

CONSOLIDATED FINANCIAL STATEMENTS

FISCAL YEARS ENDING
JUNE 30, 2025 AND 2024

With Supplemental Schedules
and Independent Auditors' Report
for The University of Toledo
Foundation and Subsidiaries



THE UNIVERSITY OF TOLEDO
FOUNDATION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of The University of Toledo Foundation (a nonprofit organization) and Subsidiaries (collectively, the Foundation), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2025 and 2024, and the change in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As described in Notes 1 and 13, the consolidated financial statements include investments that are not listed on national exchanges or for which quoted market prices are not available. These investments include limited partnerships, start-up corporations, hedge funds, fund-of-funds, and comingled funds that are not mutual funds. Such investments total approximately \$294,400,000 (35.1% of total assets) and \$274,515,000 (35.2% of total assets) at June 30, 2025 and 2024, respectively. The values of these investments have been provided by the fund managers or general partners in the absence of readily determinable market values. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2025, on our consideration of the Foundation’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Foundation’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation’s internal control over financial reporting and compliance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



CliftonLarsonAllen LLP

Maumee, Ohio
October 14, 2025

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

ASSETS	2025	2024
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,175,945	\$ 2,806,395
Accounts Receivable	1,402,915	1,851,074
Contributions Receivable, Net of Allowance for Uncollectible Contributions	3,943,962	3,493,499
Prepaid Expense	649,635	452,004
Total Current Assets	8,172,457	8,602,972
NONCURRENT ASSETS		
Investments:		
Pooled Investments	738,705,237	687,833,787
Nonpooled Investments	34,140,549	23,837,568
Real Estate	593,476	593,476
Assets Held in Charitable Remainder Trusts	4,979,411	4,976,247
Total Investments	778,418,673	717,241,078
Contributions Receivable, Net of Allowance for Uncollectible Contributions and Present Value Adjustments	4,882,034	5,288,722
Cash Value of Life Insurance and Annuities	1,484,775	1,435,042
PROPERTY AND EQUIPMENT		
Land and Land Improvements	12,289,064	11,580,211
Gateway	15,990,057	15,990,057
Rental Property	890,741	890,741
Construction in Process	-	759,001
Building and Equipment	27,220,712	26,804,544
Total Property and Equipment	56,390,574	56,024,554
Less: Accumulated Depreciation	10,136,688	9,700,394
Net Property and Equipment	46,253,886	46,324,160
Total Assets	\$ 839,211,825	\$ 778,891,974

See accompanying Notes to Consolidated Financial Statements.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2025 AND 2024

LIABILITIES AND NET ASSETS	2025	2024
CURRENT LIABILITIES		
Accounts Payable	\$ 4,148,198	\$ 2,882,657
Accrued Liabilities	477,010	448,106
Deferred Revenue	72,213	73,692
Senior Secured Notes Payable	408,822	389,311
Total Current Liabilities	5,106,243	3,793,766
NONCURRENT LIABILITIES		
Senior Secured Notes Payable, Net of Debt Issuance Costs	6,547,421	6,938,388
Gateway Funding from Pooled Investments	2,252,253	2,294,789
Grantor Trust Payable to a Related Party	2,012,824	2,012,824
Annuities Payable	1,981,347	2,450,731
Funds Held for Affiliates	366,469,150	339,477,464
Total Liabilities	384,369,238	356,967,962
NET ASSETS		
Without Donor Restrictions:		
Operating Funds:		
Undesignated	3,192,316	4,094,117
Designated:		
Real Estate	34,728,630	33,687,870
Gateway	2,128,780	1,556,225
Board	12,890,754	10,512,915
Total Without Donor Restriction Operating Funds	52,940,480	49,851,127
Board Endowed	18,084,515	16,738,918
Total Without Donor Restrictions	71,024,995	66,590,045
With Donor Restrictions	383,817,592	355,333,967
Total Net Assets	454,842,587	421,924,012
Total Liabilities and Net Assets	\$ 839,211,825	\$ 778,891,974

See accompanying Notes to Consolidated Financial Statements.

**THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE, AND GAINS (LOSSES)						
Contributions	\$ 532,338	\$ 13,581,300	\$ 14,113,638	\$ 170,760	\$ 16,620,286	\$ 16,791,046
Administrative Fees	8,454,506	(3,831,682)	4,622,824	8,273,663	(3,709,708)	4,563,955
Annuities and Trusts, Net of Actuarial Adjustments	-	(47,631)	(47,631)	-	(325,161)	(325,161)
Grant Income	382,102	-	382,102	1,705,994	-	1,705,994
Ancillary and Nongift	35,440	1,351,040	1,386,480	36,460	1,422,582	1,459,042
Bookstore Revenue	3,602,470	-	3,602,470	3,186,507	-	3,186,507
Center for Alumni and Donor Engagement	724,997	-	724,997	954,842	-	954,842
Income - UTF Gateway Investments	1,220,424	-	1,220,424	1,172,588	-	1,172,588
Income - Real Estate Corp.	187,056	-	187,056	127,140	-	127,140
Interest and Dividends	1,782,109	6,129,985	7,912,094	1,379,990	5,115,635	6,495,625
Investment Fees	(200,321)	(839,513)	(1,039,834)	(102,366)	(478,047)	(580,413)
Net Realized and Unrealized Gains	5,998,930	29,114,131	35,113,061	6,184,697	26,824,714	33,009,411
Satisfaction of Program and Donor Restrictions	16,669,715	(16,669,715)	-	17,048,717	(17,048,717)	-
Other Transfers	304,290	(304,290)	-	(1,069,922)	1,069,922	-
Total Support, Revenue, and Gains (Losses)	<u>39,694,056</u>	<u>28,483,625</u>	<u>68,177,681</u>	<u>39,069,070</u>	<u>29,491,506</u>	<u>68,560,576</u>
EXPENSES						
University Program Services:						
Academics	5,712,444	-	5,712,444	6,577,144	-	6,577,144
Athletics	4,408,546	-	4,408,546	4,458,399	-	4,458,399
Student Aid	6,292,899	-	6,292,899	5,849,436	-	5,849,436
Capital Projects	245,451	-	245,451	470,491	-	470,491
Research	579,171	-	579,171	525,526	-	525,526
Bookstore	3,356,100	-	3,356,100	2,962,785	-	2,962,785
Donor Life Insurance Premiums	46,162	-	46,162	34,970	-	34,970
Management and General	8,746,371	-	8,746,371	8,786,721	-	8,786,721
Fundraising	5,871,962	-	5,871,962	5,593,540	-	5,593,540
Total Expenses	<u>35,259,106</u>	<u>-</u>	<u>35,259,106</u>	<u>35,259,012</u>	<u>-</u>	<u>35,259,012</u>
CHANGE IN NET ASSETS, BEFORE CAPITAL TRANSFER	4,434,950	28,483,625	32,918,575	3,810,058	29,491,506	33,301,564
CAPITAL TRANSFER	-	-	-	1,301,281	-	1,301,281
CHANGE IN NET ASSETS	4,434,950	28,483,625	32,918,575	5,111,339	29,491,506	34,602,845
Net Assets - Beginning of Year	66,590,045	355,333,967	421,924,012	61,478,706	325,842,461	387,321,167
NET ASSETS - END OF YEAR	<u>\$ 71,024,995</u>	<u>\$ 383,817,592</u>	<u>\$ 454,842,587</u>	<u>\$ 66,590,045</u>	<u>\$ 355,333,967</u>	<u>\$ 421,924,012</u>

