651)	(38,051)	31,511
Net position - end of the year	\$ 165,614	\$ (108,651)	\$ (38,051)

Operating Revenues

Operating revenues (\$754.8 million) increased \$42.7 million driven by a rebound in patient volumes at UTMC following the ban on elective procedures in the early phase of the pandemic. UTMC's net patient revenue increased \$45.5 million (18.0%) and other patient revenue (UTP-CF) increased \$7.0 million (9.1%). Tuition and fees (\$187.8 million) decreased \$5.9 million (3.1%) due to lower enrollment and auxiliary revenue (\$40.1 million) decreased \$17.6 million (30.4%) with lower enrollment and less students physically on campus as well as refunds issued to students in response to the pandemic. Affiliation payments to the College of Medicine and Life Sciences increased \$3.3 million as scheduled in the agreement.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Operating Expenses

Total operating expenses (\$758.4 million) decreased \$186.8 million with \$185.6 million attributable to GASB 68 and 75 adjustments. Excluding the GASB adjustments, salaries and benefits decreased \$31.9 million (5.4%) driven mainly by temporary furloughs and salary reductions in response to the pandemic. Supply expense increased \$31.7 million (31.8%) due mainly to continued growth of the pharmacy 340B pricing program at UPMC 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 supplies, testing kits and various technology items to enable distance learning.

Non-Operating Revenues and Expenses

Total non-operating revenues (\$274.3 million) increased \$130.1 million driven by federal grants and investment income. Federal non-operating grants increased \$60.7 million driven by funding received in response to the pandemic. Investment income increased \$62.7 million following a robust recovery in the investment market. State support increased \$5.6 million (5.4%).

Other Changes

Total other changes (\$3.6 million) decreased \$14.7 million due primarily to lower state capital appropriations utilized, consistent with the first year of the biennium.

Prior Years' Highlights

In 2020, the University experienced a decrease in net position of \$70.6 million. Operating revenues were \$712.1 million, a decrease of \$34.6 million, driven by a reduction of \$38.5 million in net patient revenue at UPMC due in part to the ban on elective procedures in response to the pandemic. Tuition and fees decreased \$2.3 million and auxiliary revenue decreased \$5.6 million due to lower enrollment. Affiliation payments increased \$6.6 million as scheduled in the agreement. Operating expenses were \$945.2 million, a decrease of \$3.4 million, with an increase of \$9.8 million in GASB adjustments more than offset by reductions of \$4.6 million in supplies and \$7.5 million in purchased services as spending was constricted in response to the pandemic. Salaries and benefits were flat, with a \$4.4 million increase in wages offset by lower health care costs and other benefits. Total non-operating revenue (\$144.2 million) increased \$2.6 million, with a \$12.7 million increase in federal grants offset by a \$10.4 million reduction in investment earnings. Total other changes (\$18.3 million) increased \$27.5 million with \$15.2 million attributable to the termination of the Perkins loan program recognized in the prior year and \$11.7 million attributable to higher state capital appropriations in the second year of the biennium.

In 2019, the University experienced a decrease in net position of \$69.6 million. Operating revenues were \$746.7 million, an increase of \$29.9 million, driven by a \$12.0 million increase in affiliation payments as scheduled in the agreement as well as an \$8.4 million increase in physician service revenue and a \$3.9 million increase in auxiliary revenue. Operating expenses were \$948.7 million, an increase of \$121.4 million, driven by a \$115.0 million increase in salaries and benefits and a \$11.4 million increase in purchased services. \$100.1 million of the increase in salaries and benefits was directly attributable to GASB 68 and 75 adjustments with the remainder attributable to pay increases required by the various collective bargaining agreements as well as non-union increases approved by the Board. Total non-operating revenue decreased \$9.4 million due to lower investment earnings. Total other changes (-\$9.2 million) decreased \$24.5 million with \$15.2 million attributable to the termination of the Perkins loan program and \$10.0 million attributable to lower state capital appropriations in the first year of the biennium.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

STATEMENTS OF CASH FLOWS

Summary of Cash Flows (in thousands)			
	2021	2020	2019
Net cash flows from operating activities	\$ (120,574)	\$ (90,376)	\$ (116,846)
Net cash flows from non-capital financing activities	229,279	158,417	153,086
Net cash flows from capital and related financing activities	(42,053)	(32,651)	(45,849)
Net cash flows from investing activities	(10,980)	30,542	22,814
Net increase in cash	<u>\$ 55,672</u>	<u>\$ 65,932</u>	<u>\$ 13,205</u>

Cash and cash equivalents increased \$55.7 million during 2021. The University had net cash used in operating activities of \$120.6 million, a decrease of \$30.2 million driven primarily by reduced tuition and auxiliary revenue as well as an increase in patient receivables at UPMC 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 \$70.9 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.

Prior Years' Highlights

In 2020, cash and cash equivalents increased \$65.9 million. The University had net cash used in operating activities of \$90.4 million, an increase of \$26.5 million. The University had net cash provided by non-capital financing of \$158.4 million, an increase of \$5.3 million from the previous year. Net cash used in capital and related financing activities was \$32.7 million including capital asset purchases of \$33.4 million and debt service payments of \$25.4 million. Net cash provided by investing activities was \$30.5 million, an increase of \$7.8 million, driven by net investment activity and withdrawals from the investment pool.

In 2019, cash and cash equivalents increased \$13.2 million. The University had net cash used in operating activities of \$116.8 million, a decrease of \$12.4 million. The University had net cash provided by non-capital financing of \$153.1 million, an increase of \$3.8 million from the previous year. Net cash used in capital and related financing activities was \$45.8 million including capital asset purchases of \$25.0 million and debt service payments of \$26.9 million. Net cash provided by investing activities was \$22.8 million driven by net investment activity and withdrawals from the investment pool.

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.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Overall, State funding has shown modest increases 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 did receive an SSI increase for FY21 of 5.2% after receiving a 2.4% reduction in FY20. The state of Ohio passed its biennium budget in July 2021 that allowed state universities to increase tuition and general fees up to 2% for non-guarantee students, and up to 3.5% for the fall 2021 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 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 continues its pursuit of reducing expenses wherever possible while still maintaining critical functions in support of the student experience and its mission.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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 University's 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 Level Three 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 2021, UTMC continued to support the mission of the University "to improve the human condition" by providing patient-centered, university quality care. Seeing an overwhelming need in the Toledo community, UTMC has established a comprehensive Psychiatric service, which includes an 18-bed Inpatient Recovery service, 18-bed Adolescent service, 18-bed Senior Behavioral Health service along with an Intensive Outpatient Recovery service.

While UTMC is well positioned to maintain a viable financial position in the coming years, ongoing constraints on revenue could arise if Congress passes 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. This partnership is critical and will enhance not only the financial performance, but also the care provided to the communities that the hospital serves.

**THE UNIVERSITY OF TOLEDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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, High Intensity Focused Ultrasound for Prostate Cancer, 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.

Labor contract negotiations, which are near completion, will provide market driven wage and benefit adjustments that are needed to retain the current staff and attract highly qualified individuals to the hospital. In addition, changes in leadership that have taken place over the last year have instilled new processes and protocols that have improved efficiencies and operational performance.

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, 2021 AND 2020
(DOLLARS IN THOUSANDS)

	University		UT Foundation	
	2021	2020	2021	2020
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 173,547	\$ 119,594	\$ 2,143	\$ 5,521
Accounts receivable, net	105,546	79,401	857	838
Contributions receivable, net	-	-	7,600	8,024
Inventories	9,244	8,869	-	-
Notes receivable, net	1,681	2,103	-	-
Other	8,374	9,794	8	76
Total current assets	298,392	219,761	10,608	14,459
Noncurrent assets:				
Restricted cash	3,063	1,344	-	-
Endowment and loan investments	69,658	55,734	-	-
Notes receivable, net	4,027	5,965	-	-
Long-term investments	231,286	175,977	363,435	276,034
Investments held by insurance captive	7,194	6,671	-	-
Contributions receivable, net	-	-	5,031	3,740
Capital assets, net	508,553	521,024	43,983	45,052
Rocket Innovations	1,848	1,675	-	-
Charitable remainder trusts and annuity contracts	-	-	4,648	3,948
Cash surrender value of life insurance policies	-	-	1,430	1,286
Net pension asset	4,708	3,584	-	-
Net OPEB asset	34,905	13,503	-	-
Other	660	924	-	-
Total noncurrent assets	865,902	786,401	418,527	330,060
Total assets	\$ 1,164,294	\$ 1,006,162	\$ 429,135	\$ 344,519
Deferred outflows:				
Deferred outflow of resources - derivatives	\$ 12,423	\$ 17,551	\$ -	\$ -
Deferred outflow of resources - OPEB	15,671	39,561	-	-
Deferred outflow of resources - pension	52,669	82,955	-	-
Deferred outflow of resources - refunding	10,660	11,988	-	-
Total deferred outflows	\$ 91,423	\$ 152,055	\$ -	\$ -

See accompanying Notes to Financial Statements.

THE UNIVERSITY OF TOLEDO
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2021 AND 2020
(DOLLARS IN THOUSANDS)

	University		UT Foundation	
	2021	2020	2021	2020
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 31,978	\$ 24,527	\$ 1,407	\$ 607
Accrued liabilities	58,266	55,993	405	519
Unearned revenue	56,405	63,393	46	61
Compensated absences - current portion	26,262	25,866	-	-
Long-term liabilities - current portion	18,525	11,199	336	1,225
Total current liabilities	191,436	180,978	2,194	2,412
Noncurrent liabilities:				
Refundable federal student loans	10,842	12,477	-	-
Compensated absences	7,491	8,036	-	-
Insurance captive reserve for losses	9,034	8,479	-	-
Fair value of derivative investment	12,423	17,551	-	-
Other	13,337	14,595	-	-
Net OPEB liability	-	181,519	-	-
Net pension liability	365,587	438,665	-	-
Long-term liabilities	276,193	271,946	14,728	15,209
Funds held for affiliates	-	-	1,684	1,315
Note payable to UT Foundation	2,204	2,294	-	-
Total noncurrent liabilities	697,111	955,562	16,412	16,524
Total liabilities	\$ 888,547	\$ 1,136,540	\$ 18,606	\$ 18,936
Deferred inflows:				
Deferred inflow of resources - OPEB	\$ 97,754	\$ 47,507	\$ -	\$ -
Deferred inflow of resources - pension	103,802	82,713	-	-
Deferred inflow of resources - refunding	-	108	-	-
Total deferred inflows	\$ 201,556	\$ 130,328	\$ -	\$ -
NET POSITION				
Net investment in capital assets	\$ 218,891	\$ 245,711	\$ 33,768	\$ 34,119
Restricted for:				
Nonexpendable	12,808	12,807	136,721	132,462
Expendable	126,289	89,550	204,721	140,139
Unrestricted	(192,374)	(456,719)	35,319	18,863
Total net position	\$ 165,614	\$ (108,651)	\$ 410,529	\$ 325,583

See accompanying Notes to Financial Statements.

THE UNIVERSITY OF TOLEDO
STATEMENTS OF REVENUES, EXPENSES, AND OTHER
CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2021 AND 2020
(DOLLARS IN THOUSANDS)

	University		UT Foundation	
	2021	2020	2021	2020
REVENUES				
Operating revenues:				
Hospital patient service revenue, net of bad debt of \$7,078 and \$8,677 respectively	\$ 297,676	\$ 252,181	\$ -	\$ -
Student tuition and fees, net of student aid of \$75,072 and \$82,686 respectively	187,799	193,729	-	-
Federal grants and contracts	40,271	36,363	-	-
State grants and contracts	2,885	3,445	-	-
Local grants and contracts	532	576	-	-
Private grants and contracts	9,976	9,431	-	-
Sales and services	2,508	831	-	-
Auxiliary Enterprises, net of student aid of \$2,422 and \$2,913, respectively	40,138	57,695	-	-
Other patient services revenue	83,742	76,781	-	-
Contributions and support	-	-	18,731	14,356
Residency reimbursement	20,585	19,603	-	-
Academic Affiliation Investment	41,894	38,610	-	-
Other	26,823	22,876	7,530	8,527
Total operating revenues	754,829	712,121	26,261	22,883
EXPENSES				
Operating expenses:				
Salaries and wages	426,139	448,677	-	-
Benefits	(21,696)	173,255	-	-
Supplies	131,473	99,772	-	-
Travel and entertainment	3,889	9,063	-	-
Information and communication	27,576	16,044	-	-
Occupancy	25,316	24,246	-	-
Scholarship	29,705	30,923	-	-
Outside purchased services	72,421	77,504	-	-
Provision for doubtful accounts	2,741	421	-	-
Support to University	-	-	13,013	15,031
Fundraising and development	-	-	4,088	4,204
Management	-	-	5,358	4,779
Depreciation	54,764	54,011	1,142	1,100
Other	6,113	11,324	3,185	4,166
Total operating expenses	758,441	945,240	26,786	29,280
Operating loss	\$ (3,612)	\$ (233,119)	\$ (525)	\$ (6,397)

See accompanying Notes to Financial Statements.

THE UNIVERSITY OF TOLEDO
STATEMENTS OF REVENUES, EXPENSES, AND OTHER
CHANGES IN NET POSITION (CONTINUED)
YEARS ENDED JUNE 30, 2021 AND 2020
(DOLLARS IN THOUSANDS)

	University		UT Foundation	
	2021	2020	2021	2020
Operating loss	\$ (3,612)	\$ (233,119)	\$ (525)	\$ (6,397)
NONOPERATING REVENUES (EXPENSES)				
State share of instruction	109,475	103,902	-	-
Loss after state share of instruction	105,863	(129,217)	(525)	(6,397)
Federal grants and contracts	99,694	38,985	-	-
State grants and contracts	10,849	11,417	-	-
Gifts	6,036	5,169	-	-
Investment income	58,764	(3,923)	82,718	(2,102)
Interest on debt	(12,996)	(13,567)	-	-
Asset disposal	(640)	(193)	-	-
Other	3,115	2,433	2,753	1,921
Total nonoperating revenues	164,822	40,321	85,471	(181)
Income (loss) before other changes	270,685	(88,896)	84,946	(6,578)
Other changes				
Capital appropriations	2,476	16,272	-	-
Capital grants, gifts, and contracts	1,103	476	-	-
Capital transfer	-	1,539	-	(1,539)
Addition to permanent endowment	1	9	-	-
Total other changes	3,580	18,296	-	(1,539)
Increase (decrease) in net position	274,265	(70,600)	84,946	(8,117)
NET POSITION				
Net position at beginning of year	(108,651)	(38,051)	325,583	333,700
Net position at end of year	\$ 165,614	\$ (108,651)	\$ 410,529	\$ 325,583

See accompanying Notes to Financial Statements.

THE UNIVERSITY OF TOLEDO
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020
(DOLLARS IN THOUSANDS)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Tuition and fees	\$ 187,739	\$ 192,149
Grants and contracts	42,299	52,595
Patient revenues	361,771	390,488
Sales and services of educational activities	1,514	1,925
Payments to suppliers and outside purchased services	(311,569)	(301,044)
Payments to employees	(556,459)	(582,222)
Auxiliary Enterprise charges	49,442	57,397
Other	104,689	98,336
Net cash used in operating activities	<u>(120,574)</u>	<u>(90,376)</u>
Cash flows from non-capital financing activities		
State share of instruction	109,475	103,902
Student direct lending receipts	116,152	123,818
Student direct lending disbursements	(113,638)	(123,994)
Student loan repayments, net of loans issued	2,346	1,810
Return of Perkins capital to Federal government	(1,635)	(2,770)
Gifts, grants, and contracts	116,579	55,579
Agency transactions	-	72
Net cash provided by non-capital financing activities	<u>229,279</u>	<u>158,417</u>
Cash flows from capital and related financing activities		
Purchases of capital assets	(43,861)	(33,371)
Principal paid on capital debt	(14,670)	(12,705)
Capital appropriations	2,476	16,272
Proceeds from debt issuance	26,026	9,176
Capital grants and gifts	819	712
Interest paid on capital debt	(12,843)	(12,735)
Net cash used in capital and related financing activities	<u>(42,053)</u>	<u>(32,651)</u>
Cash flows from investing activities		
Proceeds from sales of investments	29,982	30,800
Purchases of investments	(43,166)	(6,551)
Investment income	2,204	1,293
Withdrawals from investment pool	-	5,000
Net cash provided by (used in) investing activities	<u>\$ (10,980)</u>	<u>\$ 30,542</u>

See accompanying Notes to Financial Statements.

