THE UNIVERSITY OF
TOLEDO
1872

AUDITED FINANCIAL STATEMENTS

Fiscal Year Ended June 30, 2012

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Independent Auditor's Report

To the Board of Trustees
University of Toledo

We have audited the accompanying balance sheet of the University of Toledo (a component unit of the State of Ohio) (the "University") and its discretely presented component unit as of June 30, 2012 and 2011 and the related statements of revenue, expenses, and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion 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. In addition, the basic financial statements were audited in accordance with Government Auditing Standards, issued by the Comptroller General of the United States. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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 June 30, 2012 and 2011 and the results of its operations and cash flows, if applicable, for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, the University has a change in reporting entity for reporting a component unit. The University of Toledo Physicians, Clinical Faculty, Inc. is now reported as a blended component unit; in the prior year it was a discretely presented component unit. We did not audit The University of Toledo Physicians, Clinical Faculty, Inc. in the prior year. Those statements were audited by other auditors whose report was furnished to us and our opinion, as of and for the year end June 30, 2011, insofar as it relates to the amounts included for the component unit, was based solely on the report of the other auditors whose opinion, dated October 11, 2011, issued and unqualified opinion.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2012 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, and grant agreements. The purpose of that report is 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 opinions on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

To the Board of Trustees
University of Toledo

The accompanying other supplemental information, schedule of expenditures of federal awards, is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, as identified on pages 4 through 16, 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, which 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 supplemental 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.

Plante & Moran, PLLC

October 15, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2012 with comparative information for the years ended June 30, 2011 and 2010. The MD&A should be read in conjunction with 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 nearly 23,000 students, 1,500 instructional faculty, and 4,300 staff members. The University is comprised of thirteen colleges: Business; Education, Health Science, & Human Services; Engineering; Graduate Studies; Law; Language, Literature, & Social Sciences; Medicine; Natural Sciences & Mathematics; Nursing; Pharmacy; Adult & Lifelong Learning; Visual & Performing Arts; and the Honors College. The University offers more than 250 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 provides services to more than 12,000 inpatient admissions and more than 216,000 outpatient clinic visits including 34,000 emergency visits. UTMC specializes in kidney transplantation, cardiology, neurology, trauma care, orthopedic surgery, and cancer treatment.

The University is governed by a board of trustees who are responsible for oversight of academic programs, budgets, general administration, and employment of faculty and staff. The University is currently governed by a 12-voting member board of trustees created through the combination of the previous existing boards of the University of Toledo and Medical University of Ohio. The board will eventually be reduced to nine members; as current members' terms expire only one new trustee will be appointed for every two that depart. The trustees are appointed by the Governor with the advice and consent of the State Senate for staggered nine-year terms. Two student non-voting members, who are appointed for two-year terms, also serve on the Board.

The following financial statements reflect all assets, liabilities, and net assets of the University and discretely present its legally separate entity, the University of Toledo Foundation (Foundation). The Foundation's primary function is 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 amount of receipts from the Foundation. 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). As a result, UTP financials are presented in a blended manner, reflected as a part of the University's financials. Moreover, for comparative purposes, the University's prior year's financials have been restated to include UTP for this analysis. UTP provides administrative support, billing, and collection services for physician services at the University.

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 a Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Net Assets; Statement of Cash Flows; and the Notes to the Financial Statements. In accordance with GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units,* which amends GASB Statement No. 14; the Foundation is discretely presented as a component unit of the University.

FINANCIAL HIGHLIGHTS AND KEY TRENDS

The University's overall financial position improved slightly in 2012. Total unrestricted and restricted net assets increased $2.1 million, to $312.9 million at June 30, 2012. The following sections provide additional details on the University's 2012 financial results and a look ahead at significant economic conditions that are expected to affect the University in the future.

Statements of Net Assets

The Statement of Net Assets is the University's balance sheet. It reports all financial and capital resources and presents the difference between assets and liabilities as net assets. 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. Net assets are displayed in the following categories:

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

Summary of Statements of Net Assets			
(in thousands)			
	2012	**2011**	**2010**
Assets			
Cash and temporary investments	$ 62,779	$ 100,275	$ 82,846
Current receivables, inventories, and prepaid expenses	138,878	123,716	140,150
Total current assets	201,657	223,991	222,996
Endowment and loan investments	48,280	51,647	43,220
Long-term investments	174,202	147,256	86,252
Capital assets, net of accumulated depreciation	643,228	617,429	610,198
Other non-current assets	96,922	63,023	98,990
Total non-current assets	962,632	879,355	838,660
Total assets	$ 1,164,289	$ 1,103,346	$ 1,061,656
Liabilities			
Accounts payable and accrued expenses	$ 75,450	$ 82,905	$ 84,273
Other current liabilities	75,411	71,135	101,326
Total current liabilities	150,861	154,040	185,599
Bonds, notes, and leases	325,076	281,807	258,640
Other long-term liabilities	43,012	27,244	45,054
Total non-current liabilities	368,088	309,051	303,694
Total liabilities	$ 518,949	$ 463,091	$ 489,293
Net assets			
Invested in capital assets, net of related debt	$ 332,475	$ 329,461	$ 328,092
Restricted – non-expendable net assets	13,830	13,669	13,661
Restricted - expendable net assets	122,000	132,198	101,999
Unrestricted net assets	177,035	164,927	128,611
Total net assets	$ 645,340	$ 640,255	$ 572,363