See accompanying Notes to Consolidated Financial Statements.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	University Programs	Management and General	Fundraising	2025 Total
Salaries and Wages	\$ -	\$ 2,772,762	\$ 3,417,534	\$ 6,190,296
Payroll Taxes and Benefits	-	723,101	1,137,501	1,860,602
Facility and Occupancy	-	1,751,974	-	1,751,974
Information Technology	-	580,806	273,439	854,245
Interest	-	351,709	-	351,709
Income Tax Expense (UBIT)	-	27,617	-	27,617
Professional Fees	-	492,846	72,139	564,985
Purchased Services	-	686,386	392,395	1,078,781
Travel, Events and Education	-	22,061	578,954	601,015
Academics	5,712,445	-	-	5,712,445
Athletics	4,408,546	-	-	4,408,546
Bookstore	3,356,100	-	-	3,356,100
Capital Projects	245,451	-	-	245,451
Donor Life Insurance Premiums	46,161	-	-	46,161
Research	579,171	-	-	579,171
Student Aid	6,292,899	-	-	6,292,899
Total Before Depreciation and Amortization	<u>20,640,773</u>	<u>7,409,262</u>	<u>5,871,962</u>	<u>33,921,997</u>
Depreciation and Amortization	-	1,337,109	-	1,337,109
Total	<u>\$ 20,640,773</u>	<u>\$ 8,746,371</u>	<u>\$ 5,871,962</u>	<u>\$ 35,259,106</u>

See accompanying Notes to Consolidated Financial Statements.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	University Programs	Management and General	Fundraising	2024 Total
Salaries and Wages	\$ -	\$ 2,068,105	\$ 3,451,039	\$ 5,519,144
Payroll Taxes and Benefits	-	637,812	1,088,691	1,726,503
Facility and Occupancy	-	1,541,769	2,626	1,544,395
Information Technology	-	628,650	149,769	778,419
Interest	-	370,544	-	370,544
Professional Fees	-	345,201	96,806	442,007
Purchased Services	-	2,000,079	269,901	2,269,980
Travel, Events and Education	-	28,262	534,708	562,970
Academics	6,577,144	-	-	6,577,144
Athletics	4,458,397	-	-	4,458,397
Bookstore	2,962,786	-	-	2,962,786
Capital Projects	470,491	-	-	470,491
Donor Life Insurance Premiums	34,970	-	-	34,970
Research	525,527	-	-	525,527
Student Aid	5,849,436	-	-	5,849,436
Total Before Depreciation	<u>20,878,751</u>	<u>7,620,422</u>	<u>5,593,540</u>	<u>34,092,713</u>
Depreciation and Amortization	<u>-</u>	<u>1,166,299</u>	<u>-</u>	<u>1,166,299</u>
Total	<u>\$ 20,878,751</u>	<u>\$ 8,786,721</u>	<u>\$ 5,593,540</u>	<u>\$ 35,259,012</u>

See accompanying Notes to Consolidated Financial Statements.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 32,918,575	\$ 34,602,845
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	1,319,254	1,148,444
Contributions Held as Endowments	(2,644,308)	(7,157,291)
Provisions for Uncollectible Contributions	365,411	67,174
Actuarial Adjustment on Contributions Receivable	(264,357)	25,029
Net Realized and Unrealized Gains on Investments	(66,425,995)	(63,155,249)
Loss on Disposal of Fixed Assets	31,666	-
Change in Annuity Payable Obligation	48,457	475,162
Capital Transfer	-	(1,301,281)
Amortization of Debt Issuance Costs	17,855	17,855
Changes in Operating Assets and Liabilities Which Provided (Used) Cash:		
Accounts Receivable	448,159	(660,033)
Contributions Receivable	(922,719)	758,553
Prepaid Expense	(197,631)	60,422
Accounts Payable	1,265,541	108,224
Accrued Liabilities and Deferred Revenue	27,425	44,698
Cash Value of Life Insurance and Annuities	(49,733)	(86,279)
Funds Held for Affiliates	26,991,686	32,562,185
Net Cash Used by Operating Activities	(7,070,714)	(2,489,542)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(1,280,646)	(3,688,933)
Purchases of Investments	(402,493,264)	(267,653,325)
Issuance of Notes Receivable from Pooled Investments - Related Parties	-	(14,792,624)
Collection of Notes Receivable from Pooled Investments - Related Parties	1,730,297	153,968
Proceeds from Sales and Maturities of Investments	405,968,831	281,903,171
Payments to Annuitants	(517,841)	(451,868)
Net Cash Provided (Used) by Investing Activities	3,407,377	(4,529,611)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Outstanding Senior Secured Notes	(389,311)	(370,552)
Contributions Held as Endowments	3,422,198	7,562,446
Net Cash Provided by Financing Activities	3,032,887	7,191,894
NET CHANGE IN CASH AND CASH EQUIVALENTS	(630,450)	172,741
Cash and Cash Equivalents - Beginning of Year	2,806,395	2,633,654
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,175,945	\$ 2,806,395
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 351,709	\$ 370,544

See accompanying Notes to Consolidated Financial Statements.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

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

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

Net Assets Classification

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

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

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

Cash and Cash Equivalents

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

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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

Accounts Receivable

Accounts receivable are stated at net realizable value. An allowance for credit losses is established based on a specific assessment of all invoices that remain unpaid following normal payment periods. All amounts deemed uncollectible are charged against the allowance for credit losses in the period that determination is made. No allowance was deemed necessary at June 30, 2025 and 2024.

Contributions and Contributions Receivable

Unconditional promises to give are recognized without donor restrictions, or with donor restrictions based on the donor's intent when amounts are pledged. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return or release – are recognized when the conditions in which they depend on are substantially met. There are no conditional promises to give at June 30, 2025 and 2024.

In-Kind Gifts

In-kind gifts, when received, are reflected as contributions in the accompanying consolidated financial statements at the estimated fair value at the date of receipt. The Foundation received in-kind gifts in 2025 and 2024 valued at \$6,164 and \$11,513, respectively.

Investments

Investment securities are stated at fair value following the fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as further described in Note 13.

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

Charitable Remainder Trusts

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

Life Insurance Cash Surrender Value

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

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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

Property and Equipment

Property and equipment over \$25,000 are recorded at cost when purchased. Donated property is recorded at estimated fair market value at the date of acquisition. Depreciation is provided on the straight-line method over the estimated useful lives of the assets, which range from 3 to 40 years. Contributions of long-lived assets, such as property, are recognized as an increase in net assets without donor restriction in the year the asset is received. Depreciation expense for the years ended June 30, 2025 and 2024 amounted to \$1,319,254 and \$1,148,444, respectively.

Capitalized Software

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

Leases

The Foundation determines if an arrangement is a lease at inception. The Foundation considered its existing capitalization threshold for property and equipment of \$25,000 as a recognition threshold for lease assets and lease liabilities. As of June 30, 2025 and 2024, the Foundation has not entered into any leases over this threshold. However, if an arrangement should be identified over this threshold, operating leases would be included in right-of-use (ROU) assets and lease liability in the consolidated statement of financial position.

ROU assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Foundation has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the consolidated statement of financial position.

Annuities Payable

Annuities payable represent the cumulative present value of the liabilities to donors of irrevocable charitable gift annuities based on the life expectancy of each annuitant or based upon the fixed term of the annuity. Payments to donors are expected to range from 2026 to 2052. The present value is determined by applying a discount rate and an annuity factor. The discount rate was 5.0% and 5.60% for 2025 and 2024, respectively. Annuity adjustment factors are based on Internal Revenue Service (IRS) Publications 1457 and 1458.

Funds Held for Affiliates

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

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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

Funds Held for Affiliates (Continued)

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

Administrative Fees

The Foundation charges an annual administrative fee based on endowment balances for managing and administering the investments under its control. In addition, the Foundation charges quarterly administrative fees for pooled investments belonging to the University, The University of Toledo Alumni Association (the Alumni Association) and The University of Toledo Medical Assurance Company (UT MAC). The University investments include the board-designated reserves and endowments. In 2024, the tiered fee ranged from 0.75% to 1.5% of the fund balances and is computed on a rolling twelve quarter average. Effective in January 2025, the tiered fee range changed to 0.5% to 1.5%. The amount charged to the University, the Alumni Association, and UT MAC was approximately \$4,600,000 in 2025 and 2024. Administrative fees charged to restricted funds of the Foundation are included in revenue without donor restrictions.