THE UNIVERSITY OF TOLEDO
STATEMENTS OF CASH FLOWS (CONTINUED)
JUNE 30, 2021 AND 2020
(DOLLARS IN THOUSANDS)

	<u>2021</u>	<u>2020</u>
Net increase in cash	\$ 55,672	\$ 65,932
Cash and cash equivalents - beginning of year	120,938	55,006
Cash and cash equivalents - end of year	<u>\$ 176,610</u>	<u>\$ 120,938</u>

	<u>2021</u>	<u>2020</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (3,612)	\$ (233,119)
Adjustments to reconcile operating loss to Net cash used in operating activities:		
Depreciation	54,764	54,011
Provision for bad debt	1,949	6,705
(Increase) decrease in assets:		
Accounts receivable, net	(26,145)	15,891
Inventories	(375)	513
Other current assets	1,420	(4,192)
Increase (decrease) in liabilities:		
Accounts payable, accrued liabilities and other	9,724	3,576
Deferred revenue	(6,988)	31,984
Compensated absences	(149)	463
Medical profession liability accrual	555	(57)
Net pension liability and pension deferrals	(151,717)	33,849
Net cash used in operating activities	<u>\$ (120,574)</u>	<u>\$ (90,376)</u>

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020
(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 nearly 17,000 students, 1,300+ instructional faculty and 3,800+ 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 7,916 admitted patients, 194,356 outpatient clinic patients, and 24,869 emergency visit patients. In addition, UTMC performed 7,701 surgical cases and, on average, cared for over 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, 2021 AND 2020
(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 \$13,013 and \$15,031 during fiscal years 2021 and 2020, 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. 61, 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 239 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: anesthesia, 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 UTM. Total Operating Revenues for UTP-CF, net of provision for doubtful accounts, were \$113,411 and \$112,690 for the fiscal years ended June 30, 2021 and 2020, 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 UTPCF, 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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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. 61, 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

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets	\$ 37,249	\$ 35,525
Due from University of Toledo	6,477	6,632
Capital assets	1,424	944
Investments held by insurance captive	21,800	18,565
Total assets	<u>66,950</u>	<u>61,666</u>
LIABILITIES		
Current liabilities	23,112	24,682
Due to University of Toledo	466	511
Total liabilities	<u>23,578</u>	<u>25,193</u>
NET POSITION		
Invested in Capital Assets	1,424	944
Unrestricted	42,128	35,529
Total net position	<u>\$ 43,552</u>	<u>\$ 36,473</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)

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

Condensed Statements of Revenues, Expenses and Changes in Net Position

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Net patient service revenue	\$ 93,781	\$ 93,309
Other Revenues	19,630	19,381
Total operating revenues	<u>113,411</u>	<u>112,690</u>
OPERATING EXPENSES		
Salaries, wages, and benefits	88,494	93,485
Depreciation	203	223
Other	19,561	17,322
Total operating expenses	<u>108,258</u>	<u>111,030</u>
Operating income	5,153	1,660
Total nonoperating revenues (expenses)	<u>1,926</u>	<u>(17,256)</u>
Increase (decrease) in net position	7,079	(15,596)
Net position - beginning of the year	36,473	52,069
Net position - end of the year	<u>\$ 43,552</u>	<u>\$ 36,473</u>

Condensed Statements of Cash Flows

	<u>2021</u>	<u>2020</u>
Net cash flows from operating activities	\$ 5,893	\$ 2,765
Net cash flows from financing activities	1,114	(20,806)
Net cash flows from investing activities	<u>(2,624)</u>	<u>22,206</u>
Net increase in cash	4,383	4,165
Cash and cash equivalents - beginning of year	19,942	15,777
Cash and cash equivalents - end of year	<u>\$ 24,325</u>	<u>\$ 19,942</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
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)

The Corporation consists of equity investments (common stock, preferred stock, warrant options, and promissory notes) valued at approximately \$2,434 and \$1,675 as of June 30, 2021 and 2020, respectively. Total cash available to help fund future investments for the years ended June 30, 2021 and 2020 was approximately \$493 and \$577, 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>2021</u>	<u>2020</u>
ASSETS		
Current assets	\$ 4,278	\$ 2,247
Other assets	1,848	1,675
Total assets	<u>6,126</u>	<u>3,922</u>
LIABILITIES		
Current liabilities	26	34
Total liabilities	<u>26</u>	<u>34</u>
NET POSITION		
Unrestricted	6,100	3,888
Total net position	<u>\$ 6,100</u>	<u>\$ 3,888</u>

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

	<u>2021</u>	<u>2020</u>
Total operating revenue	\$ 2,234	\$ 1,086
Total operating expenses	803	545
Operating income	1,431	541
Investment income/(loss)	781	(1,134)
Increase/(decrease) in net position	2,212	(593)
Net position - beginning of the year	3,888	4,481
Net position - end of the year	<u>\$ 6,100</u>	<u>\$ 3,888</u>

THE UNIVERSITY OF TOLEDO
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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

	2021	2020
Net cash flows from operating activities	\$ 1,509	\$ 6,690
Cash and cash equivalents - beginning of year	2,179	1,510
Cash and cash equivalents - end of year	\$ 3,688	\$ 8,200

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
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)

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 6/30/2021	Year Ended 6/30/2020
Traditional charity care	\$ (1,131)	\$ 508
Unpaid costs of traditional Medicaid programs	11,384	7,519
Unpaid costs of other welfare programs	23,220	13,320
Total charity and uncompensated care	<u>\$ 33,473</u>	<u>\$ 21,347</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)

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.

Deferred Outflows of Resources

In addition to assets, the statements 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 8, 9, and 10).

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.

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.

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)

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 12, 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, 2021 was \$3,778, of which \$1,574 represents the University's share and has therefore, been eliminated in the financial statements. The remaining \$2,204 represents the portion of the loan effectively owed to the Foundation. The balance outstanding as of June 30, 2020 was \$3,997, with \$1,702 eliminated as the University's share and \$2,295 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 and deferred gains on refunding of debt.

Net Position

Net position is classified into the three following categories:

Net Investment in Capital Assets: Capital assets, net of accumulated depreciation 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. 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.

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)

Net Position (Continued)

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	2021	2020
Scholarships and fellowships	\$ 10,635	\$ 10,634
University purposes	2,173	2,173
Total	<u>\$ 12,808</u>	<u>\$ 12,807</u>

Expendable restricted net position is categorized as shown below:

Expendable restricted net position	2021	2020
Capital projects	\$ 41,834	\$ 23,116
Debt service	19,590	18,935
Research	2,984	891
Scholarships and fellowships	56,383	42,639
University purposes	5,498	3,969
Total	<u>\$ 126,289</u>	<u>\$ 89,550</u>

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*.

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)

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.

Capitalized Interest

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

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)

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, 2021 and 2020, net appreciation of \$56,383 and \$42,639, respectively, was available to be spent, of which \$44,556 and \$33,723, 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 8 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
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)

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.

New Accounting Principles

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The primary objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement was adopted for the University's year ended June 30, 2021 with no material impact on the University.

Reclassifications

Certain items in the June 30, 2020 comparative information have been reclassified to correspond to the June 30, 2021 financial statement presentation.

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
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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 \$176,610 and \$120,938 as of June 30, 2021 and 2020, respectively, as compared to bank balances of \$177,071 and \$129,335, 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 \$14,410 and \$13,537 as of June 30, 2021 and 2020. \$250 of the cash deposits is insured by the Federal Deposit Insurance Corporation (FDIC) as of June 30, 2021 and 2020. 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 maintains the majority of its operating cash balances in three financial institutions. The balances at each institution are insured by the FDIC up to certain limits. At June 30, 2021 and 2020, the Organization had approximately \$29,124 and \$22,291 in excess of FDIC insured limits, respectively. Management reviews the financial institutions periodically to assess any custodial credit risk. During 2021, the Organization had additional collateral pledged by various financial institutions where deposits exceeded FDIC limits and at June 30, 2021, deposits in excess of FDIC and pledged collateral equaled approximately \$222.

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
NOTES TO THE FINANCIAL STATEMENTS
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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, 2021, exclusive of accrued interest, consisted of the following:

	Endowment and Loan Investments	Long-Term Investments	Investments Held by Insurance Captive	Total
Certificates of deposit	\$ -	\$ 9,913	\$ -	\$ 9,913
Corporate bonds and notes	-	33,151	2,731	35,882
Corporate stock	-	-	1	1
Equity in internal investment pool	68,540	183,552	-	252,092
Money market	45	11	-	56
Mutual funds - equity	927	-	-	927
Mutual funds - fixed income	146	-	-	146
U.S. government and agencies	-	4,659	4,462	9,121
Total investments	\$ 69,658	\$ 231,286	\$ 7,194	\$ 308,138

The carrying values of investments as of June 30, 2020, exclusive of accrued interest, consisted of the following:

	Endowment and Loan Investments	Long-Term Investments	Investments Held by Insurance Captive	Total
Certificates of deposit	\$ -	\$ 7,056	\$ -	\$ 7,056
Corporate bonds and notes	-	20,259	3,093	23,352
Equity in internal investment pool	54,866	143,359	-	198,225
Money market	46	3,378	-	3,424
Mutual funds - equity	659	-	-	659
Mutual funds - fixed income	163	-	-	163
U.S. government and agencies	-	1,925	3,578	5,503
Total investments	\$ 55,734	\$ 175,977	\$ 6,671	\$ 238,382

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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 as of June 30, 2021. 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, 2021, 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	\$ 9,121	\$ 2,536	\$ 5,736	\$ 171	\$ 678
Corporate bonds and notes	35,882	5,718	13,759	8,939	7,466
Mutual funds - fixed income	146	-	30	87	29
Total	\$ 45,149	\$ 8,254	\$ 19,525	\$ 9,197	\$ 8,173

As of June 30, 2020, 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	\$ 5,503	\$ -	\$ 3,094	\$ 486	\$ 1,923
Corporate bonds and notes	23,352	1,001	14,327	5,714	2,310
Mutual funds - fixed income	163	-	33	94	36
Total	\$ 29,018	\$ 1,001	\$ 17,454	\$ 6,294	\$ 4,269

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, 2021 are as follows:

Investment Type	Fair Value	Credit Rating (Moody's)			
		Aaa	Aa	A	Baa and less
U.S. government and agencies	\$ 9,121	\$ 9,121	\$ -	\$ -	\$ -
Corporate bonds and notes	35,882	36	312	16,878	18,656
Mutual funds - fixed income	146	-	11	29	106
Total	\$ 45,149	\$ 9,157	\$ 323	\$ 16,907	\$ 18,762

The credit ratings of the University's interest-bearing investments as of June 30, 2020 are as follows:

Investment Type	Fair Value	Credit Rating (Moody's)			
		Aaa	Aa	A	Baa and less
U.S. government and agencies	\$ 5,503	\$ 5,503	\$ -	\$ -	\$ -
Corporate bonds and notes	23,352	146	362	8,839	14,005
Mutual funds - fixed income	163	-	44	-	119
Total	\$ 29,018	\$ 5,649	\$ 406	\$ 8,839	\$ 14,124

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 particular issue. The foregoing restrictions do not apply to securities that are issued or fully guaranteed by the United States government. The University did not have investments in any single issuer that equaled 5% or more in 2021 or 2020.

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, 2021 and 2020.

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, 2021 and 2020.

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NOTE 3 INVESTMENTS (CONTINUED)

The University of Toledo Foundation and Subsidiaries Investments

Certain investments of The University of Toledo (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 at June 30:

	2021		2020	
	Market	Cost	Market	Cost
Mutual funds, index funds and ETFs - equities	\$ 307,162	\$ 227,128	\$ 214,597	\$ 204,708
Mutual funds and ETFs - fixed income	51,844	52,598	52,119	51,314
Real Estate	9,689	9,039	-	-
Common stock	77,814	55,880	52,381	46,460
Hedge funds	49,522	43,894	43,277	42,718
Partnerships	90,664	68,773	74,203	71,301
U.S. government and agency issues	12,051	11,829	12,484	12,106
Corporate bonds	2,894	2,755	3,061	2,856
Cash equivalents	5,722	5,722	15,240	15,240
Total pooled investments	<u>\$ 607,362</u>	<u>\$ 477,618</u>	<u>\$ 467,362</u>	<u>\$ 446,703</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:

	2021	2020
Unrealized gains:		
Ending balance	\$ 67,112	\$ 4,135
Beginning balance	4,135	26,016
Unrealized appreciation/(depreciation)	62,977	(21,881)
Realized appreciation/(depreciation)	13,949	14,850
Total realized and unrealized appreciation/(depreciation)	<u>\$ 76,926</u>	<u>\$ (7,031)</u>

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.

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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

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, 2021, and 2020:

Assets and Liabilities Measured at Fair Value on a Recurring Basis

	Balance at June 30, 2021	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	\$ 9,913	\$ -	\$ 9,913	\$ -
Corporate bonds and notes	35,582	-	35,882	-
Corporate stock	1	-	1	-
Mutual funds - equity	927	927	-	-
Mutual funds - fixed income	146	146	-	-
U.S. Government and agencies	9,121	9,121	-	-
Total investments by fair value level	\$ 55,690	\$ 10,194	\$ 45,796	\$ -
Investments measured at the net asset value (NAV):				
Equity in internal investment pool	\$ 252,092			
Total investments measured at the NAV	\$ 252,092			
Total investments measured at fair value	\$ 307,782			
Derivative instruments by fair value level:				
Interest rate swap liability	\$ 12,423	\$ -	\$ 12,423	\$ -
Total derivative instruments by fair value level	\$ 12,423	\$ -	\$ 12,423	\$ -

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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, 2020	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	\$ 7,056	\$ -	\$ 7,056	\$ -
Corporate bonds and notes	23,352	-	23,352	-
Corporate stock	-	-	-	-
Mutual funds - equity	659	659	-	-
Mutual funds - fixed income	163	163	-	-
U.S. Government and agencies	5,503	5,503	-	-
Total investments by fair value level	\$ 36,733	\$ 6,325	\$ 30,408	\$ -
Investments measured at the net asset value (NAV):				
Equity in internal investment pool	\$ 198,225			
Total investments measured at the NAV	\$ 198,225			
Total investments measured at fair value	\$ 234,958			
Derivative instruments by fair value level:				
Interest rate swap liability	\$ 17,551	\$ -	\$ 17,551	\$ -
Total derivative instruments by fair value level	\$ 17,551	\$ -	\$ 17,551	\$ -

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.

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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

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 \$252,092 and \$198,225 as of June 30, 2021 and 2020, 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.

NOTE 5 ACCOUNTS AND NOTES RECEIVABLE

The accounts and notes receivable, shown net of allowances for uncollectible accounts at June 30, 2021 and 2020, respectively, are summarized as follows:

	2021	2020
Accounts receivable:		
Tuition and fees	\$ 8,775	\$ 9,876
Patient services	56,942	43,585
Sales and services	11,283	6,474
Auxiliary services	413	1,799
Grants and contracts	28,133	17,667
Total accounts receivable - net of allowances	105,546	79,401
Notes receivable:		
Current	1,681	2,103
Noncurrent	4,027	5,965
Total notes receivable - net of allowances	5,708	8,068
Total accounts and notes receivable - net of allowances	\$ 111,254	\$ 87,469

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 is recorded net of contractual allowances and allowances for uncollectible accounts totaling \$11,574 and \$12,257 for fiscal years 2021 and 2020, respectively. Student notes receivable are recorded net of allowance for uncollectible accounts of \$760 as of June 30, 2021 and 2020, respectively.

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NOTE 5 ACCOUNTS AND NOTES RECEIVABLE (CONTINUED)

The University of Toledo Foundation – Contributions Receivable

As of June 30, 2021 and 2020, donors to the Foundation have made unconditional promises to give that are measured at fair value. A risk premium has been estimated by management based on uncertainty factors to determine expected future cash flows from unconditional promises to give that are discounted to a net present value based on a risk-free interest rate. Write-offs of uncollectible pledges for the years ended June 30, 2021 and 2020 amounted to \$1,223 and \$1,329, respectively.

Contributions receivable as of June 30 are as follows:

	2021	2020
Within one year	\$ 7,911	\$ 8,388
Over one to five years	5,077	3,885
More than five years	601	295
Total	13,589	12,568
Risk premium	(879)	(784)
Present value discount	(79)	(20)
Net contributions receivable	\$ 12,631	\$ 11,764
Net due in one year	\$ 7,600	\$ 8,024
Net due in excess of one year	5,031	3,740
Total contributions receivable	\$ 12,631	\$ 11,764

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

THE UNIVERSITY OF TOLEDO
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NOTE 6 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, 2021, consisted of the following:

	Balance 6/30/2020	Additions	Reallocation/ Reductions	Balance 6/30/2021
Capital assets, not being depreciated:				
Land and land improvements	\$ 26,326	\$ -	\$ -	\$ 26,326
Construction in progress	15,503	5,141	6,330	26,974
Total capital assets, not being depreciated	41,829	5,141	6,330	53,300
Capital assets, being depreciated:				
Land improvements	17,647	134	-	17,781
Infrastructure	177,962	8,215	(377)	185,800
Buildings	1,110,569	-	16,521	1,127,090
Equipment	215,798	29,824	(33,930)	211,692
Total capital assets, being depreciated	1,521,976	38,173	(17,786)	1,542,363
Less accumulated depreciation:	1,042,781	54,764	(10,435)	1,087,110
Total capital assets, being depreciated, net	479,195	(16,591)	(7,351)	455,253
Capital assets, net	\$ 521,024	\$ (11,450)	\$ (1,021)	\$ 508,553

Capital assets activity for the year ended June 30, 2020, consisted of the following:

	Balance 6/30/2019	Additions	Reallocation/ Reductions	Balance 6/30/2020
Capital assets, not being depreciated:				
Land and land improvements	\$ 25,349	\$ 977	\$ -	\$ 26,326
Construction in progress	8,811	16,896	(10,204)	15,503
Total capital assets, not being depreciated	34,160	17,873	(10,204)	41,829
Capital assets, being depreciated:				
Land improvements	16,646	1,001	-	17,647
Infrastructure	176,692	1,388	(118)	177,962
Buildings	1,100,365	-	10,204	1,110,569
Equipment	207,831	13,107	(5,140)	215,798
Total capital assets, being depreciated	1,501,534	15,496	4,946	1,521,976
Less accumulated depreciation:	993,837	54,011	(5,067)	1,042,781
Total capital assets, being depreciated, net	507,697	(38,515)	10,013	479,195
Capital assets, net	\$ 541,857	\$ (20,642)	\$ (191)	\$ 521,024

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NOTE 6 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 7 DEBT

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 7 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.

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.

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NOTE 7 DEBT (CONTINUED)

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, 2021 is \$38,385.