2011-2012 Results

Current Assets

Currents Assets decreased in 2012 due primarily to a $30 million reallocation of excess Cash and Cash Equivalents to Institutional Reserves and Board Designated Reserve long-term investments offset by an increase in Accounts Receivable of $13 million due to an increase in Hospital inpatient billings and an increase in Federal direct student lending amounts due to the University at the end of the fiscal year.

Non-current Assets

Total non-current assets increased from $879 million in 2011 to $963 million in 2012, an increase of $84 million, due to the $30 million investment of excess cash into Long Term Investment instruments and investment in Capital Assets financed primarily by bond proceeds.

Major capital projects completed or underway include:

- ☐ Third Floor Hospital Renovations (Upgrades to A, B, C, and D wings 5A and 5D rooms): This $4.8 million project involved the full renovation of the remainder of the 3rd floor of the hospital following the completion of the new 22 Medical Intensive Care Units and also includes construction of 10 new patient rooms on the 5th floor. All rooms on the 3rd floor of the hospital changed from dual occupancy to single occupancy and were constructed to ICU level care standards. Renovations included all the support spaces, corridors, and elevator lobbies. Completion of this project marks the first floor in the hospital to be completely renovated. Services utilizing these spaces were reassigned so that additional patient rooms could be constructed, keeping the number of beds in the hospital at a net gain overall even with the move from dual to single occupancy. The project was funded by bond dollars and was completed in July 2012.

- ☐ Medical Mall Construction (Phase I): This completed $3.8 million project involved the full renovation of the lower level of Ida Marie Dowling Hall for services including Physical Medicine & Rehabilitation, Outpatient Rehabilitation Therapy, Hydrotherapy, Audiology, and Academic Offices. Project included approximately 22,500 square feet of full renovations to a space that was repurposed following the relocation of services formally occupying the same. New occupants were largely relocated from the 1st floor of Dowling Hall. This is the first phase of an envisioned three phase project which would include the development of the vacated 1st floor of Dowling Hall and the enclosure of the plaza deck between Dowling Hall and the Orthopedic Center for circulation/registration/clinical waiting space.

- ☐ Clinical Simulation Center (Phase 1): This $0.9 million project entailed installing an immersive learning Kave/Cad room which is a 3D projection system that teaches end users highly detailed visuals/audio of any given software program used. In this case, it was for anatomical studies by medical students. The project also encompassed directional signage by using wall graphics color coded to different study programs. A new lobby/reception area was built and multiple rooms were remodeled to enhance the learning environment.

- ☐ Hyperbaric Chamber: This $0.6 million project involved the full renovation of the UMC 1st floor to house a new 10 patient Hyperbaric Chamber and Wound Care Clinic. It provides the only 10 person hyperbaric treatment chamber in the region. It had approximately 1500 square feet of full renovations to a space that was repurposed following the relocation of services formally occupying the same. The project included a 36 stall parking area directly north of the hospital to support this new clinic. This project has been completed.

- ☐ University Hall Renovations (Classrooms, furniture, finishes and windows): This $1.5 million project involved nine general purpose classrooms. The renovations included new interior finishes, window treatments, and furniture.

- ☐ Gateway and Rocket Hall (Lot 25) Parking (New parking lot, lighting and security cameras): This $3.0 million project occurred from May to August and was comprised of the following improvements: Lot 25 parking area was restructured and repaved; the pedestrian walkway was completed from the Gateway businesses to the residence halls on West Rock Drive; landscaping and curbed islands were put in; the concrete cross walk and drop-off entrance into Rocket Hall was raised; and LED parking lights were installed.

- ☐ General Roadway and Lot Improvements (East and West parking garage upgrades, roadway and lot resurfacing): This $1.9 million project added 178 parking spaces near the bicycle path and the area south of Rocket Hall. Handicapped parking and crosswalks were maintained to ensure compliance with the Americans with Disabilities Act standards.

Liabilities

Current liabilities remained relatively constant with a decrease of $3 million.

Non-current liabilities increased by $59 million in 2012 driven by the issuance of debt and the increase in fair value of derivative instruments of $15 million.