Bookstore Revenue

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

Functional Allocation of Expenses

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

Income Tax Status

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

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and recognize a tax liability if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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

Income Tax Status (Continued)

Management has analyzed the tax positions taken by the Foundation and has concluded that as of June 30, 2025 and 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the consolidated financial statements. The Foundation and Corporation are subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Estimates

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

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Revisions

Certain revisions of amounts previously reported have been made to the accompanying consolidated financial statements. The disclosure of the financial assets available for general expenditures for the prior year has been revised to \$1,739,498. The revision had no impact on previously reported net assets.

Subsequent Events

We have evaluated subsequent events through October 14, 2025, the date the consolidated financial statements were available to be issued.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 LIQUIDITY AND AVAILABILITY

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

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	\$ 2,175,945	\$ 2,806,395
Accounts Receivable	1,402,915	1,851,074
Contributions Receivable, Net (Due Within One Year)	3,943,962	3,493,499
Investments at Fair Value	778,418,673	717,241,078
Less:		
Gateway Funding from Pooled Investments	2,252,253	2,294,789
Funds Held for Affiliates	366,469,150	339,477,464
Board Designated Endowments	18,084,515	16,738,918
Board Designated	12,890,754	10,512,915
Net Assets with Donor Restrictions	383,817,592	355,333,967
Investments Not Deemed Liquid	2,631,576	2,631,576
Plus:		
Board Designated Endowments to be Spent Next Year	723,381	669,557
Board Designated to be Spent Next Year	<u>6,742,247</u>	<u>2,667,524</u>
Total	<u><u>\$ 7,261,283</u></u>	<u><u>\$ 1,739,498</u></u>

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

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

The board-designated endowment of \$18,084,515 and \$16,738,918 as of June 30, 2025 and 2024, respectively, is subject to an annual spending rate of 4.0% as described in Note 8. Although the Foundation does not intend to spend from the board-designated endowment (other than amounts appropriated for general expenditure as part of our board's annual budget approval and appropriation), these amounts could be made available if necessary.

The Foundation charges an annual administrative fee that ranges from 0.5% to 1.5% as described in Note 1 on the endowed fund balances and other investments under its management. This annual administrative fee is available over the course of the year for general expenditure.

As part of the Foundation's liquidity management plan, the board designates a portion of any operating surplus to its operating reserve, which was \$6,016,597 and \$6,798,579 as of June 30, 2025 and 2024, respectively. Similar to other board-designated funds, the operating reserve is considered available for general expenditures.

NOTE 3 CONTRIBUTIONS RECEIVABLE

As of June 30, 2025 and 2024, 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, 2025 and 2024 amounted to \$59,974 and \$399,321, respectively.

Contributions receivable at June 30 are as follows:

	2025	2024
Within One Year	\$ 4,612,354	\$ 3,956,842
Over One to Five Years	5,546,031	6,062,578
More than Five Years	305,377	306,111
Total	<u>10,463,762</u>	<u>10,325,531</u>
Allowance for Uncollectible Contributions	(1,447,671)	(1,085,205)
Present Value Discount	<u>(190,095)</u>	<u>(458,105)</u>
Net Contributions Receivable	8,825,996	8,782,221
Net Due in One Year	3,943,962	3,493,499
Net Due in Excess of One Year	4,882,034	5,288,722
Total Contributions Receivable, Net	<u>\$ 8,825,996</u>	<u>\$ 8,782,221</u>

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 INVESTMENTS

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

	<u>2025</u>	<u>2024</u>
Mutual Funds, Index Funds, and EFTs - Equity	\$ 320,692,169	\$ 261,769,550
Mutual Funds, ETFs - Fixed Income	28,784,894	81,537,415
Common Stock	41,059,220	37,687,013
U.S. Government and Agency Issues	9,669,487	1,511,347
Corporate Bonds	2,167,918	2,112,257
Real Estate	10,010,073	9,352,378
Hedge Funds	101,390,323	119,158,519
Partnerships	190,045,467	152,359,967
Cash Equivalents	21,476,086	6,506,018
Notes Receivable - Related Parties	12,908,359	14,638,656
Accrued Interest	501,241	1,200,667
Total Pooled Investments	<u>\$ 738,705,237</u>	<u>\$ 687,833,787</u>

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

	<u>2025</u>	<u>2024</u>
Mutual Funds and EFTs - Fixed Income	\$ 9,398,041	\$ 419,587
Mutual Funds, Index Funds, and EFTs - Equity	7,300,787	6,362,218
Common Stock	7,280,940	6,936,461
Private Closely Held	2,038,100	2,038,100
U.S. Government and Agency Issues	-	7,792,188
Cash Equivalents	8,055,458	250,326
Accrued Interest	67,223	38,688
Total Nonpooled Investments	<u>\$ 34,140,549</u>	<u>\$ 23,837,568</u>

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

	<u>2025</u>	<u>2024</u>
Common Stock	\$ 2,374,496	\$ 2,234,016
Mutual Funds and EFTs - Fixed Income	545,424	803,303
Mutual Funds, Index Funds, and EFTs - Equity	1,264,776	1,307,187
U.S. Government and Agency Issues	-	50,000
Corporate Bonds	582,546	348,584
Cash Equivalents	203,509	224,827
Accrued Interest	8,660	8,330
Total Charitable Remainder Trust Investments	<u>\$ 4,979,411</u>	<u>\$ 4,976,247</u>

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 INVESTMENTS (CONTINUED)

Investment fees of \$1,039,834 and \$580,413 relating to the Foundation's investments were incurred for the years ended June 30, 2025 and 2024, respectively.

The Foundation holds real estate that is classified as investments on the consolidated statements of financial position. Real estate held as investments is recorded at cost and totaled \$593,476 as of June 30, 2025 and 2024.

On March 30, 2016, the University entered into a Grantor Trust Agreement with the Foundation to allow the Foundation to hold title to 8,554.8 shares of VHA-UHC Alliance Newco, Inc. (now known as Vizient Inc.). The purpose for this trust rests in the fact that Vizient, Inc. is a for-profit entity and Ohio law does not permit state entities to hold title or ownership interests in for-profit entities. The initial gift was recorded based on a valuation analysis of the common stock at \$2,000,000 as of June 30, 2016, and a corresponding liability payable to the University is recorded and is included as grantor trust payable to a related party on the consolidated statement of financial position. The University's interest in Vizient (a private company) is less than 1.0% and the cost basis is used to record the asset and corresponding liability and the investment is reviewed annually for impairment.

The aggregate carrying amount of the investments measured on a nonrecurring basis included in the nonpooled investments on the consolidated statements of financial position is \$2,038,100 as of June 30, 2025 and 2024. The fair value of these investments is not estimated if there are no identified events or changes in circumstances that may have a significant adverse effect on the fair value of the investment.

The pooled investments provided funding to Gateway Investments in the total amount of \$4,850,000 as of June 30, 2025 and 2024. The Foundation's portion of the funding from the pooled investments was approximately \$2,598,000 and \$2,555,000 as of June 30, 2025 and 2024, respectively. The Foundation's contributions have been eliminated in the consolidating financial statements.

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

NOTE 5 LEASE AGREEMENTS

The Foundation has entered into two lease agreements for office space in their Dorr Street facility. The December 2018 agreement had a five-year term that expired in December 2023. A new lease was entered into effective January 2024 and expires May 31, 2027. Lease revenue amounted to \$571,549 and \$772,897 for years ended June 30, 2025 and 2024, respectively. Future annual lease revenue to be received under this lease is as follows: \$571,549 for 2026 and \$523,920 for 2027.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 5 LEASE AGREEMENTS (CONTINUED)

The December 2019 agreement was renewed in December 2023 for another three-year term that expires November 30, 2026. Lease revenue amounted to \$177,965 for the years ended June 30, 2025 and 2024. Future lease payments to be received under this lease is \$88,983 for 2026. Total lease income to be received under the aforementioned leases amounts to \$1,184,452 at June 30, 2025.