On July 15, 2009, the University issued \$22,390 in General Receipts Bonds, Series 2009A (Tax-Exempt). The Bonds were issued with a fixed rate of interest. Proceeds of the series 2009A Bonds were used to pay a portion of the costs of certain improvements to University facilities and the cost of refunding the University's Series 1998 General Receipts Bonds.

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.

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

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NOTE 7 DEBT (CONTINUED)

The University has master lease obligations with financial institutions and other entities relating to equipment with a capital cost of \$9,894 and related accumulated depreciation of \$729 and rates ranging from 3.4% to 7.5%. The balance of capital lease obligations was \$10,722 and \$8,848 for the years ended June 30, 2021 and 2020, respectively.

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

	Principal	Interest	Total
2022	\$ 2,627	\$ 499	\$ 3,126
2023	2,748	373	3,121
2024	2,880	241	3,121
2025	2,147	102	2,249
2026	320	8	328
Total	<u>\$ 10,722</u>	<u>\$ 1,223</u>	<u>\$ 11,945</u>

Contracts have been entered into for capital construction projects amounting to approximately \$6,055. The estimated cost to complete construction in progress at June 30, 2021 is \$8,459.

The University leases certain facilities and data processing, patient care, and other equipment under various noncancelable operating lease agreements. Total operating lease expense was \$1,935 and \$1,965 in 2021 and 2020, respectively. At June 30, 2021, the University is committed to future minimum operating lease payments of \$1,554 in 2022; \$1,091 in 2023; \$730 in 2024; \$685 in 2025; and \$685 in 2026.

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
2022	\$ 4,188	\$ 352	\$ 4,540
2023	4,272	268	4,540
2024	4,358	181	4,539
2025	4,446	93	4,539
2026	2,258	13	2,271
Total	<u>\$ 19,522</u>	<u>\$ 907</u>	<u>\$ 20,429</u>

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NOTE 7 DEBT (CONTINUED)

Long-term liabilities activity for the year ended June 30, 2021, consisted of the following:

Description	Due Dates	Interest Rate	Balance			Balance	
			June 30, 2020	Additions	Retirements	June 30, 2021	Current
General Receipts Series 2013A, private placement bonds Refund Series 2004	2014-2025	1.99%	\$ 4,505	\$ -	\$ 865	\$ 3,640	\$ 885
General Receipts Series 2013B, private placement bonds Refund Series 2011A	2015-2032	Variable	69,100	-	-	69,100	435
General Receipts Series 2013D, private placement bonds Refund partial Series 2007B and all of Series 2005 Total private placement bonds	2031-2036	Variable	15,610	-	-	15,610	-
			89,215	-	865	88,350	1,320
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%	1,525	-	1,525	-	-
General Receipts Series 2013C, serial bonds Refund Series 2009B	2019-2031	5.00%	30,765	-	2,180	28,585	2,290
General Receipts Series 2017A, serial bonds Refund partial Series 2008A and all of Series 2007A	2019-2047	3.625% to 5.0%	67,975	-	3,120	64,855	3,180
General Receipts Series 2017B, serial bonds Refund Series 2011B maturities 2022-2031	2022-2031	5.00%	35,655	-	-	35,655	2,835
General Receipts Series 2018A, serial bonds Refund remaining Series 2008A	2019-2027	5.00%	7,935	-	1,095	6,840	1,065
General Receipts Series 2018B, serial bonds Refund partial Series 2008A and all of Series 2007A Total serial bonds	2033-2044	4.26%	28,320	-	-	28,320	-
			173,500	-	7,920	165,580	9,370
Interest rate swap contract (see Note 8)			11,582	-	1,038	10,544	1,020
Loan payable-Epic	2021-2025	2.00%	-	22,336	2,814	19,522	4,188
Capital lease obligation	2016-2021	Various	8,848	3,690	1,816	10,722	2,627
Total other long-term debt			20,430	26,026	5,668	40,788	7,835
Total long-term debt			\$ 283,145	\$ 26,026	\$ 14,453	\$ 294,718	\$ 18,525
Less current portion						18,525	
Long-term liabilities						<u>\$ 276,193</u>	

Description	Due Dates	Interest Rate	Balance			Balance	
			June 30, 2020	Additions	Retirements	June 30, 2021	Current
Compensated absences			\$ 33,902	\$ 13,706	\$ 13,855	\$ 33,753	\$ 26,262
Less current portion						26,262	
Noncurrent compensated absences						<u>\$ 7,491</u>	

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NOTE 7 DEBT (CONTINUED)

Long-term liabilities activity for the year ended June 30, 2020, consisted of the following:

Description	Due Dates	Interest Rate	Balance			Balance	
			June 30, 2019	Additions	Retirements	June 30, 2020	Current
General Receipts Series 2013A, private placement bonds Refund Series 2004	2014-2025	1.99%	\$ 5,355	\$ -	\$ 850	\$ 4,505	\$ 865
General Receipts Series 2013B, private placement bonds Refund Series 2011A	2015-2032	Variable	71,095	-	1,995	69,100	-
General Receipts Series 2013D, private placement bonds Refund partial Series 2007B and all of Series 2005 Total private placement bonds	2031-2036	Variable	15,610	-	-	15,610	-
			<u>92,060</u>	<u>-</u>	<u>2,845</u>	<u>89,215</u>	<u>865</u>
General Receipts Series 2007B, term bonds: Renovations for athletic, classrooms, and library	2031-2036	Variable	1,325	-	-	1,325	-
General Receipts series 2009A, serial and term bonds: Refund Series 1998, Hospital renovations and digital records	2010-2020	3.0% to 4.375%	695	-	695	-	-
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%	2,975	-	1,450	1,525	1,525
General Receipts Series 2013C, serial bonds Refund Series 2009B	2019-2031	5.00%	32,845	-	2,080	30,765	2,180
General Receipts Series 2017A, serial bonds Refund partial Series 2008A and all of Series 2007A	2019-2047	3.625% to 5.0%	70,470	-	2,495	67,975	3,120
General Receipts Series 2017B, serial bonds Refund Series 2011B maturities 2022-2031	2022-2031	5.00%	35,655	-	-	35,655	-
General Receipts Series 2018A, serial bonds Refund remaining Series 2008A	2019-2027	5.00%	8,580	-	645	7,935	1,095
General Receipts Series 2018B, serial bonds Refund partial Series 2008A and all of Series 2007A Total serial bonds	2033-2044	4.26%	28,320	-	-	28,320	-
			<u>180,865</u>	<u>-</u>	<u>7,365</u>	<u>173,500</u>	<u>7,920</u>
Interest rate swap contract (see Note 8)			12,670	-	1,088	11,582	1,059
Capital lease obligation	2016-2021	Various	438	9,176	766	8,848	1,355
Total other long-term debt			<u>13,108</u>	<u>9,176</u>	<u>1,854</u>	<u>20,430</u>	<u>2,414</u>
Total long-term debt			\$ 286,033	\$ 9,176	\$ 12,064	\$ 283,145	\$ 11,199
Less current portion						11,199	
Long-term liabilities						<u>\$ 271,946</u>	

Description	Due Dates	Interest Rate	Balance			Balance	
			June 30, 2019	Additions	Retirements	June 30, 2020	Current
Compensated absences			\$ 33,438	\$ 15,726	\$ 15,262	\$ 33,902	\$ 25,866
Less current portion						25,866	
Noncurrent compensated absences						<u>\$ 8,036</u>	

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NOTE 7 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
2022	\$ 10,690	\$ 10,615	\$ 1,056	\$ 11,671	\$ 22,361
2023	12,555	10,195	971	11,165	23,721
2024	13,130	9,535	1,039	10,574	23,704
2025	13,575	9,023	933	9,956	23,531
2026	14,185	8,327	989	9,316	23,501
2027-2031	63,355	32,151	4,424	36,574	99,930
2032-2036	88,925	13,535	1,275	14,810	103,735
2037-thereafter	37,515	9,840	-	9,841	47,355
Totals	\$ 253,930	\$ 103,221	\$ 10,687	\$ 113,907	\$ 367,838

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.

THE UNIVERSITY OF TOLEDO
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NOTE 8 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, 2021 is a liability of \$8,326 compared to a liability of \$11,681 on June 30, 2020.

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, 2021 is a liability \$4,097 compared to a liability of \$5,870 on June 30, 2020.

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.

THE UNIVERSITY OF TOLEDO
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NOTE 8 INTEREST RATE SWAPS (CONTINUED)

Effective Date	Type	Objective	Notional Amount	Pays	Receives	Maturity Date	Counter Party Credit Rating	MTM @ 06/30/21	MTM @ 06/30/20
11/16/02	Pay-Fixed, Rec-Var.	Synthetic Fixed Interest	\$ 24,690	3.888%	71% Libor	6/1/32	Aa3/A+	\$ (3,944)	\$ (5,533)
11/19/02	Pay-Fixed, Rec-Var.	Synthetic Fixed Interest	27,435	3.888%	71% Libor	6/1/32	Aa3/A+	(4,382)	(6,148)
4/26/07	Pay-Fixed, Rec-Var.	Synthetic Fixed Interest	33,250	3.660%	68% Libor	6/1/36	Aa3/A+	(4,097)	(5,870)
12/1/02	Pay-Fixed, Rec-Var.	Synthetic Fixed Interest	-	5.000%	67% Libor	6/1/20	Aa3/A+	-	-
			<u>\$ 85,375</u>					<u>\$ (12,423)</u>	<u>\$ (17,551)</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, 2021 and June 30, 2020.

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 (\$12,423). The above-market amounts which equal \$10,544 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		2021 Classification		2020 Classification	
	2021	2020	Amount	Notional	Amount	Notional
Business-type activities						
Cash flow hedges:						
Pay-fixed interest rate swaps (receive-variable)	\$ 5,128	\$ (8,003)	\$ (12,423)	\$ 85,375	\$ (17,551)	\$ 85,375
				Deferred charge		Deferred charge

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 8 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, 2021, the University's net liability position is \$22,967 exclusive of accrued interest in the amount of \$177 compared to a net liability position of \$29,132 in 2020. The University has not been required to post collateral with any counterparty as of June 30, 2021.

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 8 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 9 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, 2021 and 2020, 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, 2020, no employer allocation was made to the health care fund.

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NOTE 9 RETIREMENT BENEFITS (CONTINUED)

OPERS – The ORC provides statutory authority for member and employer contributions. Member contribution rates for the plan years ended December 31, 2020 and 2019 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 2020 and 2019 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 2019 and 2020. For the Member-Directed Plan, 4% of employer contributions was allocated to health care coverage for both 2019 and 2020.

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 2020 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 during the 2020 plan year and 2.44% 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	2021	2020
STRS	\$ 12,647	\$ 13,595
OPERS	25,624	27,015
ARP	7,573	7,937
Total	\$ 45,844	\$ 48,547

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 9 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.

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NOTE 9 RETIREMENT BENEFITS (CONTINUED)

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.

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 2019, 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, 2021 and 2020, 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, 2020 and June 30, 2019 respectively for STRS and December 31, 2020 and December 31, 2020 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	Measurement Date	Net Pension Liability/(Asset)		Proportionate Share		
		2021	2020	2021	2020	Change
STRS	June 30	\$ 193,830	\$ 180,297	0.801%	0.815%	0.01%
OPERS Traditional	December 31	171,757	258,368	1.160%	1.307%	0.15%
OPERS Combined and Member-Directed	December 31	(4,708)	(3,584)	1.329%	1.451%	0.12%

For the year ended June 30, 2021 and 2020, the University recognized pension expense of \$23,257 and \$65,378, respectively.

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NOTE 9 RETIREMENT BENEFITS (CONTINUED)

At June 30, 2021 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	\$ 435	\$ 1,239	\$ 136	\$ 8,036
Changes of assumptions	10,405	-	287	-
Difference between projected and actual investment earnings	9,426	-	-	67,638
Changes in proportion and differences between University contributions and proportionate share of contributions	-	9,222	7,368	17,667
Contributions after the measurement date	12,645	-	11,967	-
Total	\$ 32,911	\$ 10,461	\$ 19,758	\$ 93,341

At June 30, 2020, 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	\$ 1,467	\$ 780	\$ 151	\$ 4,098
Changes of assumptions	21,180	-	14,172	-
Difference between projected and actual investment earnings	-	8,812	-	52,012
Changes in proportion and differences between University contributions and proportionate share of contributions	-	11,825	19,606	5,186
Contributions after the measurement date	13,582	-	12,797	-
Total	\$ 36,229	\$ 21,417	\$ 46,726	\$ 61,296

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NOTE 9 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
2022	\$ (31,631)
2023	(14,758)
2024	(22,666)
2025	(6,661)
2026	(20)
Thereafter	(84)

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year (2021).

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 6/30/20	OPERS - as of 12/31/20
Valuation date	June 30, 2020	December 31, 2020
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	0.00%	0.5% - 3.0%
Salary increases, including inflation	2.5% - 12.5%	3.25% - 10.75%
Price inflation	2.50%	2.50%
Investment rate of return	7.45%, net of investment expense Period of 5 years ended June 30, 2016	7.2%, net of investment expense Period of 5 years ended December 31, 2015
Experience study rate	RP-2014 Annuitant Mortality Table and MP-2016 mortality improvement scale	RP-2014 Healthy Annuitant Mortality Table and MP-2015 mortality improvement scale
Mortality basis		

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NOTE 9 RETIREMENT BENEFITS (CONTINUED)

	STRS - as of 6/30/19	OPERS - as of 12/31/19
Valuation date	June 30, 2019	December 31, 2019
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	0.00%	1.4% - 3.0%
Salary increases, including inflation	2.5% - 12.5%	3.25% - 10.75%
Price inflation	2.50%	2.50%
Investment rate of return	7.45%, net of investment expense Period of 5 years ended June 30, 2016	7.2%, net of investment expense Period of 5 years ended December 31, 2015
Experience study rate	RP-2014 Annuitant Mortality Table and MP-2016 mortality improvement scale	RP-2014 Healthy Annuitant Mortality Table and MP-2015 mortality improvement scale
Mortality basis		

Discount Rate – The discount rate used to measure the total pension liability was 7.45% for STRS and 7.2% for OPERS. 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 target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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NOTE 9 RETIREMENT BENEFITS (CONTINUED)

STRS as of 6/30/2020			OPERS as of 12/31/2020		
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	25.00%	1.32%
International Equity	23.00%	5.30%	Domestic Equity	21.00%	5.64%
Alternatives	17.00%	4.84%	Real Estate	10.00%	5.39%
Fixed Income	21.00%	0.75%	Private Equity	12.00%	10.42%
Real Estate	10.00%	3.75%	International Equity	23.00%	7.36%
Liquidity Reserves	1.00%	0.00%	Other Investments	9.00%	4.75%
Total	<u>100.00%</u>		Total	<u>100.00%</u>	

STRS as of 6/30/2019			OPERS as of 12/31/2019		
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	25.00%	1.83%
International Equity	23.00%	5.30%	Domestic Equity	19.00%	5.75%
Alternatives	17.00%	4.84%	Real Estate	10.00%	5.20%
Fixed Income	21.00%	0.75%	Private Equity	12.00%	10.70%
Real Estate	10.00%	3.75%	International Equity	21.00%	7.66%
Liquidity Reserves	1.00%	0.00%	Other Investments	13.00%	4.98%
Total	<u>100.00%</u>		Total	<u>100.00%</u>	

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 6/30/2020	6.45% \$ 275,980	7.45% \$ 193,830	8.45% \$ 124,214
OPERS 12/31/2020	6.20% 324,314	7.20% 167,049	8.20% 36,403
Total	<u>\$ 600,294</u>	<u>\$ 360,879</u>	<u>\$ 160,617</u>

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NOTE 9 RETIREMENT BENEFITS (CONTINUED)

Plan	1.00% decrease		Current discount rate		1.00% increase	
STRS 6/30/2019	6.45%	\$ 263,485	7.45%	\$ 180,297	8.45%	\$ 109,875
OPERS 12/31/2019	6.20%	423,969	7.20%	254,784	8.20%	102,944
Total		\$ 687,454		\$ 435,081		\$ 212,819

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 \$3,159 and \$1,123 to OPERS at June 30, 2021 and 2020, respectively, for the outstanding amount of contributions required for the years then ended.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

As described in Note 9, 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 10 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, 2019, 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 2019 ACFR.

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NOTE 10 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 2021 and 2020, respectively. The employer contribution as a percent of covered payroll deposited for Member-Directed Plan health care accounts was 4.0% for 2021 and 2020.

Net OPEB Liability, Deferrals, and OPEB Expense – At June 30, 2021 and 2020, the University reported an asset and a liability for its proportionate share of the net OPEB asset/liability of OPERS, respectively, and an asset for its proportionate share of the net OPEB asset of STRS. The net OPEB liability for OPERS was measured as of December 31, 2020 and December 31, 2019. The net OPEB asset and liability for STRS were measured as of June 30, 2020 and June 30, 2019, respectively. The total OPEB liability used to calculate the net OPEB liability and asset was determined by an actuarial valuation as of those dates. The University's proportion of the net OPEB liability and 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		Change
		2021	2020	2021	2020	
STRS	June 30	\$ (14,079)	\$ (13,503)	0.80%	0.82%	0.01%
OPERS	December 31	(20,826)	181,519	1.17%	1.31%	0.15%

For the years ended June 30, 2021 and 2020, the University recognized OPEB (income) and expense of (\$128,783) and \$16,258, respectively.