2010-2011 Results

Current Assets

Currents Assets remained constant in 2011 due to increased collection activity resulting in a decrease of Accounts Receivable of $16 million and an increase of Cash and Cash Equivalents of $17 million.

Non-current Assets

Total non-current assets increased from $839 million in 2010 to $879 million in 2011, an increase in assets of $40 million, due to the improvement in the investment markets as well as an increase in Capital Assets, financed primarily by bond proceeds and State of Ohio funds. Major capital projects completed or underway included:

- ☐ Center for Biosphere Restoration Research (Bowman-Oddy Laboratories and Wolfe Hall Renovations): The $7.9 million project involves the full renovation of approximately 21,000 GSF in the south wing of Bowman-Oddy Laboratories to create research labs, support space, and offices for the Center for Biosphere Restoration Research (CBRR). The CBRR will house the research teams of thirteen faculty members from UT's Department of Environmental Sciences. The project also involves the renovation of approximately 9,500 NASF on the first floor of Wolfe Hall for instructional labs, support space and departmental offices that are being displaced by the creation of the CBRR in Bowman-Oddy. The project is partially funded by a $3.6 million grant from the National Science Foundation. It is being done as a construction reform demonstration project for the State of Ohio, using the construction manager at risk delivery methodology.

- ☐ Center for Performing Arts Renovations: The $2.3 million project involved an addition to and renovation of the Center for Performing Arts, which was built in 1976 and contained 65,000 GSF. The building is the home of the Department of Music and the Department of Theater and Film. The addition provides for expansion and improvements to the orchestra/band and chorus practice rooms. Renovations include improvements to areas involved in instruction, practice and performance - including the recital hall, digital video lab, digital music lab, scene shop, studio theater, dressing and green rooms, design classroom, music practice rooms, building lobby and departmental offices. Work was completed in the summer of 2011, and the renovated building was ready for occupancy at the start of the fall semester 2011.

- Carter Hall Renovations: The $1.7 million project involved installation of heating, ventilating, air conditioning and related electrical systems modifications associated with the addition of air conditioning to the existing Carter Hall East and West Dormitory at the University of Toledo. Air conditioning will include student rooms, ancillary areas as well as the open eating area.

- Planetarium: The $0.3 million project involved installation of new seating, carpet, painting, electrical, computer, and sound system upgrades.

- Electrical Upgrades: The $1.9 million project involved new generator, distribution panels, transformers, and uninterrupted power source (UPS), and additional space for redundant generator and UPS units.

Liabilities

Current liabilities decreased by $32 million in 2011 related to debt restructuring that included $32 million Bond Anticipation Notes issued June 2010 and due in June 2011.

Non-current liabilities increased by $5 million in 2011 driven by the restructuring of debt noted above netted against the treatment of swap arrangements related to the restructuring.

Statements of Revenues, Expenses, and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets 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 assets. Tuition revenue is shown net of financial aid, 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; therefore, the University will typically reflect a net operating loss. However, the University and other public institutions have traditionally relied on these funds to support functional operations of the institution.

2011-2012 Results

In 2012, the University had operating revenues of $709 million, an increase of $18 million while operating expenses only increased $6 million over the previous year as a result of spending controls, resulting in an improvement in operating results of $12 million. Negatively affecting the current year results was a reduction in State Share of Instruction and ARRA Stimulus of $20 million, reduced state capital project funding, and a decline in the investment markets, culminating in an overall increase in net assets of $5 million.

Summary of Revenues, Expenses, and Changes in Fund Balance			
(in thousands)			
	2012	**2011**	**2010**
Operating revenues:			
Hospital	$ 263,053	$ 252,246	$ 251,580
Tuition and fees, net	215,942	205,973	200,052
Grants and contracts	67,287	69,941	77,440
Auxiliary	64,764	65,056	70,882
Other patient services revenue	67,486	63,945	62,690
Other operating revenues	30,405	34,189	38,043
Total operating revenue	$ 708,937	$ 691,350	$ 700,687
Operating expenses:			
Salaries, wages, and benefits	$ 506,640	$ 499,256	$ 499,089
Supplies	91,521	95,454	94,152
Outside purchased services	92,462	74,369	83,321
Depreciation	50,093	47,619	45,498
Other operating expenses	100,108	118,358	118,400
Total operating expenses	840,824	835,056	840,460
Operating Loss	(131,887)	(143,706)	(139,773)
Non-operating revenues (expenses):			
State share of instruction and grants & contracts	$ 149,383	$ 176,880	$ 166,690
Investment income	(5,300)	32,360	17,095
Interest on debt	(14,993)	(12,178)	(13,514)
Change in value of derivative instrument	(3,254)	(1,358)	(1,115)
Other non-operating revenues	557	409	1,761
Total non-operating revenues	$ 126,393	$ 196,113	$ 170,917
Other changes			
Capital appropriations	$ 7,861	$ 13,842	$ 15,934
Other changes	2,718	1,643	987
Total other changes	10,579	15,485	16,921
Increase in net assets	$ 5,085	$ 67,892	$ 48,065
Net assets - beginning of the year	640,255	572,363	524,298
Net assets - end of the year	$ 645,340	$ 640,255	$ 572,363