NOTE 6 PENSION PLANS

The Foundation has noncontributory defined contribution retirement plans covering all permanent employees who have at least 1,000 hours of service in a 12-consecutive-month period. Contributions are based on a percentage of gross wages. Several employees that were originally covered by the Ohio Public Employees Retirement System (OPERS) prior to the Foundation having its own employees were grandfathered into OPERS. There is one active employee covered by OPERS at June 30, 2025 and 2024. Employees participate in only one of the retirement plans. Total pension expense for the years ended 2025 and 2024 was \$315,529 and \$324,064, respectively.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2025</u>	<u>2024</u>
Subject to Expenditure for Specified Purpose:		
Academics	\$ 26,813,461	\$ 23,545,242
Student Aid	6,149,489	6,793,121
Capital Projects	3,668,891	1,878,982
Athletic Programs	4,952,848	5,530,128
Research	4,003,114	3,325,952
General Support	1,198,682	552,107
Total	<u>46,786,485</u>	<u>41,625,532</u>
Endowments:		
Subject to Spending Policy:		
Academics	78,504,272	70,881,245
Student Aid	71,523,690	62,023,185
Capital Projects	6,260,524	5,644,961
Athletic Programs	419,713	367,283
Research	8,382,155	6,866,743
General Support	3,577,741	3,233,471
Total	<u>168,668,095</u>	<u>149,016,888</u>
Restricted by Donors in Perpetuity for:		
Academics	60,477,488	61,147,867
Student Aid	81,992,025	78,514,735
Capital Projects	3,842,234	3,814,100
Athletic Programs	780,772	879,088
Research	16,989,488	16,812,614
General Support	4,281,005	3,523,143
Total	<u>168,363,012</u>	<u>164,691,547</u>
Total Endowments	<u>337,031,107</u>	<u>313,708,435</u>
Total Net Assets with Donor Restrictions	<u>\$ 383,817,592</u>	<u>\$ 355,333,967</u>

Net assets related to charitable remainder trusts of \$3,368,752 and \$2,891,002 for years ended June 30, 2025 and 2024, respectively, are included in the above net assets with donor restrictions, classified based on the donors' restrictions. Charitable remainder trusts have assets invested based on the donors' directive. Spending from net assets of charitable remainder trusts commences upon the maturity of the trust.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

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

	2025	2024
Satisfaction of Time and Purpose Restrictions:		
Academics	\$ 5,331,662	\$ 5,233,675
Student Aid	5,918,795	5,715,340
Capital Projects	359,473	250,271
Athletic Programs	4,028,793	4,194,389
Research	732,223	987,370
General Support	298,769	667,672
Total Net Assets Released from Donor Restrictions	\$ 16,669,715	\$ 17,048,717

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

NOTE 8 ENDOWMENT FUNDS

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

Interpretation of Relevant Law

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

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

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 8 ENDOWMENT FUNDS (CONTINUED)

Interpretation of Relevant Law (Continued)

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

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

Funds with Deficiencies

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

U.S. Equity: Russell 3000

International Equity: MCSCI ACWI ex-U.S.

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

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. These deficiencies result from unfavorable market fluctuations or continued appropriation for certain programs deemed prudent by the board. These deficiencies, \$77,678 at June 30, 2025 (none at June 30, 2024), are reported in net assets with donor restrictions.

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a spending policy based on a three-year moving market value average of invested funds. The Foundation appropriated 4.0% for 2025 and 2024. In establishing this policy, the Foundation considered the long-term expected total return on endowment assets. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowments to accumulate capital sufficient to maintain its purchasing power.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 8 ENDOWMENT FUNDS (CONTINUED)

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

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

	2025		
	Board- Endowed Net Assets		
	Without Donor Restrictions	With Donor Restrictions	Total
	\$	\$	\$
Endowment Net Assets - Beginning of Year	16,738,918	313,708,435	330,447,353
Investment Return:			
Investment Income	280,330	5,281,904	5,562,234
Net Appreciation	1,516,212	28,345,529	29,861,741
Total Investment Return	1,796,542	33,627,433	35,423,975
Contributions	37,942	2,644,308	2,682,250
Other Income and Transfers	-	(2,660)	(2,660)
Administrative Fees	(222,052)	(3,827,899)	(4,049,951)
Other Transfers and Funds Appropriated for			
Expenditures	(266,835)	(9,118,510)	(9,385,345)
Change in Net Assets	1,345,597	23,322,672	24,668,269
Endowment Net Assets - End of Year	\$ 18,084,515	\$ 337,031,107	\$ 355,115,622
	2024		
	Board- Endowed Net Assets		
	Without Donor Restrictions	With Donor Restrictions	Total
	\$	\$	\$
Endowment Net Assets - Beginning of Year	16,703,266	285,690,888	302,394,154
Investment Return:			
Investment Income	265,277	4,630,634	4,895,911
Net Appreciation	1,513,672	26,785,559	28,299,231
Total Investment Return	1,778,949	31,416,193	33,195,142
Contributions	39,371	7,157,291	7,196,662
Administrative Fees	(236,687)	(3,705,602)	(3,942,289)
Other Transfers and Funds Appropriated for			
Expenditures	(1,545,981)	(6,850,335)	(8,396,316)
Change in Net Assets	35,652	28,017,547	28,053,199
Endowment Net Assets - End of Year	\$ 16,738,918	\$ 313,708,435	\$ 330,447,353

The above schedule and balances reflect contributions receivable of approximately \$2,542,306 and \$2,789,124 for endowed net assets with donor restrictions, for the years ended June 30, 2025 and 2024, respectively.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 8 ENDOWMENT FUNDS (CONTINUED)

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

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

NOTE 9 RELATED PARTY TRANSACTIONS

As further described in Note 5, the Foundation began leasing space to a tenant in December 2019, that renewed in 2023 for another three-year term that expires November 30, 2026. The annual amount of \$100,000 is subject to a potential lease adjustment based on the tenant's positive net operating income. Total lease income from the aforementioned lease amounted to \$177,965 in 2025 and 2024.

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

In October 2020, the board approved funding by the pooled investment portfolio of up to \$7,300,000 for University capital projects. This 10-year loan, further discussed in Note 4, was approved by the University in July 2016 and amended in January 2019. The note receivable owed to the pool as of June 30, 2025 and 2024 is and \$3,429,682 and \$3,652,707, respectively.

In 2024, the board approved funding for a multiple draw term loan to the University for up to \$10,000,000 to be funded by the pooled investment portfolio. The University will have up to seven years to fully draw funds and each draw will have a corresponding term not to exceed five years. Interest will be assessed at Secured Overnight Financing Rate (SOFR) plus 0.75%, subject to change quarterly. As of June 30, 2025 and June 30, 2024, the note receivable owed to the pool is \$1,478,677 and \$1,985,949, respectively.

In 2024, the board approved funding to University of Toledo Physicians, LLC of up to \$5,000,000 to be funded by the pooled investment portfolio for working capital needs. This revolving line of credit has a draw period of 5 years. Interest will be assessed at SOFR plus 1.25%, subject to change quarterly. As of June 30, 2025 and 2024, the note receivable owed to the pool is \$5,000,000.

In 2024, the board approved additional funding to University of Toledo Physicians, LLC of up to \$7,500,000 to be funded by the pooled investment portfolio as a bridge loan. This revolving line of credit has a draw period of 6 months. Interest will be assessed at SOFR plus 1.25%, subject to change quarterly. As of June 30, 2025 and 2024, the note receivable owed to the pool is \$3,000,000 and \$4,000,000, respectively.