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NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Descriptions (Continued)

OPERS (Ohio Public Employees Retirement System) (Continued)

At June 30, 2021, 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	\$ 902	\$ 2,804	\$ -	\$ 18,795
Changes of assumptions	232	13,372	10,238	33,744
Difference between projected and actual investment earnings	493	-	-	11,092
Changes in proportion and differences between University contributions and proportionate share of contributions	-	1,526	3,793	16,421
Contributions after the measurement date	-	-	13	-
Total	\$ 1,627	\$ 17,702	\$ 14,044	\$ 80,052

At June 30, 2020, 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	\$ 1,224	\$ 687	\$ 5	\$ 16,601
Changes of assumptions	284	14,805	28,732	-
Difference between projected and actual investment earnings	-	848	-	9,243
Changes in proportion and differences between University contributions and proportionate share of contributions	-	1,346	9,303	3,977
Contributions after the measurement date	-	-	13	-
Total	\$ 1,508	\$ 17,686	\$ 38,053	\$ 29,821

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		
June 30	STRS	OPERS
2022	\$ (3,372)	\$ (35,684)
2023	(3,372)	(27,478)
2024	(3,010)	(1,471)
2025	(2,952)	(1,387)
2026	(3,171)	-
Thereafter	(199)	-

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NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Descriptions (Continued)

OPERS (Ohio Public Employees Retirement System) (Continued)

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability in the next year (2021).

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 6/30/20	OPERS - as of 12/31/20
Inflation	2.50%	3.25%
Salary increases	12.50% at age 20 to 2.50% at age 65	3.25% - 10.75% (includes inflation)
Blended discount rate of return	7.45%	6.00%
Investment rate of return	7.45%, net of investment expenses, including inflation	6.00%, net of investment expenses
Health care cost trends	-6.69-11.87% initial, 4.00% ultimate	8.5% initial, 3.5% ultimate in 2035

	STRS - as of 6/30/19	OPERS - as of 12/31/19
Inflation	2.50%	3.25%
Salary increases	12.50% at age 20 to 2.50% at age 65	3.25% - 10.75% (includes inflation)
Blended discount rate of return	7.45%	3.16%
Investment rate of return	7.45%, net of investment expenses, including inflation	6.00%, net of investment expenses
Health care cost trends	4.93% - 9.62% initial, 4.00% ultimate	10.5% initial, 3.25% ultimate in 2030

STRS

For healthy retirees, the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates, thereafter, projected forward generationally using mortality improvement scale MP-2016.

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NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Descriptions (Continued)

STRS (Continued)

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members. Actuarial assumptions used in the June 30, 2020, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

OPERS

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006.

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, 2019, rolled forward to the measurement date of December 31, 2020.

Discount Rate

STRS

The discount rate used to measure the total OPEB liability was 7.45% as of June 30, 2020. 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 7.45% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2020.

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NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Discount Rate (Continued)

OPERS

A single discount rate of 6.0% was used to measure the OPEB liability on the measurement date of December 31, 2020. 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 2.00%. 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 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

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NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

STRS as of 6/30/2020			OPERS as of 12/31/2020		
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	34.00%	1.07%
International Equity	23.00%	5.30%	Domestic Equity	25.00%	5.64%
Alternatives	17.00%	4.84%	Real Estate	7.00%	6.48%
Fixed Income	21.00%	0.75%	International Equity	25.00%	7.36%
Real Estate	10.00%	3.75%	Other Investments	9.00%	4.02%
Liquidity Reserves	1.00%	0.00%			
Total	<u>100.00%</u>		Total	<u>100.00%</u>	

STRS as of 6/30/2019			OPERS as of 12/31/2019		
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	36.00%	1.53%
International Equity	23.00%	5.30%	Domestic Equity	21.00%	5.75%
Alternatives	17.00%	4.84%	Real Estate	6.00%	5.69%
Fixed Income	21.00%	0.75%	International Equity	23.00%	7.66%
Real Estate	10.00%	3.75%	Other Investments	14.00%	4.90%
Liquidity Reserves	1.00%	0.00%			
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 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan	1.00% decrease		Current discount rate		1.00% increase	
STRS 6/30/2020	6.45%	\$ (12,249)	7.45%	\$ (14,079)	8.45%	\$ 5,631
OPERS 12/31/2020	2.16%	(5,178)	3.16%	(20,826)	4.16%	(33,689)
Total		<u>\$ (17,427)</u>		<u>\$ (34,905)</u>		<u>\$ (28,058)</u>

Plan	1.00% decrease		Current health care trend rate		1.00% increase	
STRS 6/30/2020		\$ (15,535)		\$ (14,079)		\$ (12,305)
OPERS 12/31/2020		(21,333)		(20,905)		(20,258)
Total		<u>\$ (36,868)</u>		<u>\$ (34,984)</u>		<u>\$ (32,563)</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, 2021 and 2020.

Assumption Changes Since the Prior Measurement Date

STRS

There were no changes in assumptions since the prior measurement date of June 30, 2019.

Benefit Term Changes Since the Prior Measurement Date

STRS

There was no change to the claims costs process. Claim curves were updated to reflect the projected FYE 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

Subsequent Events

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. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

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NOTE 11 CONTINGENCIES AND COMMITMENTS

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

The University participates in the Inter-University Council 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 \$10,000 which consists of \$1,000 by the members and \$9,000 from reinsurance. Finally, there are general liability shared excess limits totaling \$30,000. The educator's legal liability coverage has shared excess limits totaling \$25,000 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 \$1,454 and \$1,215 for 2021 and 2020, 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.

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NOTE 11 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 \$5,174 and \$5,125 as of June 30, 2021 and 2020, 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 12 RELATED PARTY TRANSACTIONS

During fiscal year 2020, the Foundation Real Estate Corporation transferred land to the University in the amount of \$977.

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 \$3,778 and \$3,997 as of June 30, 2021 and 2020, respectively.

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NOTE 12 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, 2021 and 2020 is \$2,013.

In December of 2019, UTP-CF began leasing space from the Foundation for an annual amount of \$100, subject to adjustment based on net income. The total amount paid for the years ending June 30, 2021 and 2020, was \$119 and \$58, respectively.

During the years ended June 30, 2021 and 2020, the University paid \$23,858 and \$28,863, respectively, to UTP-CF primarily for wage expense where the University utilized UTP-CF's employees.

During the years ended June 30, 2021 and 2020, the University received \$1,659 and \$1,659, 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 \$11,479 and \$5,120 from UTP-CF for the years ended June 30, 2021 and 2020, respectively, as reimbursement for expenses paid on behalf of UTP-CF.

Accounts receivable from UTP-CF were \$466 and \$511 as of June 30, 2021 and 2020. Accounts payable to UTP-CF were \$1,515 and \$1,179 as of June 30, 2021 and 2020.

During the years ended June 30, 2021 and 2020, the University paid \$378 and \$435, respectively, to UTMAC LLC for professional liability and medical stop-loss insurance.

During the years ended June 30, 2021 and 2020, UTP-CF paid \$1,483 and \$1,341, respectively, to UTMAC LLC for professional liability insurance.

During the years ended June 30, 2021 and 2020, UTMAC LLC declared and paid dividends of \$-0- and \$2,280, respectively, to UTP-CF. In addition, UTMAC LLC returned capital contributions totaling \$17,320 to UTP-CF during the year ended June 30, 2020. UTP-CF subsequently transferred these distributions to the University in support of the broader mission of the collective enterprise.

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NOTE 13 FUNCTIONAL CLASSIFICATION OF EXPENSES

Operating expenses by functional classification for the year ended June 30, 2021 are summarized as follows:

	Payroll	Supplies	Services	Other	Total
Patient Services	\$ 224,831	\$ 112,433	\$ 25,551	\$ 23,770	\$ 386,585
Instruction	182,175	1,934	2,412	1,657	188,178
Research	23,146	7,201	4,356	9,167	43,870
Public Service	5,036	251	2,475	1,345	9,107
Academic Support	38,288	3,475	14,148	8,006	63,917
Student Services	20,172	517	838	2,738	24,265
Institutional Support	27,024	748	4,368	(4,625)	27,515
Operation and Maintenance of Plant	12,452	1,929	894	18,098	33,373
Auxiliary Enterprises	21,516	2,985	17,379	15,231	57,111
	<u>\$ 554,640</u>	<u>\$ 131,473</u>	<u>\$ 72,421</u>	<u>\$ 75,387</u>	833,921
Student Aid					18,624
Depreciation					54,764
Pension/OPEB revenue from GASB adjustment					(151,609)
Provision for Bad Debts					2,741
Total Operating Expenses					<u>\$ 758,441</u>

Operating expenses by functional classification for the year ended June 30, 2020 are summarized as follows:

	Payroll	Supplies	Services	Other	Total
Patient Services	\$ 235,673	\$ 83,914	\$ 27,737	\$ 18,797	\$ 366,121
Instruction	200,150	2,905	2,041	4,803	209,899
Research	22,144	5,855	3,561	10,981	42,541
Public Service	5,910	221	2,224	1,945	10,300
Academic Support	33,022	251	4,081	4,332	41,686
Student Services	19,103	527	705	3,234	23,569
Institutional Support	32,910	881	17,133	140	51,064
Operation and Maintenance of Plant	13,141	2,051	1,204	10,320	26,716
Auxiliary Enterprises	22,477	3,167	18,818	16,195	60,657
	<u>\$ 584,530</u>	<u>\$ 99,772</u>	<u>\$ 77,504</u>	<u>\$ 70,747</u>	832,553
Student Aid					24,289
Depreciation					54,011
Pension/OPEB expense from GASB adjustment					33,966
Provision for Bad Debts					421
Total Operating Expenses					<u>\$ 945,240</u>

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020
(DOLLARS IN THOUSANDS)

NOTE 14 UPCOMING PRONOUNCEMENTS

GASB Statement No. 93 – The GASB has issued Statement No. 93, *Replacement of Interbank Offered Rate* which is effective for fiscal years beginning after June 15, 2020. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended

Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The University has not yet determined the effect that the adoption of GASB Statement No. 93 may have on its financial statements.

GASB Statement No. 94 – The GASB has issued Statement No. 94, *Public-Private and Public Partnerships and Availability Payment Arrangements* which is effective for fiscal years beginning after June 15, 2022. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third-parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The University has not yet determined the effect that the adoption of GASB Statement No. 94 may have on its financial statements.

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020
(DOLLARS IN THOUSANDS)

NOTE 14 UPCOMING PRONOUNCEMENTS (CONTINUED)

GASB Statement No. 95 – The GASB has issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*” The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (reporting periods beginning after December 15, 2020)
- Statement No. 91, *Conduit Debt Obligations* (reporting periods beginning after December 15, 2021)
- Statement No. 92, *Omnibus 2020* (reporting periods beginning after June 15, 2021)
- Statement No. 93, *Replacement of Interbank Offered Rates* (fiscal years beginning after June 15, 2021, and all reporting periods thereafter)

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87 and *Implementation Guide 2019-3 Leases* (fiscal years beginning after June 15, 2021, and all reporting periods thereafter)

GASB Statement No. 96 – The GASB has issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which is effective for fiscal years beginning after June 15, 2022. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The University has not yet determined the effect that the adoption of GASB Statement No. 96 may have on its financial statements.

THE UNIVERSITY OF TOLEDO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020
(DOLLARS IN THOUSANDS)

NOTE 14 UPCOMING PRONOUNCEMENTS (CONTINUED)

GASB Statement No. 97 – The GASB has issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, which is effective for fiscal years beginning after June 15, 2021. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The University has not yet determined the effect that the adoption of GASB Statement No. 97 may have on its financial statements.

NOTE 15 SUBSEQUENT EVENTS

The United States of America and the state of Ohio declared a state of emergency in March 2020, due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures continue to impact subsequent periods of the University. The University's investment portfolio and the investments of the pension and other employee benefit plan in which the University participates have incurred a significant increases in fair value, consistent with the general rebound in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the University's future operating costs and revenues, cannot be estimated.

In October of 2021, the University completed the refinancing of parking assets, and campus parking is now managed by ParkUToledo. The 35-year agreement brings an up-front \$52.5M payment to the University plus an additional \$10M in investment in parking infrastructure.

**THE UNIVERSITY OF TOLEDO
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021 AND 2020
(DOLLARS IN THOUSANDS)**

Schedule of Pension Funding	2021		2020		2019		2018		2017		2016	
	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS
Plan year end	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	0.80%	1.15%	0.82%	1.30%	0.82%	1.19%	0.87%	1.29%	0.89%	1.35%	0.91%	1.38%
Amount	\$ 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	\$ 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	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	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	2021		2020		2019		2018		2017		2016	
	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS
Statutorily required contribution	\$ 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	\$ 12,647	\$ 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	\$ 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	16.05%	14.46%	16.05%	14.69%	16.03%	14.62%	15.89%	14.53%	15.79%	14.14%	15.75%	14.13%

Note: 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.

THE UNIVERSITY OF TOLEDO
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021 AND 2020
(DOLLARS IN THOUSANDS)

Schedule of OPEB Funding	2021		2020		2019		2018	
	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS
Plan year end	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	0.80%	1.17%	0.82%	1.31%	0.82%	1.20%	0.87%	1.31%
Amount	\$ (14,079)	\$ (20,826)	\$ (13,503)	\$ 181,519	\$ (13,251)	\$ 156,522	\$ 33,878	\$ 142,066
University's covered-employee payroll	\$ 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	-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	182.13%	115.56%	174.74%	47.80%	176.00%	46.33%	47.11%	54.14%

Schedule of OPEB Contributions	2021		2020		2019		2018	
	STRS	OPERS	STRS	OPERS	STRS	OPERS	STRS	OPERS
Statutorily required contribution	\$ -	\$ 27	\$ -	\$ 28	\$ -	\$ 31	\$ -	\$ 293
Contributions in relation to the actuarially determined contractually required contribution	\$ -	\$ 27	\$ -	\$ 28	\$ -	\$ 31	\$ -	\$ 293
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 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%	0.02%	0.00%	0.02%	0.00%	0.02%	0.00%	0.16%

Note: 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.

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 University of Toledo and the discretely presented component unit of The University of Toledo, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise The University of Toledo's basic financial statements, and have issued our report thereon dated October 15, 2021. The University is a component unit of the state of Ohio. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the discretely presented component unit.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The University of Toledo'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 of Toledo's internal control. Accordingly, we do not express an opinion on the effectiveness of The University of Toledo'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.

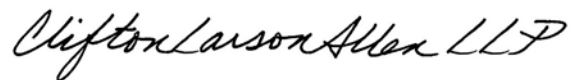
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The University of Toledo'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 15, 2021



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

Board of Trustees
The University of Toledo
Toledo, Ohio

Report on Compliance for Each Major Federal Program

We have audited The University of Toledo's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The University of Toledo's major federal programs for the year ended June 30, 2021. The University of Toledo's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of The University of Toledo's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The University of Toledo's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of The University of Toledo's compliance.

Opinion on Each Major Federal Program

In our opinion, The University of Toledo complied, in all material respects, with the types of 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, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2021-001 and 2021-002. Our opinion on each major federal program is not modified with respect to these matters.

The University of Toledo's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The University of Toledo's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of The University of Toledo is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The University of Toledo's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The University of Toledo's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002, that we consider to be significant deficiencies.