In February 2024, the University trustees approved a transfer resolution, whereby surplus parcels from the 2019 transfer to the University were returned to the Corporation in March.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 9 RELATED PARTY TRANSACTIONS (CONTINUED)

The book value of the land is \$1,301,281 and appears as capital transfer on the consolidating statement of activities.

NOTE 10 REAL ESTATE CORPORATION

The Corporation entered into a Ground Lease Agreement (the lease) for property it owns on Dorr Street, effective July 1, 2010. The lease has an initial term of 20 years and provides for four additional option periods with each option period including five additional years. During the initial term, base lease revenue of \$32,000 was paid per year for the first five years. Each sequential five years will include an 8.0% increase to the base lease revenue. As of October 1, 2020, the effective base rate is \$37,325. After the initial 20-year term, the base lease revenue will be determined by the prevailing fair market rental value.

The Corporation is the landlord for three other leases, all of which expire in 2026. Total lease revenue related to these leases was approximately \$96,600 and \$55,300 in 2025 and 2024, respectively. Future lease payments to be received under these leases are \$39,322 in 2026.

NOTE 11 UTF GATEWAY INVESTMENTS

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

On November 17, 2011, Gateway Investments and the Foundation, as guarantor, issued senior secured notes in the amount of \$10,800,000 in connection with the long-term financing of the Gateway. The notes are secured through the open-end mortgage, security agreement, assignment of leases, and rents and fixture filings. The notes were privately placed with a bank. The notes bear an interest rate of 4.9% and mature on November 1, 2027. Annual principal payments range from \$304,868 to \$6,082,221 and are payable on November 1. As part of the note purchase agreement, the Foundation is required under the guarantor covenant to maintain total net assets in excess of \$140,000,000.

In connection with the issuance of the senior notes, Gateway Investments incurred costs of approximately \$271,000 that are amortized over the life of the notes through 2028 on a straight-line basis.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 11 UTF GATEWAY INVESTMENTS (CONTINUED)

Minimum principal payments on the notes to maturity as of June 30, 2025 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>
2026	\$ 408,822
2027	429,310
2028	6,118,111
Total	<u>\$ 6,956,243</u>

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

	<u>2025</u>	<u>2024</u>
Senior Secured Notes Payable	\$ 6,997,904	\$ 7,387,215
Less: Unamortized Debt Issuance Costs	41,661	59,516
Total Notes Payable, Net	6,956,243	7,327,699
Less: Current Maturities	408,822	389,311
Total Notes Payable, Less Current Maturities	<u>\$ 6,547,421</u>	<u>\$ 6,938,388</u>

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

	<u>2025</u>	<u>2024</u>
Interest	\$ 351,709	\$ 370,544
Amortization of Bond Issuance Costs	17,855	17,855
Total	<u>\$ 369,564</u>	<u>\$ 388,399</u>

Bond issuance costs consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Loan Acquisition Costs	\$ 271,000	\$ 271,000
Less: Accumulated Amortization	229,339	211,484
Net Loan Acquisition Costs	<u>\$ 41,661</u>	<u>\$ 59,516</u>

During 2015, a board resolution established a Bond Sinking Fund to invest funds to meet the balloon principal payment of approximately \$6,100,000 that matures November 1, 2027. After an initial investment of \$330,000 on December 22, 2014, quarterly transfers of \$82,500 from operating accounts commenced.

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

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

The Foundation has a management agreement with Barnes & Noble to provide services to manage the collegiate bookstore and provide the bookstore inventory located within the Gateway through June 30, 2027, with an automatic renewal for one additional five-year term. The bookstore is operated under the Barnes & Noble trade name. Under the terms of the agreement, Barnes & Noble pays the Foundation a variable fee on aggregate collectible sales. The variable fee is 11.0% of collectible sales up to \$10,000,000; 12.5% of collectible sales between \$10,000,000 and \$12,000,000; and 14.0% of collectible sales in excess of \$12,000,000. Revenue recognized related to the operation of the bookstore was approximately \$3,602,000 and \$3,187,000 in 2025 and 2024, respectively, and is included in bookstore revenue on the consolidated statements of activities.

Related expense recognized was approximately \$3,356,000 and \$2,963,000 in 2025 and 2024, respectively, and is included in bookstore expenses on the consolidated statements of activities.

Gateway Investments is the landlord for seven other leases, six of which include renewal options that include terms from three to ten years. Total lease revenue related to these leases was approximately \$282,000 in 2025 and \$261,000 in 2024.

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 570,100
2027	560,817
2028	182,830
2029	149,308
2030	152,235
Thereafter	439,505
Total	<u>\$ 2,054,795</u>

NOTE 12 FUNDS HELD FOR AFFILIATES

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

	<u>2025</u>	<u>2024</u>
Contributions - Affiliates	\$ 7,700,011	\$ 13,595,617
Investment Income, Net	38,553,659	34,714,841
Distributions - Affiliates	<u>(19,261,984)</u>	<u>(15,748,273)</u>
Change in Balance	26,991,686	32,562,185
Funds Held for Affiliates - Beginning of Year	<u>339,477,464</u>	<u>306,915,279</u>
Funds Held for Affiliates - End of Year	<u>\$ 366,469,150</u>	<u>\$ 339,477,464</u>

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
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JUNE 30, 2025 AND 2024

NOTE 13 FAIR VALUE MEASUREMENTS

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

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

Investments valued at fair value using Level 1 inputs are common stocks and mutual funds that have observable quoted prices in active markets. Fair values determined by Level 2 inputs such as interest rates and yield curves are government bonds, government agency bonds, corporate bonds, and certain other funds. Level 3 investments consist of assets held in remainder trusts and contributions receivable which use discounted cash flows and rates to determine the fair value which are considered unobservable inputs. Hedge funds and partnerships are measured based on information provided by fund managers and general partners including audited financial statements, unaudited financial statements, and net asset valuations.

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)

Disclosures concerning assets measured at fair value on a recurring basis for June 30, 2025 are as follows:

ASSETS	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at Net Asset Value	Balance at June 30, 2025
Pooled Investments:					
Mutual Funds, Index Funds, and ETFs -					
Equities	\$ 320,692,169	\$ -	\$ -	\$ -	\$ 320,692,169
Mutual Funds and ETFs - Fixed Income	28,784,894	-	-	-	28,784,894
Common Stock	41,059,220	-	-	-	41,059,220
U.S. Government and Agency Issues	-	9,669,487	-	-	9,669,487
Corporate Bonds	2,083,313	84,605	-	-	2,167,918
Real Estate	7,045,486	-	-	2,964,587	10,010,073
Hedge Funds	-	-	-	101,390,323	101,390,323
Partnerships	-	-	-	190,045,467	190,045,467
Total Investments	<u>399,665,082</u>	<u>9,754,092</u>	<u>-</u>	<u>294,400,377</u>	<u>703,819,551</u>
Cash Equivalents					21,476,086
Notes Receivable - Related Parties					12,908,359
Accrued Interest					501,241
Total Pooled Investments					<u>\$ 738,705,237</u>
Nonpooled Investments:					
Mutual Funds and ETFs - Fixed Income	\$ 9,398,041	\$ -	\$ -	\$ -	\$ 9,398,041
Mutual Funds, Index Funds, and ETFs -					
Equities	7,300,787	-	-	-	7,300,787
Common Stock	7,280,940	-	-	-	7,280,940
Total Investments	<u>23,979,768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,979,768</u>
Private Closely Held					2,038,100
Cash Equivalents					8,055,458
Accrued Interest					67,223
Total Nonpooled Investments					<u>\$ 34,140,549</u>
Other Assets:					
Assets Held in Remainder Trusts	\$ -	\$ -	\$ 4,979,411	\$ -	\$ 4,979,411
Contributions Receivable, Net	\$ -	\$ -	\$ 8,825,996	\$ -	\$ 8,825,996

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
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JUNE 30, 2025 AND 2024

NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)

Disclosures concerning assets measured at fair value on a recurring basis for June 30, 2024 are as follows:

ASSETS	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at Net Asset Value	Balance at June 30, 2024
Pooled Investments:					
Mutual Funds, Index Funds, and ETFs -					
Equities	\$ 261,769,550	\$ -	\$ -	\$ -	\$ 261,769,550
Mutual Funds and ETFs - Fixed Income	81,537,415	-	-	-	81,537,415
Common Stock	37,687,013	-	-	-	37,687,013
U.S. Government and Agency Issues	-	1,511,347	-	-	1,511,347
Corporate Bonds	2,026,900	85,357	-	-	2,112,257
Real Estate	6,355,875	-	-	2,996,503	9,352,378
Hedge Funds	-	-	-	119,158,519	119,158,519
Partnerships	-	-	-	152,359,967	152,359,967
Total Investments	<u>389,376,753</u>	<u>1,596,704</u>	<u>-</u>	<u>274,514,989</u>	665,488,446
Cash Equivalents					6,506,018
Notes Receivable - Related Parties					14,638,656
Accrued Interest					1,200,667
Total Pooled Investments					<u>\$ 687,833,787</u>
Nonpooled Investments:					
Mutual Funds and ETFs - Fixed Income	\$ 419,587	\$ -	\$ -	\$ -	\$ 419,587
Mutual Funds, Index Funds, and ETFs -					
Equities	6,362,218	-	-	-	6,362,218
Common Stock	6,936,461	-	-	-	6,936,461
U.S. Government and Agency Issues	-	7,792,188	-	-	7,792,188
Total Investments	<u>13,718,266</u>	<u>7,792,188</u>	<u>-</u>	<u>-</u>	21,510,454
Private Closely Held					2,038,100
Cash Equivalents					250,326
Accrued Interest					38,688
Total Nonpooled Investments					<u>\$ 23,837,568</u>
Other Assets:					
Assets Held in Remainder Trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,976,247</u>	<u>\$ -</u>	<u>\$ 4,976,247</u>
Contributions Receivable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,782,221</u>	<u>\$ -</u>	<u>\$ 8,782,221</u>

The tables above include notes receivable – related parties as they are included in pooled investments, however, these are not measured at fair value and are only added into total. See Note 9 for additional information regarding the notes receivable – related parties.

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

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)

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

	Fair Value at June 30, 2025	Valuation Technique	Significant Unobservable Inputs Used	Range (Weighted Average)
Assets:				
Contributions Receivable	\$ 8,825,996	Discounted Cash Flow	Risk-Free Rate Default Factor Past Due Allowance	0.6 - 1.5% 10% 10% - 90%
Assets Held in Remainder Trusts	4,979,411	Market Value of Underlying Assets	None	None
	Fair Value at June 30, 2024	Valuation Technique	Significant Unobservable Inputs Used	Range (Weighted Average)
Assets:				
Contributions Receivable	\$ 8,782,221	Discounted Cash Flow	Risk-Free Rate Default Factor Past Due Allowance	0.6 - 1.5% 10% 10% - 90%
Assets Held in Remainder Trusts	4,976,247	Market Value of Underlying Assets	None	None

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

	2025				
	Number of Investments	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Alternative:					
Real Estate	1	\$ 2,964,587	\$ 1,286,256	Illiquid	None
Hedge Funds	7	101,390,323	-	Quarterly, Semi-Liquid,	30-95 Days
Partnership	22	190,045,467	141,067,098	Illiquid	None
Total		<u>\$ 294,400,377</u>	<u>\$ 142,353,354</u>		

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 13 FAIR VALUE MEASUREMENTS (CONTINUED)

	Number of Investments	Net Asset Value	2024		
			Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Alternative:					
Real Estate	1	\$ 2,996,503	\$ 1,428,358	Illiquid	None
Hedge Funds	8	119,158,519	-	Quarterly, Semi-Liquid,	30-95 Days
Partnership	21	152,359,967	109,405,343	Illiquid	None
Total		<u>\$ 274,514,989</u>	<u>\$ 110,833,701</u>		

The total approximate fair value of the hedge funds and partnership funds listed in the preceding table is \$294,400,000 and \$274,515,000 at June 30, 2025 and 2024, respectively. These investments are managed by the Foundation; however, the Foundation's portion of the pool of these investments is 53.6% and 52.5% at June 30, 2025 and 2024, or approximately \$157,684,000 and \$144,669,000, respectively.

The total unfunded commitments listed in the preceding table are \$142,353,354 and \$110,833,701 at June 30, 2025 and 2024, respectively. The Foundation's portion of these commitments is approximately \$76,246,000 and \$58,409,000 at June 30, 2025 and 2024, respectively.

NOTE 14 CONCENTRATIONS

The Foundation has noninterest-bearing accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Foundation maintains other cash balances at several financial institutions. Other cash accounts are insured by the FDIC up to \$250,000. During the years ended June 30, 2025 and 2024, the Foundation maintained balances that exceeded insurable limits.

Three sources account for 39% of receivables at June 30, 2025 (none in 2024).

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
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JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS	<u>The University of Toledo Foundation</u>	<u>The University of Toledo Foundation Real Estate Corp.</u>	<u>UTF Gateway Investments LLC</u>	<u>Eliminating Entries</u>	<u>Total</u>
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 1,983,778	\$ 61,659	\$ 130,508	\$ -	\$ 2,175,945
Accounts Receivable	16,216,935	4	20,212	(14,834,236)	1,402,915
Contributions Receivable, Net of Current Expected					
Credit Losses	3,943,962	-	-	-	3,943,962
Prepaid Expense	471,908	-	177,727	-	649,635
Total Current Assets	<u>22,616,583</u>	<u>61,663</u>	<u>328,447</u>	<u>(14,834,236)</u>	<u>8,172,457</u>
NONCURRENT ASSETS					
Investments:					
Pooled Investments	741,302,984	-	-	(2,597,747)	738,705,237
Nonpooled Investments	29,248,481	-	4,892,068	-	34,140,549
Real Estate	593,476	-	-	-	593,476
Assets Held in Charitable Remainder Trusts	4,979,411	-	-	-	4,979,411
Total Investments	<u>776,124,352</u>	<u>-</u>	<u>4,892,068</u>	<u>(2,597,747)</u>	<u>778,418,673</u>
Contributions Receivable, Net of Current Expected					
Credit Losses and Present Value Adjustments	4,882,034	-	-	-	4,882,034
Cash Value of Life Insurance and Annuities	1,484,775	-	-	-	1,484,775
PROPERTY AND EQUIPMENT					
Land and Land Improvements	6,383,911	5,905,153	-	-	12,289,064
Gateway	-	-	15,990,057	-	15,990,057
Rental Property	890,741	-	-	-	890,741
Building and Equipment	25,679,791	1,263,035	277,886	-	27,220,712
Total Property and Equipment	<u>32,954,443</u>	<u>7,168,188</u>	<u>16,267,943</u>	<u>-</u>	<u>56,390,574</u>
Less: Accumulated Depreciation	4,688,761	299,608	5,148,319	-	10,136,688
Net Property and Equipment	<u>28,265,682</u>	<u>6,868,580</u>	<u>11,119,624</u>	<u>-</u>	<u>46,253,886</u>
Total Assets	<u>\$ 833,373,426</u>	<u>\$ 6,930,243</u>	<u>\$ 16,340,139</u>	<u>\$ (17,431,983)</u>	<u>\$ 839,211,825</u>