Board of Trustees
The University of Toledo

The University of Toledo's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The University of Toledo's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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
February 16, 2022

THE UNIVERSITY OF TOLEDO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

Federal Agency/ Program or Cluster	Federal ALN	Primary Sponsor	Award Number	Passed-Through to Subrecipients	Expenditures
STUDENT FINANCIAL ASSISTANCE CLUSTER					
FSEOG	84.007			\$ -	\$ 1,100,998
Pell Grant	84.033			-	18,338,280
Federal Workstudy	84.033			-	851,245
Federal Teach Grant	84.379			-	80,493
Federal Direct Loans advances during fiscal year	84.268			-	114,681,285
Federal Perkins Loans outstanding balance at 07/01/2020	84.038			-	7,861,409
				<hr/>	<hr/>
				-	142,913,710
Disadvantaged Student Loans outstanding balance at 07/01/2020	93.342			-	226,001
Primary Care Loans outstanding balance at 07/01/2020	93.342			-	428,180
Nurse Faculty Loans outstanding balance at 07/01/2020	93.264	2 - E01HP12956		-	197,823
Nurse Faculty Loans advances during fiscal year	93.264	2 - E01HP12956		-	19,153
				<hr/>	<hr/>
				-	871,157
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER					
				-	143,784,867
HIGHER EDUCATION EMERGENCY RELIEF FUND (HEERF)					
COVID-19 HEERF- CARES Institutional Portion	84.425F	U.S. Department of Education	P425F200739	-	29,777,172
COVID-19 HEERF - Emergency Fin Aid Grants to students (CARES) portion	84.425E	U.S. Department of Education	P425E200954 - 20A Ac	-	8,017,754
COVID-19 Governor's Emergency Education Relief (GEER)	84.425C	U.S. Department of Education	S425C200040	-	22,402
COVID-19 Subgrants for Non-profit or Community-based Student Learning and Remote Education Partners Student engagement and Intervention via remote learning Passed-Through from Ohio Department of Education	84.425D	U.S. Department of Education	S425D2000035	1,042	17,392
TOTAL HIGHER EDUCATION EMERGENCY RELIEF FUND					
				<hr/>	<hr/>
				1,042	37,834,720
CORONAVIRUS RELIEF FUND					
COVID-19 CARES Act - Coronavirus Relief Fund – Ohio Higher Education	21.019	Ohio Department of Higher Education		-	13,095,313
COVID-19 COVID Tracing Grant Project	21.019	Wood County Board of Health		-	21,299
COVID-19 CARES Act - Coronavirus Relief Fund - Ohio Higher Education - Mental Health	21.019	Ohio Department of Higher Education		-	187,558
COVID-19 Coronavirus Response Grant Passed-Through From Lucas County Regional Health District	21.019	Centers for Disease Control and Prevention		-	3,000
COVID- 19 Dormitory wastewater monitoring of SARS-CoV-2 at Universities and Colleges in the State of Ohio	21.019	Ohio State University	45502_GR122232	-	208,866
TOTAL CORONAVIRUS RELIEF FUND					
				<hr/>	<hr/>
				-	13,516,036

See Notes to the Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF TOLEDO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

Federal Agency/ Program or Cluster	Federal ALN	Primary Sponsor	Award Number	Passed-Through to Subrecipients	Expenditures
RESEARCH AND DEVELOPMENT CLUSTER					
U.S. Department of Agriculture					
Analysis of mechanisms involved in induction of abiotic and biotic stress tolerance through nutrition and temperature	10.001	U.S. Department of Agriculture	58-5082-6-012	\$ -	\$ 236,369
Immune Evasion in Aquatic Rhabdoviral Pathogens	10.001	U.S. Department of Agriculture	58-5090-6-057	247,309	669,219
Biomonitoring of Iron Deficiency and Toxicity in Ornamental Plants	10.001	U.S. Department of Agriculture	58-5082-8-011	-	12,720
Research Support Agreement-Acquisition of Goods and Services	10.001	U.S. Department of Agriculture	58-5082-8-009	-	1,097
Investigating leaf angle response to temperature and carbon dioxide	10.001	U.S. Department of Agriculture	58-5082-9-019	-	123,894
Industry Clusters and Location of Agriculture: Establishing a Theoretical Base for Economic Development Practice Passed-Through From Rutgers University	10.310	U.S. Department of Agriculture		-	4,546
A new technology for high yield conversion of biomass carbohydrates to furans for bioproducts	10.310	U.S. Department of Agriculture	2018-67021-27953	-	18,469
Total U.S. Department of Agriculture				247,309	1,066,314
Economic Development Administration					
The University of Toledo Rocket Fuel Fund	11.020	Economic Development Administration	ED17HDQ0200013	-	53,216
Total Economic Development Administration				-	53,216
National Oceanic and Atmospheric Administration					
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 Ohio State University	11.417	National Oceanic and Atmospheric Administration	60074859	-	53,396
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 Ohio State University	11.417	U.S. Department of Commerce	NA18OAR4170100	-	30,921
Structural controls on wetlands' hydrological capacity for nutrient attenuation within the Maumee watershed Passed-Through From Ohio State University	11.417	National Oceanic and Atmospheric Administration	60078676	-	6,116
Assessing the impact of shore management on the resilience of coastal environmental microbiomes Passed-Through From Ohio Sea Grant Program	11.417	National Oceanic and Atmospheric Administration	60074861	-	10,363
Recalibration for Improved Historical Toxicity Measurement in Western Lake Erie Passed-Through From Ohio State University	11.417	National Oceanic and Atmospheric Administration	GR120800 60078677	-	5,157
Building Resilient Shorelines-Phase IV Passed-Through From Ohio Department of Natural Resources	11.419	National Oceanic and Atmospheric Administration	NA16NOS4190094	-	2,980
Building Resilient Shorelines—Shoreline Alterations and Nearshore Habitat Passed-Through From Ohio Department of Natural Resources	11.419	National Oceanic and Atmospheric Administration	NA20NOS4190084	-	22,901

See Notes to the Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF TOLEDO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

Federal Agency/ Program or Cluster	Federal ALN	Primary Sponsor	Award Number	Passed-Through to Subrecipients	Expenditures
Engaging Students and Teachers Through GLOBE: Authentic Watershed Studies in the Maumee and Lake Erie Watersheds	11.429	National Oceanic and Atmospheric Administration	NA19NOS4290024 B-WET	\$ -	\$ 9,064
Great Lakes Student Research Campaign: Engaging Students and Teachers in Authentic Watershed Studies	11.429	National Oceanic and Atmospheric Administration	B-WET-NA20NOS4290013	18,918	64,454
Great Lakes Bay Watershed Education and Training (B-WET) program FY21	11.429	National Oceanic and Atmospheric Administration	NA21NOS4290009	-	16,547
Forecasting the Risk of High Microcystin Exposure in Western Lake Erie Using Routine Monitoring Data Passed-Through From University of Michigan	11.432	National Oceanic and Atmospheric Administration	NA17OAR4320152 SUB	-	533
Portable toxin detection technology to support Great Lakes decision support tools Passed-Through From Bowling Green State University	11.478	National Oceanic and Atmospheric Administration	10010367-UT	-	42,525
Using Microcystin Degrading Bacteria and their Enzymes for Water Treatment	11.478	National Oceanic and Atmospheric Administration	NA20NOS4780182	-	109,196
Total National Oceanic and Atmospheric Administration				18,918	374,153
U.S. Department of Defense					
Fatigue Properties of Aerospace Materials (Multiaxial Fatigue) Passed-Through From Technical Data Analysis	12.000	U.S. Department of the Navy	N68335-16-G-0009	-	14
Fabrication of 12 VO2 Films on 4" Wafers for NVL Passed-Through From QinetiQ North America Operation, LLC	12.000	U.S. Air Force Research Lab		-	13,093
Development of Hot Non-Vitiated Air for Hypersonic Testing	12.000	Office of Naval Research	N00014-20-C-1069	-	573,112
Seed Program: Investigation of Power Electronics and Control Systems for Nuclear/Renewable Energy Parks Passed-Through From Idaho National Labs	12.000	U.S. Department of Energy	DE-AC07-05ID14517_26	-	141,452
Photovoltaic Sheets for High Specific Power Space-Based Energy Harvesting (PVS-EH)	12.000	Air Force Research Laboratory	FA9453-21-C-0056	-	134,980
NURTURING STEM in Early Childhood for Military Connected Families	12.006	Office of Naval Research	HQ0034-20-S-F001	95,508	488,673
NURTURING STEM in Early Childhood for Military Connected Families	12.006	Office of Naval Research	HQ0034-20-S-F001	-	6,469
High Specific Power Multi-JunctionThin Film PV Fundamental and Applied WBGs Device Modeling	12.114	Air Force Research Laboratory	FA9453-18-2-0037	-	748,988
Investigation for Next Generation Naval Applications	12.300	Office of Naval Research	N00014-18-1-2676	-	116,204
Air Wave Bearings for Turbine Engines	12.300	Office of Naval Research	N00014-19-1-2743	-	156,294
Ultra-wideband and Highly Efficient Plasma-Matched Small HF Antennas	12.300	Office of Naval Research	N00014-21-1-2449	-	13,550
Wideband and High-Power Reconfigurable Plasma Matching Network for Compact and Efficient Phased Array Emitters	12.300	Office of Naval Research	N00014-19-1-2549	-	46,681
Passed-Through From Purdue University	12.300	Office of Naval Research		-	-
Early Intervention to Reduce Alcohol Misuse and Abuse in the Ohio Army National Guard Passed-Through From University Hospitals of Cleveland	12.420	U. S. Army Medical Research and Materiel Command	W81XWH-14-2-0007	-	2,346

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Pre-, Peri-, and Post-deployment Trajectories and Mechanisms of Psychopathology, Psychological Health and Resilience over 9 Years of Prospective Follow-up in the Reserves Passed-Through From University Hospitals of Cleveland	12.420	U. S. Army Medical Research and Materiel Command	W81XWH-15-1-0080	\$ -	\$ (733)
A Novel Nuclear Interaction between Androgen Receptor and TM4SF3	12.420	U.S. Department of Defense	W81XWH-17-1-0263	-	102,620
Tumor metabolism as the new Achilles' heel in prostate cancer	12.420	U.S. Department of Defense	W81XWH2010794	-	129,375
Development of Novel Inducers of Non-Apoptotic Cell Death to Target TNBC	12.420	U.S. Department of Defense	W81XWH2110053	-	275,864
Active Early Detection and Diagnosis of HABs with Scalable Biological Treatment Strategies	12.630	U.S. Army Corps of Engineers	W912HZ2120015	-	46,101
A Global Hybrid LES/RANS Model for High Speed Aerodynamic Applications Passed-Through From Southwestern Ohio Council for Higher Education	12.800	Air Force Research Laboratory	DAGSI RQ11-UT-19-2	-	1,911
Development of Low Cost Materials and Devices for Flexible Tandem Space Solar Cells (ROSET)	12.800	Air Force Research Laboratory	FA9453-19-C-1002	-	1,940,070
Assured Digital Microelectronics Education & Training Ecosystem (ADMETE) Passed-Through From Wright State University	12.910	Air Force Research Laboratory	FA8650-20-2-1136	-	71,683
Reconfigurable Plasma Protection against High Power Microwaves Passed-Through From Purdue University	12.300	Office of Naval Research	N00014-21-1-2441	-	12,089
Total U.S. Department of Defense				95,508	5,020,836
U.S. Department of the Interior					
Gray Vireo Demography Passed-Through From New Mexico Dept. of Game and Fish	15.000	U.S. Fish and Wildlife Service	1810052	-	15,277
BLM Contract Solicitation L17PS00986: Production of PZP-22 Contraceptive Vaccine	15.229	Bureau of Land Management	L17PC00154	-	9,374
Sandusky River, Post-dam Removal, Habitat Restoration Assessment Passed-Through From Ohio State University	15.605	U.S. Fish and Wildlife Service		-	(3,911)
Assessment of Sandusky River habitat for walleye spawning Passed-Through From Ohio State University	15.605	U.S. Fish and Wildlife Service	60077350	-	55,697
Distribution, Density, and Demography of Spotted Turtles, Eastern box Turtles, and Red-Headed Woodpeckers in Oak Openings of Ohio and Michigan Passed-Through From Ohio Department of Natural Resources	15.634	U.S. Fish and Wildlife Service	F18AP00048-01	-	5,215
Distribution, Density, and Demography of Spotted Turtles, Eastern box Turtles, and Red-Headed Woodpeckers in Oak Openings of Ohio and Michigan Passed-Through From Michigan Department of Natural Resources	15.634	U.S. Department of the Interior	F18AP00150	-	(7,383)
Enhancement of Turtle Recruitment in the Kalamazoo River Passed-Through From U.S. Fish and Wildlife Service	15.658	U.S. Department of the Interior	F17AC00677	-	46,141
Use of existing fishery assessment data to determine detection probability of rare and newly introduced nonindigenous species in Lake Erie Passed-Through From Ohio Department of Natural Resources	15.662	U.S. Fish and Wildlife Service	FCGX05	-	(184)
Removal of invasive grass carp from Lake Erie and tributaries: targeted collection and modeling to improve catch Passed-Through From Ohio Department of Natural Resources	15.662	U.S. Fish and Wildlife Service	F18AP00885_DNRPF CGX0	-	244,362
Removal of invasive grass carp from Lake Erie and tributaries: targeted collection and modeling to improve catch Passed-Through From Ohio Department of Natural Resources	15.662	U.S. Fish and Wildlife Service	F19AP00647	-	79,434
Examination of Factors Influencing Lake Whitefish Recruitment in the Detroit River and Western Lake Erie	15.808	U.S. Geological Survey	G16AC00345	-	26,640

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Vegetation Surveying in Support of Grass Carp Spawning Potential in the Sandusky River Basin	15.808	U.S. Geological Survey	G17AC00404 Mod 0002	\$ -	\$ 134,700
Modeling the Response of Fish and Benthic Invertebrate Responses to Changes in Stream Flow and Land Use in the Cape Fear And Yadkin/Pee Dee River Basins	15.808	U.S. Geological Survey	G17AC00271	-	11,031
Ichthyoplankton Community Ecology and Distribution in Lake St. Claire	15.808	U.S. Geological Survey	G18AC00107	-	5,590
Identification of Optimal Sites for Maumee AOC Restoration Actions in the Lower Maumee River	15.808	U.S. Geological Survey	G19AC00077	4,973	112,118
Transitioning to a Long-Term Ecosystem Monitoring Program in the St. Clair-Detroit River System	15.808	U.S. Geological Survey	G19AC00427	-	234,072
Foodweb Dynamics in Western Lake Erie Associated with CSMI Sampling	15.808	U.S. Geological Survey	G19AC00415	-	130,312
Foodweb Dynamics in Western Lake Erie Associated with CSMI Sampling	15.808	U.S. Geological Survey	G19AC00415	-	104,421
Lake Sturgeon survival, habitat use, and movements in Lake Erie	15.808	U.S. Geological Survey	G20AC00447	-	26,235
Advisory Services to the Great Lakes HABs Collaboration Passed-Through From Great Lakes Commission	15.808	U.S. Geological Survey	G18AC00279	-	499
Transitioning to a Long-Term Ecosystem Monitoring Program in the St. Clair-Detroit River System	15.808	U.S. Geological Survey	G19AC00427	-	944
Surficial Geology Mapping of Glacial Lake Agassiz Strandlines, Polk County, Minnesota, dated 11/18/2019	15.810	U.S. Geological Survey	G20AC00131	-	21
Total U.S. Department of the Interior				4,973	1,230,605
U.S. Department of Justice					
Center for Student Advocacy & Wellness Passed-Through From Ohio Attorney General	16.575	U.S. Department of Justice	2020-VOCA-132922229	-	54,762
Focus on Runaways Passed-Through From Ohio Office of Criminal Justice Services	16.738	U.S. Department of Justice	2018-JG-E01-V6364	-	58,495
Total U.S. Department of Justice				-	113,257
National Aeronautic Space Administration					
A Snapshot WFC3 IR Survey of Spitzer/Herschel-Identified Protostars in Nearby Molecular Clouds	43.000	Space Telescope Science Institute	HST-GO-14181-001-A	-	36,973
Radiative Feedback from Massive Stars as Traced by Multiband Imaging and Spectroscopic Mosaics Passed-Through From Space Telescope Science Institute	43.000	NASA Goddard Space Flight Center	JWST-ERS-01288.021-A	-	9,828
Scalable Production of Boron Nitride Nano-sheets (BNNS) using Compressible Flow Exfoliation	43.000	National Aeronautics and Space Administration	80NSSC20P0785	-	12,481
Compact Gas Turbine Compressor CFD Analysis Passed-Through From HX5, LLC	43.000	National Aeronautics and Space Administration		-	60,405
Compact Gas Turbine Compressor CFD Analysis Passed-Through From HX5, LLC	43.000	National Aeronautics and Space Administration		-	122,420
Unlocking Far-Infrared Metal Abundances in NGC628 Passed-Through From Universities Space Research Association	43.000	National Aeronautics and Space Administration	NNA17BF53C	-	9,440
SMA Database	43.000	NASA John H. Glenn Research Center at Lewis Field	80NSSC20P1548	-	31,453
Mission Earth: Fusing GLOBE with NASA Assets to Build Systemic Innovation in STEM Education	43.001	National Aeronautics and Space Administration	NNX16AC54A	971,596	1,467,626

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Constructing a Phase Diagram for the Interstellar Medium through the Analysis of O I Fine-Structure Excitations Passed-Through From Space Telescope Science Institute	43.001	NASA Ames Research Center	HST-AR-15049.002-A	\$ -	\$ 940
The 6 pc DASH: A WFC3 1.6 micron Survey of the Orion Integral Shaped Filament Passed-Through From Space Telescope Science Institute	43.001	NASA John H. Glenn Research Center at Lewis Field	GO Proposal 15141	-	39,104
4274Infrared Abundances and the Chemical Enrichment of the Universe	43.001	National Aeronautics and Space Administration	80NSSC18K0730 P00005	27,379	140,030
Bow-shocks and Jets in the Far-IR: Velocity Resolved Passed-Through From Universities Space Research Association	43.001	NASA Ames Research Center		-	56,380
A Spitzer, Herschel and WISE Census of Protostars within 500 pc of the Sun	43.001	National Aeronautics and Space Administration	80NSSC18K1564 - P000	2,897	141,838
UV Laboratory Measurements of Oscillator Strengths, Radiative Lifetimes, and Dissociation Products of CH, C2, and CS Passed-Through From The University of California at Davis	43.001	National Aeronautics and Space Administration	A18-1779-S001	-	4,899
18-ADAP18-0200; Orion The Final Epoch	43.001	National Aeronautics and Space Administration	80NSSC19K0591-P0001	36,872	61,982
Clusters, Clumps, Dust and Gas in Extreme Star-Forming Galaxies	43.001	Space Telescope Science Institute	Cycle 26 Program GO- - HST-GO-15649.001-A	-	23,744
GaN-Based Power Bus Converter with Autonomous Control for Deep Space Small Spacecraft Power Subsystems Passed-Through From Jet Propulsion Laboratory	43.001	National Aeronautics and Space Administration	1641181	-	16,616
Improved Constraints on Grain Growth from a Survey of Phosphorus and Chlorine Depletions in the Diffuse ISM	43.001	Space Telescope Science Institute	HST-AR-15807.002	-	9,725
Two Decades of Protostellar Variability in the IR: An ISO, Herschel, Spitzer, SOFIA and NEOWISE Archival Study	43.001	National Aeronautics and Space Administration	80NSSC20K0454	995	6,522
Compact Gas Turbine Compressor CFD Analysis Passed-Through From HX5, LLC	43.002	NASA John H. Glenn Research Center at Lewis Field	WO-0179	-	248,682
Reimbursable Research and Engineering Support for Development and Testing of High Temperature Seals for DARPA High-Speed Vehicle Program - SAE-0102	43.002	NASA John H. Glenn Research Center at Lewis Field	SAE-0102	-	33,291
Passed-Through From HX5, LLC	43.002	NASA John H. Glenn Research Center at Lewis Field	WO-0090	-	71,457
Research and Engineering Support for Advanced Seals Development	43.002	NASA John H. Glenn Research Center at Lewis Field	WO-0104	-	299,011
Experimental and Computational Investigation of Turbine Aerodynamics & Heat Transfer for CGT Power Extraction and High Power Density Core	43.002	NASA John H. Glenn Research Center at Lewis Field	WO-0178	-	214,370
Advanced Computational Tools for the Simulation of Multistage Turbomachinery in Support of Aero propulsion	43.002	NASA John H. Glenn Research Center at Lewis Field	WO-0017	-	204,152
Analysis for Future Aircraft Propulsion Systems	43.002	NASA John H. Glenn Research Center at Lewis Field	WO-0058	-	194,054
High Temperature Materials & Coatings for Extreme Environments Passed-Through From HX5, LLC	43.002	NASA John H. Glenn Research Center at Lewis Field	WO-0063	-	170,587
Nondestructive Evaluation for Aerospace Materials & Structures Passed-Through From HX5, LLC	43.002	NASA John H. Glenn Research Center at Lewis Field	WO-0065	-	572,555
Advanced Microscopy and Microstructural Analysis Passed-Through From HX5, LLC	43.002	NASA John H. Glenn Research Center at Lewis Field	WO-0100	-	231,848
Analysis and Testing of Advanced Materials & Structures	43.002	NASA John H. Glenn Research Center at Lewis Field	WO-0186	-	15,286
Passed-Through From HX5, LLC	43.002	NASA John H. Glenn Research Center at Lewis Field	WO-0285	-	74,331
Experimental Support for Measurements of Blade Vibrations	43.002	NASA John H. Glenn Research Center at Lewis Field		-	15,286
Passed-Through From HX5, LLC	43.002	NASA John H. Glenn Research Center at Lewis Field		-	15,286
SA-Reimbursable Research and Engineering Support for Development and Testing of High Temperature Seals for Air Force High-Speed Vehicle Program Passed-Through From HX5, LLC	43.002	NASA John H. Glenn Research Center at Lewis Field		-	74,331