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

LIABILITIES AND NET ASSETS	<u>The University of Toledo Foundation</u>	<u>The University of Toledo Foundation Real Estate Corp.</u>	<u>UTF Gateway Investments LLC</u>	<u>Eliminating Entries</u>	<u>Total</u>
CURRENT LIABILITIES					
Accounts Payable	\$ 16,857,340	\$ 3,449	\$ 2,121,645	\$ (14,834,236)	\$ 4,148,198
Accrued Liabilities	178,295	42,154	256,561	-	477,010
Deferred Revenue	33,311	11,992	26,910	-	72,213
Senior Secured Notes Payable	-	-	408,822	-	408,822
Total Current Liabilities	<u>17,068,946</u>	<u>57,595</u>	<u>2,813,938</u>	<u>(14,834,236)</u>	<u>5,106,243</u>
NONCURRENT LIABILITIES					
Due to University of Toledo Foundation	(12,751,820)	12,751,820	-	-	-
Senior Secured Notes Payable, Net of Debt Issuance Costs	-	-	6,547,421	-	6,547,421
Gateway Funding from Pooled Investments	-	-	2,252,253	-	2,252,253
Grantor Trust Payable to a Related Party	2,012,824	-	-	-	2,012,824
Annuities Payable	1,981,347	-	-	-	1,981,347
Funds Held for Affiliates	366,469,150	-	-	-	366,469,150
Total Liabilities	<u>374,780,447</u>	<u>12,809,415</u>	<u>11,613,612</u>	<u>(14,834,236)</u>	<u>384,369,238</u>
NET ASSETS (DEFICIT)					
Without Donor Restrictions:					
Operating Funds:					
Undesignated	3,192,316	-	-	-	3,192,316
Designated:					
Real Estate	40,607,802	(5,879,172)	-	-	34,728,630
Gateway	-	-	4,726,527	(2,597,747)	2,128,780
Board	12,890,754	-	-	-	12,890,754
Total Without Donor Restrictions Operating Funds	<u>56,690,872</u>	<u>(5,879,172)</u>	<u>4,726,527</u>	<u>(2,597,747)</u>	<u>52,940,480</u>
Board Endowed	18,084,515	-	-	-	18,084,515
Total Without Donor Restrictions	<u>74,775,387</u>	<u>(5,879,172)</u>	<u>4,726,527</u>	<u>(2,597,747)</u>	<u>71,024,995</u>
With Donor Restrictions	383,817,592	-	-	-	383,817,592
Total Net Assets (Deficit)	<u>458,592,979</u>	<u>(5,879,172)</u>	<u>4,726,527</u>	<u>(2,597,747)</u>	<u>454,842,587</u>
Total Liabilities and Net Assets	<u>\$ 833,373,426</u>	<u>\$ 6,930,243</u>	<u>\$ 16,340,139</u>	<u>\$ (17,431,983)</u>	<u>\$ 839,211,825</u>

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(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

ASSETS	<u>The University of Toledo Foundation</u>	<u>The University of Toledo Foundation Real Estate Corp.</u>	<u>UTF Gateway Investments LLC</u>	<u>Eliminating Entries</u>	<u>Total</u>
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 2,640,625	\$ 70,292	\$ 95,478	\$ -	\$ 2,806,395
Accounts Receivable	3,713,528	71,792	23,432	(1,957,678)	1,851,074
Contributions Receivable, Net of Allowance for Uncollectible Contributions	3,493,499	-	-	-	3,493,499
Prepaid Expense	419,867	-	176,137	(144,000)	452,004
Total Current Assets	<u>10,267,519</u>	<u>142,084</u>	<u>295,047</u>	<u>(2,101,678)</u>	<u>8,602,972</u>
NONCURRENT ASSETS					
Investments:					
Pooled Investments	690,388,998	-	-	(2,555,211)	687,833,787
Nonpooled Investments	19,680,945	-	4,156,623	-	23,837,568
Real Estate	593,476	-	-	-	593,476
Assets Held in Charitable Remainder Trusts	4,976,247	-	-	-	4,976,247
Total Investments	<u>715,639,666</u>	<u>-</u>	<u>4,156,623</u>	<u>(2,555,211)</u>	<u>717,241,078</u>
Due from Real Estate Corporation	12,006,086	-	-	(12,006,086)	-
Contributions Receivable, Net of Allowance for Uncollectible Contributions and Present Value Adjustments	5,288,722	-	-	-	5,288,722
Cash Value of Life Insurance and Annuities	1,435,042	-	-	-	1,435,042
PROPERTY AND EQUIPMENT					
Land and Land Improvements	6,150,516	5,429,695	-	-	11,580,211
Gateway	-	-	15,990,057	-	15,990,057
Rental Property	-	890,741	-	-	890,741
Construction in Process	759,001	-	-	-	759,001
Building and Equipment	26,565,157	-	239,387	-	26,804,544
Total Property and Equipment	<u>33,474,674</u>	<u>6,320,436</u>	<u>16,229,444</u>	<u>-</u>	<u>56,024,554</u>
Less: Accumulated Depreciation	4,688,688	275,226	4,736,480	-	9,700,394
Net Property and Equipment	<u>28,785,986</u>	<u>6,045,210</u>	<u>11,492,964</u>	<u>-</u>	<u>46,324,160</u>
Total Assets	<u>\$ 773,423,021</u>	<u>\$ 6,187,294</u>	<u>\$ 15,944,634</u>	<u>\$ (16,662,975)</u>	<u>\$ 778,891,974</u>

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
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JUNE 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

LIABILITIES AND NET ASSETS	<u>The University of Toledo Foundation</u>	<u>The University of Toledo Foundation Real Estate Corp.</u>	<u>UTF Gateway Investments LLC</u>	<u>Eliminating Entries</u>	<u>Total</u>
CURRENT LIABILITIES					
Accounts Payable	\$ 2,830,959	\$ 13,526	\$ 1,995,850	\$ (1,957,678)	\$ 2,882,657
Accrued Liabilities	381,974	38,241	171,891	(144,000)	448,106
Deferred Revenue	-	30,723	42,969	-	73,692
Senior Secured Notes Payable	-	-	389,311	-	389,311
Total Current Liabilities	<u>3,212,933</u>	<u>82,490</u>	<u>2,600,021</u>	<u>(2,101,678)</u>	<u>3,793,766</u>
NONCURRENT LIABILITIES					
Due to University of Toledo Foundation	-	12,006,086	-	(12,006,086)	-
Senior Secured Notes Payable, Net of Debt Issuance Costs	-	-	6,938,388	-	6,938,388
Gateway Funding from Pooled Investments	-	-	2,294,789	-	2,294,789
Grantor Trust Payable to a Related Party	2,012,824	-	-	-	2,012,824
Annuities Payable	2,450,731	-	-	-	2,450,731
Funds Held for Affiliates	339,477,464	-	-	-	339,477,464
Total Liabilities	<u>347,153,952</u>	<u>12,088,576</u>	<u>11,833,198</u>	<u>(14,107,764)</u>	<u>356,967,962</u>
NET ASSETS (DEFICIT)					
Without Donor Restrictions:					
Operating Funds:					
Undesignated	4,094,117	-	-	-	4,094,117
Designated:					
Real Estate	39,589,152	(5,901,282)	-	-	33,687,870
Gateway	-	-	4,111,436	(2,555,211)	1,556,225
Board	10,512,915	-	-	-	10,512,915
Total Without Donor Restrictions Operating Funds	<u>54,196,184</u>	<u>(5,901,282)</u>	<u>4,111,436</u>	<u>(2,555,211)</u>	<u>49,851,127</u>
Board Endowed	16,738,918	-	-	-	16,738,918
Total Without Donor Restrictions	<u>70,935,102</u>	<u>(5,901,282)</u>	<u>4,111,436</u>	<u>(2,555,211)</u>	<u>66,590,045</u>
With Donor Restrictions	355,333,967	-	-	-	355,333,967
Total Net Assets (Deficit)	<u>426,269,069</u>	<u>(5,901,282)</u>	<u>4,111,436</u>	<u>(2,555,211)</u>	<u>421,924,012</u>
 Total Liabilities and Net Assets	 <u>\$ 773,423,021</u>	 <u>\$ 6,187,294</u>	 <u>\$ 15,944,634</u>	 <u>\$ (16,662,975)</u>	 <u>\$ 778,891,974</u>