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A Multiwavelength Study of the Nature of Diffuse Atomic and Molecular Gas Passed-Through From Space Telescope Science Institute	43.003	National Aeronautics and Space Administration	HST-GO-14173.001-A	\$ -	\$ 3,294
Microgravity Crystal Growth for Improvement in Neutron Diffraction and the Analysis of Protein Complexes Passed-Through From Center for the Advancement of Science in Space	43.007	NASA Goddard Space Flight Center	GA-2017-251	-	35,201
Total National Aeronautic Space Administration				<u>1,039,739</u>	<u>4,620,525</u>
National Science Foundation					
NSF Graduate Research Fellowship Program	47.000	National Science Foundation	2041857	-	39,492
I-/URC: Technolgy Innovation for Novel Cost-reducing and Quality Enhancing Muscalskeletal Therapies	47.041	National Science Foundation	IIP-1361977_INTERN S	-	20,052
PFI:AIR - TT: High Yield Production of Furans from Biomass Hydrolysates using a Hybrid Enzyme- and Chemo-catalytic Technology	47.041	National Science Foundation	1500273 Intern	-	26,090
DMREF: Collaborative Research: Hard Coating Synthesis GOALI/Collaborative: Engineering Biofilm Dynamics for Cyanotoxins in Biological Water Treatment	47.041	National Science Foundation	1629239	-	68,972
I-Corp Node: Activating the Midwest I-Corps Network Passed-Through From University of Michigan	47.041	National Science Foundation	CBET1605185 Amend 0	-	27,865
Role of Small Angle Grain Boundaries in CdTe Solar Cell Performance	47.041	National Science Foundation	3004362736	-	19,373
4016Next Generation Ca-P Cements for Treating Vertebral-Body Fractures	47.041	National Science Foundation	NSF 1711534	-	139,421
Multifunctional Underwater Sealant with Long-Term Sustained Release Functionality	47.041	National Science Foundation	CBET1706513	-	40,502
Electrochemical Interaction of Nano-Cerium Oxide Composites with Hydroxyl Radicals	47.041	National Science Foundation	1701104	-	48,495
Scalable Nanomanufacturing of Two-Dimensional Materials by High Speed Compressible Gas Flow Exfoliation	47.041	National Science Foundation	1817294 (REU)	-	115,900
CAREER: Dual Function Materials for Capture and Conversion of CO2 into Methanol and Higher Alcohols	47.041	National Science Foundation	1762507	-	63,493
I-CORPS Minimizing the risk of radiation to prostate cancer patients	47.041	National Science Foundation	1847391	-	114,735
Phase II IUCRC The University of Toledo: Center for Disruptive Musculoskeletal Innovations (CDMI)	47.041	National Science Foundation	1916364	-	(410)
Phase II IUCRC The University of Toledo: Center for Disruptive Musculoskeletal Innovations (CDMI) Program Income	47.041	National Science Foundation	1916636	-	242,764
Research Initiation: Measuring mental demand of interactive textbooks using wearables and web analytics	47.041	National Science Foundation	1916636	-	109,462
I-Corps: A Super-Sensitive Real-Time Sensor for Reactive Oxygen Species (ROS)	47.041	National Science Foundation	2025088	-	49,472
NSF I-Corps Injectable Gel for Bone Healing	47.041	National Science Foundation	2023102	-	25,135
I-Corps: Additively manufactured NiTi aerospace actuators	47.041	National Science Foundation	2040076	-	9,990
DMREF: SusChEM: Collaborative Research: Rapid Design of Earth Abundant Inorganic Materials for Future PV's	47.041	National Science Foundation	2109572	-	18,719
	47.049	National Science Foundation	1534686	-	11,569

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ATD: Collaborative Research: Spatio-temporal data analysis with dynamic network models	47.049	National Science Foundation	NSF 17-510 - 1830412	\$ -	\$ 22,330
Lead free organic-inorganic halide perovskite ferroelectrics with large piezoelectric responses	47.049	National Science Foundation	1807818	-	23,380
RUJ: Algebraic, Differential-Geometric, and Computational Aspects of Darboux Transformations in Classical and Super Settings Passed-Through From State University of New York	47.049	National Science Foundation	210-1146191-81168	-	(62)
Quantum theories of atomic and molecular interactions, and their applications	47.049	National Science Foundation	1912489 PHY	-	95,324
Fundamental study of synthetic and transformational reactions of molecular silver and gold nanoparticles	47.049	National Science Foundation	1905262	-	82,039
Creation of Tools for the Determination of the Impact of Natural Modifications on RNA Damage	47.049	National Science Foundation	1904754	12,605	39,103
Cold Gas Around Black Holes: Fueling and Feedback in Galaxy Mergers Passed-Through From National Radio Astronomy Observatory	47.049	National Science Foundation	1519126	-	10,309
Tracking the Causes and Effects of Galactic Winds with Resolved Spectroscopy	47.049	National Science Foundation	2009416	-	8,100
Modeling the Abundance and Distribution of the First Stars and Galaxies	47.049	National Science Foundation	2009309	-	5,689
REU Site: Research Experiences for Undergraduates in Physics and Astronomy at the University of Toledo	47.049	National Science Foundation	1950785	-	28,115
Collaborative Research: Winter snow depth as a driver of microbial activity, nutrient cycling, tree growth and treeline advance in the Arctic	47.050	National Science Foundation	1503939	-	79,892
Lake Erie Center for Fresh Waters and Human Health--BGSU NSF subaward Passed-Through From Bowling Green State University	47.050	National Science Foundation	1840715	-	81,192
Biological and Geochemical Controls on Phosphorus Bioavailability in Arctic Tundra	47.050	National Science Foundation		-	51,817
CRII: III: Generative Models for Robust Real-Time Analysis of Complex Dynamic Networks	47.070	National Science Foundation	1755824	-	77,783
Plant perception of insect herbivores includes leaf vibrations caused by chewing. Passed-Through From University of Missouri-Columbia	47.074	National Science Foundation	1359593	-	36
RESEARCH - PGR: Elucidating Maize Gene Regulatory Networks to Accelerate Translational Genomics Passed-Through From Michigan State University	47.074	National Science Foundation		-	165,052
Addressing Environmental Challenges and Proposing Sustainable Solutions at the Lake Erie Land-Lake Interface	47.074	National Science Foundation	1852245	-	4,121
Addressing Environmental Challenges and Proposing Sustainable Solutions at the Lake Erie Land-Lake Interface	47.074	National Science Foundation	1852245	-	47,365
The Northern Ohio Alliance for Advancing Graduate Education in the Professoriate	47.076	National Science Foundation	HRD 1432878	-	27,570
NURTURES Phase II: Expansion and Evaluation	47.076	National Science Foundation	1721059	20,000	125,197
Developing problem solving skills using student-generated problems that reverse engineer YouTube videos	47.076	National Science Foundation	1712186	-	53,826

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Experiences in STEM and Computational Thinking: Improving Teaching and Learning (EXCITE)	47.076	National Science Foundation	DRL-1741784	\$ 15,000	\$ 335,910
SaTC: EDU: Collaborative: Visualization and Practice based Cybersecurity Curriculum and Training framework for transforming High School Students into the Next Generation Cyber-aware and Cyber-savvy Workforce	47.076	National Science Foundation		-	36,559
Greater, Equity Access, and Readiness for Success for Engineering and Technology (GEARSET)	47.076	National Science Foundation		-	7,195
Collaborative Research: CyberMUG: Cybersecurity Modules aligned with UG Computer Science and Engineering Curriculum	47.076	National Science Foundation	2021264	-	27,931
Total National Science Foundation				<u>47,605</u>	<u>2,626,864</u>
U.S. Environmental Protection Agency					
Radon Web Site Passed-Through From Ohio Department of Health	66.032	U.S. Environmental Protection Agency	04840022IR1017	-	972
Indoor Radon Passed-Through From Ohio Department of Health	66.032	U.S. Environmental Protection Agency	04840022IR1219	-	191
Indoor Radon Passed-Through From Ohio Department of Health	66.032	U.S. Environmental Protection Agency	04840022IR1320	-	12,398
Functional Litter-acy: Trash Trappers for a Cleaner Toledo Passed-Through From City of Toledo	66.469	U.S. Environmental Protection Agency	GL00E02862	-	3,500
Lake Erie Bathing Beach Monitoring Passed-Through From Ohio Department of Health	66.472	U.S. Environmental Protection Agency	CU00E52610-0	-	8,080
Wet Wipes That Turn into Toilet Paper When Flushed	66.516	U.S. Environmental Protection Agency	84014801	-	2,776
The University of Toledo Pollution Prevention Grant Proposal	66.708	U.S. Environmental Protection Agency	NP-00E02363-0	45,326	72,498
Total U.S. Environmental Protection Agency				<u>45,326</u>	<u>100,415</u>
U.S. Department of Energy					
Integrating and Optimizing Red Rock Biofuels' Feedstock Handling & Feed Systems Using State-of-the-Art Computational Tools Passed-Through From Alliance for Sustainable Energy LLC	81.000	U.S. Department of Energy	NGZ-8-82127-01	-	71,262
Transactive Campus Passed-Through From Battelle Center for Hybrid Organic-Inorganic Semiconductors for Energy (CHOISE) Passed-Through From Alliance for Sustainable Energy LLC	81.000	U.S. Department of Energy	XGJ-9-92008-01	-	116,360
High Fidelity Simulations of Membrane Gas Separation Modules--Subproject No. 03 Passed-Through From Oak Ridge Assoc Univs	81.000	U.S. Department of Energy	606096	-	32,768
Membrane Gas Separation Module Simulations for Process Simulators Passed-Through From Oak Ridge Assoc Univs	81.000	U.S. Department of Energy	606316	-	22,043
Improving Durability in the Next Generation of Photovoltaic Materials Through Discovery and Mitigation of Interface-Based Degradation Mechanisms	81.000	Lawrence Livermore National Laboratory	DE-AC52-07NA27344	-	100,555
Module Design of On-Demand Facilitated Transport Membranes Passed-Through From Idaho National Labs	81.000	U.S. Department of Energy	236685	-	22,357
Harmful Algae Microbiome Passed-Through From Lawrence Livermore National Laboratory	81.000	U.S. Department of Energy	B641342	54,923	131,874

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COMPASS FME Passed-Through From Battelle	81.000	U.S. Department of Energy	551886	\$ -	\$ 74,051
VOLTTRON User Interface for Toledo Passed-Through From Pacific Northwest National Laboratory	81.000	U.S. Department of Energy	DE-AC05-76RL01830	-	27,397
Monolithically Integrated Thin-Film/Silicon Tandem Photoelectrodes for High Efficiency and Stable Photoelectrochemical Water Splitting. Passed-Through From University of Michigan	81.087	U.S. Department of Energy	3004665465	-	88,110
A comprehensive strategy for stable, high productivity cultivation of microalgae with controllable biomass composition	81.087	U.S. Department of Energy	DE-EE0008247	482,565	804,112
Ultra-High Efficiency and Stable All-Perovskite Tandem Solar Cells	81.087	U.S. Department of Energy	DE-EE0008753	-	171,547
Perovskite/Perovskite Tandem Photoelectrodes For Low-Cost Unassisted Photoelectrochemical Water Splitting	81.087	U.S. Department of Energy	DE-EE0008837	-	145,537
Investigation of Defect Physics for Efficient, Durable and Ubiquitous Perovskite Solar Cells					
Passed-Through From University of California at Los Angeles	81.087	U.S. Department of Energy	DE-EE0008751	-	71,529
Toward Low-Cost, Efficient and Stable Perovskite Thin-Film Modules	81.087	U.S. Department of Energy	EE0008970	164,474	740,676
Back-Contact Interface Engineering for Higher Efficiency CdTe PV Passed-Through From Colorado State University	81.087	U.S. Department of Energy	DE-EE0008974	-	346,786
A New Low-Temperature Approach for Efficient and Low-Cost Group V Doping in CdTe Thin Film Solar Cells Passed-Through From University of Alabama	81.087	U.S. Department of Energy	DE-EE0009368	-	3,605
Natural Gase/Direct Air Capture Hybrid Plant Passed-Through From University of Pittsburgh	81.135	U.S. Department of Energy	DE-AR0001308	-	15,070
Molecular Design of Lead Acid Battery Model Expanders	81.XXX	Argonne National Laboratory	DE-AC02- 06CH11357	-	15,771
Modular Designs for New Facilitated Transport Membranes in Olefin Production Passed-Through From Battelle	81.XXX	Idaho National Labs	DE-AC07-05ID14517_24	-	22,930
Shape memory alloy Passed-Through From Oak Ridge National Laboratory	81.XXX	U.S. Department of Defense		-	59,009
Total U.S. Department of Energy				701,962	3,209,027

U.S. Department of Health and Human Services

National Institutes of Health

A Multicenter Platform Evaluating Putative Therapeutics for the Treatment of COVID-19 in Hospitalized Adults Passed-Through From Social & Scientific Systems, Inc.	93.000	National Institute of Allergy & Infectious Diseases		-	73,975
Lake Erie Center for Fresh Waters and Human Health--BGSU NIH subaward Passed-Through From Bowling Green State University	93.113	National Institutes of Health	10009736-UT08	-	36,027
Behavioral and Neurological Effects of Developmental Pyrethroid Exposure in Rodents	93.113	National Institute of Environmental Health Sciences	R00	-	293,495
Multifunctional bone putty for craniomaxillofacial bone repair	93.121	National Institutes of Health	R01 - DE - 023356	-	32,280

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The role of platelets in oral candidiasis	93.121	National Institute of Dental and Craniofacial Research	R01 - DE - 027343	\$ -	\$ 410,235
MicroRNA Biomarkers for Oropharyngeal Cancer Passed-Through From Washington University in St. Louis	93.121	National Institutes of Health	5R01DE026471-03	-	(90)
Particle topography and aerosol size distribution in dental settings in COVID19 era Passed-Through From University of Alabama at Birmingham	93.121	National Institute of Dental and Craniofacial Research	X01	-	173,794
MINHC project Passed-Through From University of Illinois at Chicago	93.153	Health Resources & Services Administration	4U10HA32109-01-01	-	19,981
Study of early brain alterations that predict development of chronic PTSD Passed-Through From National Institutes of Health	93.242	National Institute of Mental Health	1R01MH110483-01-A1	116,737	733,301
CO2 Inhalation enhances the lability of fear memory	93.242	National Institutes of Health	R01 - MH - 113986	-	(2,396)
206463Cell-specific analysis of sub-kinomes in schizophrenia Translational assessment of brain bioenergetic function in schizophrenia Passed-Through From University of Maryland at Baltimore	93.242	National Institutes of Health	R01 - MH - 107487	102,788	282,061
Mapping treatment components to targets in dialectical behavior therapy Passed-Through From University of Massachusetts Amherst	93.242	National Institute of Mental Health	R21 - 119530	-	18,915
CO2 Inhalation enhances the lability of fear memory Passed-Through From University of Tennessee	93.242	National Institute of Mental Health	7R01MH113986-03	-	13,734
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	H79 - SM - 081323	26,000	65,902
How Non-Transcriptional IRF3 Prevents ALD	93.273	National Institutes of Health	R21 - AA - 02617	-	110,875
Transcriptional and non-transcriptional functions of IRF3 in ALD Passed-Through From Cleveland Clinic	93.273	National Institutes of Health	R01 - 5R01AA027456-02	-	20,826
In Vivo Photoaffinity Labeling Using Casper Zebrafish for Target Identification Passed-Through From National Institutes of Health	93.279	National Institute on Drug Abuse	R03 - DA - 045833	-	16,892
High throughput approaches to determining the lethality of synthetic psychoactive cathinones using Danio rerio larvae	93.279	National Institutes of Health	R03 - DA - 045350	-	34,524
HEALing Communities Passed-Through From Case Western Reserve University/Case Medical Center	93.279	National Institute on Drug Abuse	DA049417 (60071381)	-	61,128
Optimizing HEALing in Ohio Communities (OHio) Passed-Through From Case Western Reserve University/Case Medical Center	93.279	National Institute on Drug Abuse	DA049417 (60071381)	-	18,959
Biodesign-based learning platform fortified with clinical immersion and medical device commercialization pathway	93.286	National Institutes of Health	R25 - 1 R25 E8029385-01	-	18,501
Development of novel approaches for stereoelective construction of glycosidic linkages Passed-Through From University of California - Santa Barbara	93.310	National Institute of General Medical Sciences	KK1807-1U01GM125289-	-	288,194
Anatomical-Functional Mapping of Enteric Neural Circuits	93.310	National Institutes of Health	10T2OD023859-1	-	(14,018)
Novel methods and Technologies for Synthesis of Biomedically Relevant Carbohydrates Passed-Through From University of Georgia at Athens	93.310	National Institutes of Health	U01GM125271	-	208,867
Resource for Rat Genetic Models of Aerobic Capacity	93.351	National Institutes of Health	P40 - OD - 021331	-	99,240
Interplay between Dietary Fiber and Gut Microbiota in Hepatocellular Carcinoma	93.393	National Cancer Institute	R01 - CA - 219144	-	245,079

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ATR Isomerization in Cellular Responses to UV Damage of DNA	93.393	National Cancer Institute	R01	\$ -	\$ 178,714
Sequencing Familial Lung Cancer Passed-Through From Baylor Research Institute	93.393	National Institutes of Health	R01 - CA - 243483	-	51,444
Normalizing arginine metabolism with sepiaptein for immunostimulatory-shift of HER2+ breast cancer	93.393	National Cancer Institute	R01 - 5R01CA248304-02	-	500,346
Anti-viral actions of interferon Passed-Through From Cleveland Clinic Foundation	93.393	National Cancer Institute	R01 - 68782	-	16,526
Parent Site: Case Comprehensive Cancer Center Passed-Through From Case Western Reserve University/Case Medical Center	93.394	National Cancer Institute		-	5,280
Alteration of the miR-let-7c: Lin28 ratio as a predictor of therapy resistance in Prostate Cancer Passed-Through From National Institutes of Health	93.394	National Cancer Institute	5 - R03 - CA - 198696	-	24,049
LTP2 Passed-Through From Boston University	93.394	National Cancer Institute	4500003099	-	9,185
The Early Detection Research Network: Data Management and Coordinating Center Passed-Through From Fred Hutchinson Cancer Research Center	93.394	National Cancer Institute		-	71,181
MicroRNAs Modulate Therapy Resistance in Prostate Cancer Passed-Through From National Institutes of Health	93.395	National Cancer Institute	7 - R21 - CA - 202404	-	(2,765)
Novel Ferroptotic Compounds to Target Mesenchymal Breast Cancer and Cancer Stem Cells Passed-Through From National Institutes of Health	93.395	National Cancer Institute	1 - R15 - CA - 213185	-	89,849
Potential Role of the Novel Angiopoietin-like Protein R1FL/Angptl8 in Hepatocellular Carcinoma Passed-Through From National Institutes of Health	93.396	National Cancer Institute	R03 - CA - 216153	-	37,745
Identification of novel regulators of invadopodia formation	93.396	National Institutes of Health	R03 - CA - 234693	-	35,781
Regulation of MLK3 by LATS	93.396	National Cancer Institute	R15 - R15CA241898	-	173,640
Molecular targeting the translational control axis in Wnt/ β -catenin signaling pathway	93.396	National Cancer Institute	R01 - CA - 211904	-	413,072
Understanding and targeting MELK overexpression in breast cancer cells	93.396	National Cancer Institute	R15 - R15CA238894-01A1	14,521	185,953
Influence of bone microenvironment on drug resistance in prostate cancer bone metastasis	93.396	National Institutes of Health Case Western Reserve University/Case Medical Center	R01 - CA230744	-	407,948
MEDTAPP Diabetes QI/Consortium	93.778	Medical Center Ohio Department of Mental Health and Addiction Services	G-2021-05-0069	-	16,868
Emergency Department Case Manager	93.778	Addiction Services	2000322	-	(3,897)
Clinical Lead QI Federal Passed-Through From Case Western Reserve University/Case Medical Center	93.778	Centers for Medicare and Medicaid Services	G-2021-05-0069 (ODM2)	-	20,315
Clinical Lead QI (Federal) Passed-Through From Ohio State University	93.778	Centers for Medicare and Medicaid Services	G-2021-05-0069 (ODM2)	-	21,778
Innovative Models for Mechanistic Studies of Novel Hypertension Genes	93.837	National Institutes of Health	R01 - HL - 112641	-	(45,262)
Antioxidant-PPARalpha interaction reduces adiposity	93.837	National Institutes of Health	K01 - HL - 125445	-	(16,364)

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Randomized Trial to Prevent Vascular Events in HIV - REPRIEVE" ("Study") under Grant Number 5U01HL123336-02					
Passed-Through From Massachusetts General Hospital Counter Regulatory Mechanisms of Cardiotoxic Steroids in Cardio-Renal Syndrome Passed-Through From National Institutes of Health	93.837	National Heart, Lung & Blood Institute	5U01HL123336-06	\$ -	\$ 63,805
Primary cilia dysfunction and cardiovascular complications in Polycystic Kidney Disease	93.837	National Heart, Lung & Blood Institute	R01 - HL - 137004	-	282,721
Genetic, Epigenetic and Dietary Salt effects on Microbiota and Hypertension Passed-Through From National Heart, Lung & Blood Institute	93.837	National Institutes of Health	R15 - HL - 140523	-	190,117
Autophagy regulates β -hydroxybutyrate synthesis to prevent hypertension-associated premature vascular aging	93.837	National Institutes of Health	R01 - HL - 143082	-	795,594
Formyl peptide receptor activation induces vascular plasticity and remodeling in hypertension	93.837	National Heart, Lung & Blood Institute	K99 - K99HL151889	-	115,451
Neural mechanisms of host-microbiota interaction in hypertension: a potential for bio-electronic medicine	93.837	National Heart, Lung & Blood Institute	R01 - HL - 149672	-	22,532
Evaluation of alternative complement activity within an ARDS cohort Passed-Through From University of Pittsburgh	93.837	National Heart, Lung & Blood Institute	R01 - 152162	-	1,593
Role of complement regulator properdin in the interaction between platelets and leukocytes Passed-Through From National Institutes of Health	93.838	National Heart, Lung & Blood Institute	R21 - AWD00002771 (135130-	-	5,846
Myocardial Ischemia and Transfusion (MINT) Passed-Through From Rutgers University	93.839	National Heart, Lung & Blood Institute	R01 - HL - 112937	-	(8,718)
Gfi1-mediated inhibition of the cytostatic effect of TGPb in the hematopoietic system Passed-Through From National Institutes of Health	93.839	National Institutes of Health	MINT	-	11,571
Optimization and Simulation of Kidney Paired Donation Programs Passed-Through From University of Michigan	93.839	National Heart, Lung & Blood Institute	R15 - HL - 135695	-	146,390
The Melanocortinergic pathway in glomerular disease	93.847	National Institute of Diabetes, Digestive & Kidney Diseases	R01 - DK - 093513	-	31,920
Molecular characterization of novel insulin sensitizers Passed-Through From Scripps Research Institute	93.847	National Institute of Diabetes, Digestive & Kidney Diseases	R01 - DK - 114006	-	391,697
A New Empirical Model of Deceased Donor Kidney Allocation Passed-Through From National Bureau of Economic Research	93.847	National Institute of Diabetes, Digestive & Kidney Diseases	R01 - DK - 105825	-	40,875
Role of histone Methyltransferase EZH3 in Acute and Chronic Renal Injury Passed-Through From Rhode Island Hospital	93.847	National Institutes of Health	R21 - DK - 113626	-	189
Nuclear Receptor Chaperones in Signaling & Metabolism	93.847	National Institutes of Health	R01 - 7017137411	-	9,562
APOL1 studies in kidney transplantation consortium clinical centers (ASK-CCC) Passed-Through From Cleveland Clinic Foundation	93.847	National Institute of Diabetes, Digestive & Kidney Diseases	R01DK121017-01	-	454,914
Integrative role of bilirubin on obesity Passed-Through From University of Mississippi Medical Center	93.847	National Institutes of Health	1427-SUB_U01DK116097	-	3,040
Molecular and Functional Analysis of Hirschsprung Defects in Humans and Mouse Passed-Through From University of Pittsburgh	93.847	National Institute of Diabetes, Digestive & Kidney Diseases	R01 - 1R01DK121748-01A1	-	25,896
Novel Liver Signaling Pathways Controlling Adiposity	93.847	National Institutes of Health	1R01DK122798-01A1	-	61,444
	93.847	National Institute of Diabetes, Digestive & Kidney Diseases	1R01DK121797-01A1	-	8,390

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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 Mount Sinai School of Medicine - New York City	93.853	National Institute of Neurological Disorders and Stroke	1 - U01 - NS - 045719	\$ -	\$ 19,790
Insulin Resistance Intervention after Stroke (IRIS) Trial	93.853	National Institute of Neurological Disorders and Stroke	U01 - NS - 44876	-	3,150
Cofilin Signaling in Hemorrhagic Stroke	93.853	National Institute of Neurological Disorders and Stroke	R01	-	307,477
Intravital assessment of B. burgdorferi immune clearance in skin Passed-Through From National Institutes of Health	93.855	National Institute of Allergy & Infectious Diseases	R01 - AI - 121970	-	286,641
Synthesis of natural product scaffold selectively active against dormant Mycobacterium tuberculosis	93.855	National Institutes of Health	R21 - AI - 135313	32,419	121,335
Virulence inducing signals of Vibrio cholerae	93.855	National Institutes of Health	R21 - AI - 144567	-	164,886
Trehalose and Mycolic Acid Use in Mycobacteria Passed-Through From University of Nebraska Medical Center	93.855	National Institutes of Health	7R01AI105084-07	-	190,134
Methods to synthesize oligosaccharide-fusion protein conjugates and enhancement of their antigenicity	93.855	National Institute of Allergy & Infectious Diseases	R01 - 5R01AI148570-02	-	445,906
Understanding the proviral role for TRAF6 interaction with the viral protease in flavivirus replication and pathogenesis	93.855	National Institute of Allergy & Infectious Diseases	R01 - R01AI153496	-	224,445
Dissecting catalytic and regulatory functions of nonsegmented negative strand RNA viral polymerases	93.855	National Institute of Allergy & Infectious Diseases	R01 - 146172	-	373,601
Anti-Inflammatory Functions of Non-Transcriptional IRF3	93.855	National Institute of Allergy & Infectious Diseases	R01 - 1R01AI155545-01	-	5,356
Regulation of the Mitotic Checkpoint by Gsk3 Passed-Through From National Institutes of Health	93.859	National Institute of General Medical Sciences	R15 - GM - 120712	-	112,496
Physiological effects of FKBP51 and FKBP52 variants Passed-Through From Health Research, Inc.	93.859	National Institutes of Health	R01 - GM - 119152	-	2,243
Molecular basis of apical protrusion organization and function in specialized epithelia	93.859	National Institutes of Health	1 - R15 - GM - 131382	-	296,066
Diverse membrane affinities of Gy members deferentially modulate the GBy effectors and cell behaviors	93.859	National Institute of General Medical Sciences	1 - R15 - GM - 126455	-	149,334
Centrosome-localized tyrosine kinase JAK2 regulates cell proliferation	93.859	National Institutes of Health	R15 - 1R15GM131239-01	-	114,234
Identification of the Elusive NAADP Receptor	93.859	National Institutes of Health	1 - R15 - GM - 131329	5,709	98,803
Intrarenal Arteries Sense N-formyl Peptides Leading to Vascular Injury in Sepsis	93.859	National Institute of General Medical Sciences	R00 - GM - 118885	-	378,525
Late Stage Derivatization of Complex Molecules via Hydrogen Bond-Directed C-H Functionalization	93.859	National Institute of General Medical Sciences	R15 - 1 R15 GM131362-01	-	137,128
The molecular roles of polycystin in cytokinesis	93.859	National Institute of General Medical Sciences	1R15GM134496-01	-	95,781
Effective targeting surviving dimerization interface with small molecule inhibitors	93.859	National Institute of General Medical Sciences	R01 - GM - 127656	30,727	253,472

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Regulation of epithelial junctions and lumen morphogenesis by the Scribble/SGEF/Dlg1 complex	93.859	National Institute of General Medical Sciences	R01 - 136826	\$ 13,716	\$ 425,612
Mechanistic Investigation of Proteostasis at the Outer Mitochondrial Membrane	93.859	National Institutes of Health	1R35GM137904-01	-	256,810
Regio- and Enantioselective Alkene Difunctionalizations for the Synthesis of Bioactive Molecules	93.859	National Institute of General Medical Sciences	R15 - R15GM139156	-	129,704
Structural and proton dynamics of pyridoxal-5'-phosphate dependent enzymes Passed-Through From University of Georgia at Athens	93.859	National Institute of General Medical Sciences	R01 - SUB00002438	-	55,508
Optical control of endogenous G protein Coupled Receptor and G Protein Signaling	93.859	National Institute of General Medical Sciences	R01 - 1R01GM140191	-	36,954
Optical control of endogenous G protein Coupled Receptor and G Protein Signaling	93.859	National Institute of General Medical Sciences	R01 - 1R01GM140191	-	4,015
Mechanistic Investigation of Proteostasis at the Outer Mitochondrial Membrane	93.859	National Institutes of Health	1R35GM137904-01	-	1,505
Regulation of Ferroptosis by the p53/CDK/Rb Axis	93.859	National Institutes of Health	R15 - 141712	-	7,255
Defective melanocortin signaling underlying T2D-associated erectile dysfunction Passed-Through From National Institutes of Health	93.865	National Institute of Child Health & Human Development	R01HD081792-01A1	-	26
Developing an animal model to identify the role of the sperm centriole in fertility	93.865	National Institute of Child Health & Human Development	R21	38,340	58,653
MicroRNA regulation of guidance receptors in axonal pathfinding	93.865	National Institutes of Health	R15 - HD - 097620	-	86,053
Transactional neurobiological influences on parent-child kindergarten adjustment Passed-Through From Miami University (Ohio)	93.865	National Institutes of Health	R15	-	24,854
Mechanisms of developmental regulation of affective behaviors	93.865	National Institute of Child Health & Human Development	R01 - HD - 076914	-	160,379
Predictors of Parents' Feeding Behaviors: A Dyadic Perspective	93.865	National Institute of Child Health & Human Development	R03HD096095	12,390	69,950
The Role of MicroRNAs in Axon Pathfinding	93.865	National Institute of Child Health & Human Development	R03 - HD - 099272	-	89,425
Molecular Marker for Centrioles Remodeling in Human Reproduction	93.865	National Institute of Child Health & Human Development	R03 - 5R03HD098314-02	-	78,360
Development of Attenuated Furoxans as Novel Therapies for Alzheimer's Disease Passed-Through From National Institutes of Health	93.866	National Institute on Aging	R01 - AG - 057598	-	466,196
Marrow Adiposity: Bone, Aging, and Beyond 6th International Conference of Bone Marrow Adiposity Society	93.866	National Institute on Aging	R13 - R13AG069353	26,512	26,513
Machine Learning and Network Science for Predicting Kidney Transplant Survival	93.879	National Institutes of Health	R01 - LM - 013311	-	283,739
Signal shaping via multiple allosteric sites on oligomeric muscarinic receptors Passed-Through From Pennsylvania State University	93.886	National Institutes of Health	R56 - AG - 005214	-	28,763
Healthy Start Initiative: Eliminating Racial/Ethnic Disparities Passed-Through From Lucas County Regional Health District	93.926	Health Resources & Services Administration	H49MC27825-07	-	48,905

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Randomized, Multicenter, Controlled Trial to Compare Best Endovascular versus Best Surgical Therapy in Patients with Critical Limb Ischemia	93.837	National Heart, Lung & Blood Institute	U01HL107407	\$ -	\$ 11,229
Total U.S. Department of Health and Human Services				419,859	14,308,707
National Institutes of Health					
TOTAL RESEARCH AND DEVELOPMENT CLUSTER					32,723,919
TRIO CLUSTER					
U.S. Department of Education					
UT Student Support Services	84.042	U.S. Department of Education	P042A151332 - 19 (Ac	-	41,108
UT Student Support Services	84.042	U.S. Department of Education	P042A200760	-	228,409
UT Student Support Services	84.042	U.S. Department of Education	R03HD096095	-	1,403
Upward Bound Program	84.047	U.S. Department of Education	P047A171403 - 19	-	433,515
Upward Bound Math & Science Program	84.047	U.S. Department of Education	P047M170558 - 20	-	292,050
Total U.S. Department of Education				-	996,485
TOTAL TRIO CLUSTER				-	996,485
MEDICAID CLUSTER					
U.S. Department of Health and Human Services					
Cardi-OH	93.778	Case Western Reserve University/Case Medical Center	G-1819-05-0094/ RES5	-	(3,695)
Cardi-OH	93.778	Case Western Reserve University/Case Medical Center	G-2021-05-0069 / RES	-	213,064
Medicaid Equity Simulation Project MEDTAPP Providers As Allies In Equity And Care (PAEC) Passed-Through From Ohio State University	93.778	Centers for Medicare and Medicaid Services	60072600	-	64,648
Medicaid Equity Simulation Project MEDTAPP Providers As Allies In Equity And Care (PAEC) Passed-Through From Ohio State University Research Foundation	93.778	Centers for Medicare and Medicaid Services	60077775	-	232,074
COVID-19 National Bioterrorism Hospital Preparedness Program	93.889	Ohio Hospital Association	1 U3REP200665-01-06	-	64,893
Total U.S. Department of Health and Human Services				-	570,984
TOTAL MEDICAID CLUSTER				-	570,984
U.S. HIGHWAY PLANNING AND CONSTRUCTION					
Using AI/Machine Learning and Computer Vision for Transportation Data Collection Passed-Through From Ohio Department of Transportation	20.205	U.S. Department of Transportation	33599	-	41,379
Task 3: Analysis of Transportation Data for Locals in the State of Ohio Passed-Through From Ohio University	20.205	U.S. Department of Transportation	UT21701	-	4,596
FOCUS on Runaways Passed-Through From Toledo Area Regional Transit Authority	20.530	U.S. Department of Transportation		-	11,698
Total U.S. Highway Planning and Construction				-	57,673