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	The University of Toledo Foundation	UTF Real Estate Corp.	UTF Gateway Investments	Eliminating Entries	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	The University of Toledo Foundation and Subsidiaries
SUPPORT, REVENUE, AND GAINS (LOSSES)							
Contributions	\$ 14,113,638	\$ -	\$ -	\$ -	\$ 532,338	\$ 13,581,300	\$ 14,113,638
Administrative Fees	4,622,824	-	-	-	8,454,506	(3,831,682)	4,622,824
Annuities and Trusts, Net of Actuarial Adjustments	(47,631)	-	-	-	-	(47,631)	(47,631)
Grant Income	382,102	-	-	-	382,102	-	382,102
Ancillary and Nongift	1,386,480	-	-	-	35,440	1,351,040	1,386,480
Bookstore Revenue	3,602,470	-	-	-	3,602,470	-	3,602,470
Center for Alumni and Donor Engagement	724,997	-	-	-	724,997	-	724,997
Income - UTF Gateway Investments	-	-	1,606,759	(386,335)	1,220,424	-	1,220,424
Income - Real Estate Corp.	-	187,056	-	-	187,056	-	187,056
Interest and Dividends	7,634,472	365	277,257	-	1,782,109	6,129,985	7,912,094
Investment Fees	(1,039,834)	-	-	-	(200,321)	(839,513)	(1,039,834)
Net Realized and Unrealized Losses	34,984,590	-	128,471	-	5,998,930	29,114,131	35,113,061
Satisfaction of Program and Donor Restrictions	-	-	-	-	16,669,715	(16,669,715)	-
Other Transfers	-	-	-	-	304,290	(304,290)	-
Total Support, Revenue, and Gains (Losses)	66,364,108	187,421	2,012,487	(386,335)	39,694,056	28,483,625	68,177,681
EXPENSES							
University Program Services:							
Academics	5,712,444	-	-	-	5,712,444	-	5,712,444
Athletics	4,408,546	-	-	-	4,408,546	-	4,408,546
Student Aid	6,292,899	-	-	-	6,292,899	-	6,292,899
Capital Projects	245,451	-	-	-	245,451	-	245,451
Research	579,171	-	-	-	579,171	-	579,171
Bookstore	3,742,435	-	-	(386,335)	3,356,100	-	3,356,100
Donor Life Insurance Premiums	46,162	-	-	-	46,162	-	46,162
Management and General	7,141,128	165,311	1,439,932	-	8,746,371	-	8,746,371
Fundraising	5,871,962	-	-	-	5,871,962	-	5,871,962
Total Expenses	34,040,198	165,311	1,439,932	(386,335)	35,259,106	-	35,259,106
CHANGE IN NET ASSETS, BEFORE CAPITAL TRANSFERS	32,323,910	22,110	572,555	-	4,434,950	28,483,625	32,918,575
CAPITAL TRANSFER	-	-	42,536	(42,536)	-	-	-
CHANGE IN NET ASSETS	32,323,910	22,110	615,091	(42,536)	4,434,950	28,483,625	32,918,575
Net Assets (Deficit) - Beginning of Year	426,269,069	(5,901,282)	4,111,436	(2,555,211)	66,590,045	355,333,967	421,924,012
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ 458,592,979</u>	<u>\$ (5,879,172)</u>	<u>\$ 4,726,527</u>	<u>\$ (2,597,747)</u>	<u>\$ 71,024,995</u>	<u>\$ 383,817,592</u>	<u>\$ 454,842,587</u>

THE UNIVERSITY OF TOLEDO FOUNDATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	The University of Toledo Foundation	UTF Real Estate Corp.	UTF Gateway Investments	Eliminating Entries	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	The University of Toledo Foundation and Subsidiaries
SUPPORT, REVENUE, AND GAINS (LOSSES)							
Contributions	\$ 16,791,046	\$ -	\$ -	\$ -	\$ 170,760	\$ 16,620,286	\$ 16,791,046
Administrative Fees	4,563,955	-	-	-	8,273,663	(3,709,708)	4,563,955
Annuities and Trusts, Net of Actuarial Adjustments	(325,161)	-	-	-	-	(325,161)	(325,161)
Grant Income	1,705,994	-	-	-	1,705,994	-	1,705,994
Ancillary and Nongift	1,459,042	-	-	-	36,460	1,422,582	1,459,042
Bookstore Revenue	3,186,507	-	-	-	3,186,507	-	3,186,507
Center for Alumni and Donor Engagement	954,842	-	-	-	954,842	-	954,842
Income - UTF Gateway Investments	-	-	1,562,750	(390,162)	1,172,588	-	1,172,588
Income - Real Estate Corp.	-	127,140	-	-	127,140	-	127,140
Interest and Dividends	6,355,440	-	140,185	-	1,379,990	5,115,635	6,495,625
Investment Fees	(580,413)	-	-	-	(102,366)	(478,047)	(580,413)
Net Realized and Unrealized Losses	32,894,853	-	114,558	-	6,184,697	26,824,714	33,009,411
Satisfaction of Program and Donor Restrictions	-	-	-	-	17,048,717	(17,048,717)	-
Other Transfers	-	-	-	-	(1,069,922)	1,069,922	-
Total Support, Revenue, and Gains (Losses)	67,006,105	127,140	1,817,493	(390,162)	39,069,070	29,491,506	68,560,576
EXPENSES							
University Program Services:							
Academics	6,577,144	-	-	-	6,577,144	-	6,577,144
Athletics	4,458,399	-	-	-	4,458,399	-	4,458,399
Student Aid	5,849,436	-	-	-	5,849,436	-	5,849,436
Capital Projects	470,491	-	-	-	470,491	-	470,491
Research	525,526	-	-	-	525,526	-	525,526
Bookstore	3,352,947	-	-	(390,162)	2,962,785	-	2,962,785
Donor Life Insurance Premiums	34,970	-	-	-	34,970	-	34,970
Management and General	7,153,635	214,918	1,418,168	-	8,786,721	-	8,786,721
Fundraising	5,593,540	-	-	-	5,593,540	-	5,593,540
Total Expenses	34,016,088	214,918	1,418,168	(390,162)	35,259,012	-	35,259,012
CHANGE IN NET ASSETS, BEFORE CAPITAL TRANSFERS	32,990,017	(87,778)	399,325	-	3,810,058	29,491,506	33,301,564
CAPITAL TRANSFER	-	1,301,281	29,698	(29,698)	1,301,281	-	1,301,281
CHANGE IN NET ASSETS	32,990,017	1,213,503	429,023	(29,698)	5,111,339	29,491,506	34,602,845
Net Assets (Deficit) - Beginning of Year	393,279,052	(7,114,785)	3,682,413	(2,525,513)	61,478,706	325,842,461	387,321,167
NET ASSETS (DEFICIT) - END OF YEAR	\$ 426,269,069	\$ (5,901,282)	\$ 4,111,436	\$ (2,555,211)	\$ 66,590,045	\$ 355,333,967	\$ 421,924,012



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of The University of Toledo Foundation and Subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 14, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered The University of Toledo Foundation and Subsidiaries' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of The University of Toledo Foundation and Subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of The University of Toledo Foundation and Subsidiaries' 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 Foundation's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

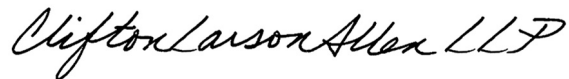
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The University of Toledo Foundation and Subsidiaries' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated 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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Maumee, Ohio
October 14, 2025