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OTHER AWARDS					
Department of Defense					
ASEE SMART Program Team	12.631			\$ -	\$ 13,803
Total Department of Defense				-	13,803
U.S. Department of state Bureau of Educational and Cultural Affairs					
Institute of International Eduaction (Fulbright Programs)	19.401			-	35,622
Total U.S. Department of state Bureau of Educational and Cultural Affairs				-	35,622
U. S. DEPARTMENT OF EDUCATION					
DCTAG	84.000			-	18,720
CTE Teacher Preparation and Retention Passed-Through From Ohio Department of Education	84.048	U.S. Department of Education	VEPD-TPR-12-063099	-	62,342
BVR- Bureau of Vocational Rehabilitation	84.126	U.S. Department of Education		-	71,628
Project LEA: Leading Educators in Advancing Inclusive Early Education	84.325	U.S. Department of Education	H325D130075	-	7,682
Great Start Higher Education (GSHE)	84.325	U.S. Department of Education	H325N180008-19 Mod 5	37,577	133,087
Project Prepare	84.325	U.S. Department of Education		-	235,019
Ohio School Leaders Professional Development Grant Passed through from Ohio Department of Education	84.325	U.S. Department of Education	H325L200008	-	48,432
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) Passed-Through From Ohio Department of Education	84.334	U.S. Department of Education		-	56,063
Total U. S. DEPARTMENT OF EDUCATION				37,577	632,973
NATIONAL SCIENCE FOUNDATION					
IPA Assignment	47.000	National Science Foundation	EEC-1948460	-	270,695
Topic II: NSF I-Corps Site at The University of Toledo	47.041	National Science Foundation	1644631	-	149,599
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	-	10,519
Advance & I-Corps Joint Program	47.070	National Science Foundation		63,393	209,728
Total NATIONAL SCIENCE FOUNDATION				63,393	640,541

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U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Child and Adolescent Psychiatry Residency and Training Program	93.000	Ohio Department of Mental Health and Addiction Services	402-12-100-14-013	\$ -	\$ (665)
AHEC Point of Service Maintenance and Enhancement	93.107	Health Resources & Services Administration		390,326	412,907
COVID-19 Area Health Education Centers Program COVID	93.107	Health Resources & Services Administration	6 T1KHP391970101	70,783	88,527
AHEC Point of Service Maintenance and Enhancement	93.107	Health Resources & Services Administration	U77 - HP - 23072	783,503	901,802
National Health Services	93.162	Administration		-	100,851
Increasing Access of Trauma-Informed Care by CPS-Involved Youth and Families Passed-Through From ProMedica Health System	93.243	Substance Abuse and Mental Health Services Administration	1U97SM063115-05	-	34,032
Designed for DATA	93.243	Substance Abuse and Mental Health Services Administration	H79 - TI - 081657	-	98,064
NIOSH Training Grant Project: Industrial Hygiene-UniversityToledo Passed-Through From National Institutes of Health	93.262	National Institute for Occupational Safety and Health	5T03OH008605-14	-	10,142
NIOSH Training Grant Project: Industrial Hygiene-UniversityToledo	93.262	National Institute for Occupational Safety and Health	5T03OH008605-15	-	90,557
COVID-19 Provider Relief Fund	93.498	U.S. Department of Health and Human Services		-	16,453,311
Regional Comprehensive Genetic Services Passed-Through From Ohio Department of Health - Federal Pass-Through Funds	93.558	U.S. Department of Health and Human Services	04840011GS1118	-	865
Project Open House-Better Child Care for the Student with Developmental Disabilities Passed-Through From Ohio Developmental Disabilities Planning Council	93.630	Administration for Children and Families	17CH01SC20	3,246	20,109
Project Open House-Better Child Care for the Student with Developmental Disabilities Passed-Through From Ohio Developmental Disabilities Planning Council	93.630	Administration for Children and Families	17CH01SC21	4,198	25,097
Child Welfare Workforce Professional Education Program	93.645	Administration for Children and Families	1501OHFOST (G-1819-0)	-	25,000
Child Welfare Workforce Professional Education Program	93.645	Administration for Children and Families	1501OHFOST (G-2021-0)	-	120,138
Ohio State Opioid Response (SOR) Project Passed-Through	93.788	Substance Abuse and Mental Health		-	48,906
Program Income Account for Ryan White Part C Passed-	93.918	HIV/AIDS Bureau		-	4,407
Ryan White 340b Pharmacy Revenue Program UTMC	93.918	HIV/AIDS Bureau		-	1,585,188
Ryan White Part C (Title III) HIV Early Intervention Services	93.918	HIV/AIDS Bureau	H76 - HA - 00732	-	518,916
COVID-19 Ryan White HIV/AIDS Program Part C EIS COVID-19	93.918	Health Resources & Services	H7CHA36781-01-00	-	106,000
Social Marketing Advertising CTR Passed-Through From Lucas	93.940	Centers for Disease Control and		-	24,199
The National Nursing Home COVID Action Network	93.XXX	Agency for Healthcare Research and	75Q80120C00003	197,230	219,505
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				1,449,287	20,887,858
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
National Institutes of Health					

See Notes to the Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF TOLEDO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

Federal Agency/ Program or Cluster	Federal ALN	Primary Sponsor	Award Number	Passed-Through to Subrecipients	Expenditures
Program Income Account for Ryan White Part D Passed-Through From University of Toledo Physicians	93.153	HIV/AIDS Bureau		\$ -	\$ 4,407
Ryan White Title IV Women, Infants, Children, Youth And Affected Family Members AIDS Healthcare	93.153	U.S. Department of Health and Human Services	H12 - HA - 24838-08-01 & -02	-	55,440
Ryan White HIV/AIDS Program Part D Grants for Coordinated HIV Services and Access to Research for Women, Infants, Children, and Youth (WICY)	93.153	U.S. Department of Health and Human Services	H12 - HA - 24838-08-03	-	412,915
COVID-19 Ryan White HIV/AIDS Program Part D WICY COVID-19 Response	93.153	Health Resources & Services Administration	H1XHA36984-01-00	-	33,874
Total U.S. Department of Health and Human Services National Institutes of Health				-	506,636
Corporation for National and Community Service					
Government Training (Americorp)	94.006			-	23,243
Total orporation for National and Community Service				-	23,243
Other					
Military Service Center Student Support	12.000	U.S. Department of Veterans Affairs		-	1,116
Low Income Taxpayer Clinic	21.008	U.S. Department of the Treasury	20-LIC0492-01-00	-	45,261
Ohio Space Grant Consortium (OSGC) Scholarships and Fellowships for Fellowships for 2006-2007 to University of Toledo	43.002	Ohio Aerospace Institute		-	30,298
Toledo Tinkers Passed-Through From Imagination Station	45.301	National Enowment for the Humanities- Institute for Museum and Libraries		-	4,112
IPA for Hollie --SEC	58.000	U.S. Securities and Exchange		-	270,002
Total Other				-	350,789
TOTAL OTHER AWARDS				-	6,638,154
TOTAL FEDERAL EXPENDITURES				\$ 4,172,498	\$ 252,576,149

See Notes to the Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF TOLEDO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

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, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 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, with the exception of ALN No. 21.019, which follows criteria determined by the Department of the Treasury for allowability of costs. 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, 2021, there were the following transfers of grant overpayments:

Transferred from	Amount	Transferred to
Federal Work Study	\$ 527,794	FSEOG

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, 2021 consists of the following:

Cluster/Program Title	ALN	Loan Balance
Federal Perkins Loans	84.038	\$ 5,718,045
Nurse Faculty Loan Program	93.264	184,754
Disadvantaged Student Loans	93.342	223,423
Primary Care Loans	93.342	336,674
Total Loans Outstanding		\$ 6,462,896

THE UNIVERSITY OF TOLEDO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

NOTE 5 PROVIDER RELIEF FUND RECONCILIATION

The financial statements reflect revenue recognized from the Provider Relief Fund of \$18,295,452 for the year ended 2021. The SEFA includes Provider Relief Funds of \$16,453,311 that were received in Period 1 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, 2021**

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? x yes _____ 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)? x yes _____ no

Identification of Major Federal Programs

ALN Number(s)	Name of Federal Program or Cluster
84.007, 84.033, 84.038, 84.268, 84.379, 93.264, 93.342	Student Financial Assistance Cluster
84.425E, 84.425F, 84.425D, 84.425C	Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security (CARES) Act
21.019	Coronavirus Relief Fund
93.498	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
YEAR ENDED JUNE 30, 2021**

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

2021-001 National Student Loan Data System (NSLDS) Enrollment Reporting

Federal Agency: U.S. Department of Education

Federal Program Title: Student Financial Assistance Cluster

ALN Number: 84.007, 84.033, 84.038, 84.268, 84.379, 93.264, 93.342

Award Period: July 1, 2020 – June 30, 2021

Type of Finding:

- Significant Deficiency in Internal Control Over Compliance
- Other Matters

Criteria or Specific Requirement: The Code of Federal Regulations, 34 CFR 685.309(b), states schools must have some arrangement to report student enrollment data to NSLDS through an enrollment roster file. The school is required to report changes in the student's enrollment status, the effective date of the status, and an anticipated completion date. Also, the Code of Federal Regulations, 34 CFR 682.610, states that institutions must report accurately the enrollment status of all students regardless if they receive aid from the institution or not. Changes to said status are required to be reported within 30 days of becoming aware of the status change, or with the next scheduled transmission of statuses if the scheduled transmission is within 60 days.

Condition: During our testing, we noted four (4) of 40 students were reported to NSLDS with an incorrect enrollment effective date.

Questioned Costs: None

Context: During our testing, it was noted the University did not have a proper procedure in place for unofficial withdrawals in order to ensure the enrollment effective date reported to NSLDS matches the University's records as well as the proper status. In addition, the University is waiting until the student does not return in the Fall to report these students as withdrawn.

Cause: The University did not have a process in place to ensure the effective date reported to NSLDS matches the effective date of the student's last date of attendance. They also did not have a process in place to report student enrollment changes timely.

Effect: The enrollment effective date reported to NSLDS is used to determine when the student's grace period should begin. By not reporting a correct effective date, the grace period begin date for the student will be incorrect. The University also did not comply with U.S. Department of Education (ED) regulations by reporting student enrollment status changes timely.

**THE UNIVERSITY OF TOLEDO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2021-001 National Student Loan Data System (NSLDS) Enrollment Reporting (Continued)

Repeat Finding: Yes

Recommendation: We recommend the University reevaluate its procedures and review policies surrounding reporting status changes to NSLDS to ensure timely reporting as well as put a process in place to ensure the enrollment effective date reported to NSLDS is aligning with the University's last date of attendance.

Views of Responsible Officials: There is no disagreement with the audit finding.

2021-002 Schedule of Expenditures of Federal Awards

Federal Agency: U.S. Department of Health and Human Services (HHS)

Federal Program Title: Provider Relief Fund

ALN Number: 93.498

Award Period: April 10, 2020 – June 30, 2020 (Period 1)

Type of Finding:

- Significant Deficiency in Internal Control Over Compliance
- Other Matters

Criteria or Specific Requirement: According to 2 CFR 200.510(b), a recipient of federal awards is required to prepare a Schedule of Expenditures of Federal Awards (SEFA) for the period covered by the entity's financial statements which must include the total Federal award expended. At a minimum, the schedule must include (1) a list of individual Federal programs by Federal Agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs; (2) for Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included; (3) provide total Federal awards expended for each individual Federal program and the Federal Assistance Listing number (ALN) or other identifying number when the ALN information is not available; (4) include total amount provided to subrecipient from each Federal Program; and (5) include notes that describe the significant accounting policies used in preparing the schedule.

Condition: The University does not have an adequate process in place to ensure completeness of its Schedule of Expenditures of Federal Awards.

Questioned Costs: None

Context: We noted the University did not have a proper procedure in place for the University of Toledo Medical Center (UTMC) to report Provider Relief Funds as federal expenditures to the University for its reporting purposes. This resulted in an initial understatement of the SEFA by \$16.5M.

**THE UNIVERSITY OF TOLEDO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

2021-002 Schedule of Expenditures of Federal Awards (Continued)

Cause: The Provider Relief Funds were new in fiscal year 2021 and since UTMC had never received Federal awards the UTMC management team was not aware these were required to be presented on the University Schedule of Expenditures of Federal Awards.

Effect: Potential understatement or overstatement of expenditures could exist in the Schedule of Expenditures of Federal Awards and not be detected and corrected. Additionally, failure to report Federal expenditures prohibits the completion of an audit in accordance with the Uniform Guidance, which may result in the suspension of Federal funding.

Repeat Finding: No

Recommendation: We recommend that the University establish policies and procedures to ensure that all Federal Awards are identified and reported accurately on the SEFA. Internal controls should be designed to prevent, detect, or correct errors in a timely manner. The University should establish policies and procedures to reconcile amounts report on the Schedule of Expenditures of Federal Awards with expenditures in the University's general ledger

Views of Responsible Officials: There is no disagreement with the audit finding.



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, 2021.

Audit period: July 1, 2020 – June 30, 2021

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

2020–001 National Student Loan Data System (NSLDS) Enrollment Reporting

Condition: During our testing, we noted fifteen (15) of 40 students were reported to NSLDS with an incorrect enrollment effective date. There were five (5) of 40 students tested where the student was not reported to NSLDS by the University in a timely manner, and three (3) students whose enrollment status was not properly reported.

Status: See current year finding 2021-001.

Reason for finding's recurrence: The noted issue surfaced during the University's federal program review. The Office of Financial Aid (OFA) and the Registrar's Office investigated the issue and developed a solution.

Corrective Action: The University updated its policies and procedures and implemented the necessary training to ensure the enrollment reporting dates will be accurate and reported timely.

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.



The University of Toledo respectfully submits the following corrective action plan for the year ended June 30, 2021.

Audit period: July 1, 2020 – June 30, 2021

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

SIGNIFICANT DEFICIENCY

2021-001 National Student Loan Data System (NSLDS) Enrollment Reporting

Recommendation: We recommend the University continue to evaluate its procedures and review policies surrounding reporting status changes to NSLDS to ensure timely reporting as well as put a process in place to ensure the enrollment effective date reported to NSLDS is aligning with the University's last date of attendance.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned/taken in response to finding: The noted issue surfaced during the University's federal program review. The Office of Financial Aid (OFA) and the Registrar's Office investigated the issue and developed a solution. The University updated its policies and procedures and implemented the necessary training to ensure the enrollment reporting dates will be accurate and reported timely.

Name of the contact person responsible for corrective action: Dave Meredith, Vice President for Enrollment Management

Planned completion date for corrective action plan: June 30, 2022

If the U.S. Department of Education has questions regarding this plan, please call Dave Meredith, Vice President for Enrollment Management at 419-530-5704.

2021-002

Schedule of Expenditures of Federal Awards

Recommendation: We recommend that the University establish policies and procedures to ensure that all Federal Awards are identified and reported accurately on the SEFA. Internal controls should be designed to prevent, detect, or correct errors in a timely manner. The University should establish policies and procedures to reconcile amounts report on the Schedule of Expenditures of Federal Awards with expenditures in the University's general ledger

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned/taken in response to finding: It should be noted that the University already has policies and procedures established to ensure federal awards are correctly reported on the SEFA. However as stated in the Cause section above, UTMC has not historically received federal awards and was therefore unfamiliar with these policies and procedures. The UTMC Finance team has since been made aware of the reporting requirements applicable to federal awards, and procedures have been established to enhance communication between UTMC Finance and Grants Accounting.

Specifically, UTMC will inform Grants Accounting of any federal or state awards received. This notification will occur as soon as possible after UTMC becomes aware of the award. At the end of the fiscal year, Grants Accounting will provide UTMC a preliminary list of hospital-based awards to be presented in the SEFA. This list will be provided in early September of each year in conjunction with year-end close and annual audit activities. UTMC will review the preliminary list of hospital-based awards and inform Grants Accounting of any potential omissions. These additional procedures should ensure the SEFA incorporates any federal awards associated with hospital activities.

Name of the contact person responsible for corrective action: Troy Holmes, Chief Financial Officer and Administrative Director of Finance and Reimbursement

Planned completion date for corrective action plan: June 30, 2022

If the U.S. Department of Health and Human Services has questions regarding this plan, please call Troy Holmes, Chief Financial Officer and Administrative Director of Finance and Reimbursement, 419-383-6376.

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 3/15/2022

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