Operating Revenues

Operating revenues increased by $18 million in 2012. Net tuition and fees increased by $10 million as a result of an increase in undergraduate tuition rates of 3.5% in fiscal 2012, offset by lower enrollment. Scholarship expenses remained relatively stable. The University's credit hour FTE enrollment by term was as follows:

Term	FY 2012	FY 2011	FY 2010
Fall	19,046	19,589	19,622
Spring	17,292	17,855	18,583
Summer	4,435	4,321	4,532

Hospital revenues increased by $11 million or 4.3% due to a 5.4% increase in inpatient admissions. Grant Revenue classified as operating decreased by $3 million related to lower activity in sponsored programs from state and private sources.

Operating Expenses

Total operating expenses increased by $6 million to $841 million in 2012. Salaries, Wages, and Fringe Benefits increased by $7 million in 2012, primarily due to increased Clinicians Salary expense within UTP-CF and higher UT employer medical benefit costs. An increase in Outside Purchased Services expenditures of $18 million in 2012 was offset by reductions in supplies expense, insurance and other administrative expense due to spending controls instituted across the University. Depreciation increased by $2 million as a result of additional investment in university and hospital facilities and equipment.

Non-operating Revenue and Expense

Total non-operating revenues and expenses resulted in net revenue of $126 million in 2012, a decrease of $70 million from 2011. Long term investments produced a loss of $5 million in 2012 compared to an investment gain of $32 million in 2011. State Share of Instruction (SSI) and the American Recovery and Reinvestment Act (ARRA) Stimulus and non-operating grant related activity decreased by $27 million.

Other Changes

Other changes resulted in an increase in assets of $11 million during 2012, primarily a result of state funded capital appropriations.

2010-2011 Results

In 2011, the University had operating revenues of $691 million, a decrease of $9 million while operating expenses were $5 million lower than the previous year as result of spending controls, resulting in a decline in operating results of $4 million. Positive results were experienced from much higher non-operating research activity and a turnaround in the investment markets, culminating in an increase in net assets of $68 million from $572 million in 2010.

Summary of Change in Net Assets			
(in thousands)	**2012**	**2011**	**2010**
Net Assets beginning of year	$ 640,255	$ 572,363	$ 524,298
Increase (decrease) before derivatives	8,339	69,250	49,180
Decrease related to derivatives	(3,254)	(1,358)	(1,115)
Total change in net assets	5,085	67,892	48,065
Net Assets end of year	$ 645,340	$ 640,255	$ 572,363

Statements of Cash Flows

The **Statement of Cash Flows** presents the sources and uses of cash in the following categories:

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

Cash flows associated with the University's expendable net assets 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.

Summary of Cash Flows			
(in thousands)			
	2012	**2011**	**2010**
Net cash flows from operating activities	$ (72,121)	$ (64,228)	$ (64,193)
Net cash flows from non-capital financing activities	142,966	181,014	157,737
Net cash flows from capital and related financing activities	(38,012)	(54,784)	(35,782)
Net cash flows from investing activities	(70,329)	(44,573)	(41,274)
Net increase (decrease) in cash	$ (37,496)	$ 17,429	$ 16,488

2011-2012 Results

Total University cash and cash equivalents decreased by $37 million in 2012. The University had net cash used in operating activities of $72 million before adding in state share of instruction and gifts, grants and contracts of $143 million, included in non-capital financing activity, which resulted in a net increase of cash related to traditional operations of $71 million. Total net cash outflows from capital and related financing activities were $38 million including funds expended on capital assets of $76 million funded primarily by new debt issued in 2012. Net cash outflow to investments resulted in a reduction of $70 million in 2012, as positive operations allowed movement of cash to interest earning investments.

2010-2011 Results

Total University cash and cash equivalents increased by $17 million in 2011. The University had net cash used in operating activities of $64 million before adding in state share of instruction and gifts, grants and contracts of $181 million, included in non-capital financing activity, which resulted in a net increase of cash related to traditional operations of $117 million. Total net cash flows from capital and related financing activities were $55 million primarily due to debt activity and restructuring during 2011. Principal Paid on Capital Debt increased by $86 million which was offset in part by an increase in Proceeds from Debt Issuance of $40 million. Net cash outflow to investments resulted in a reduction of $45 million in 2011, as positive operations allowed movement of cash to interest earning investments.

ECONOMIC FACTORS

Higher Education

Despite prior years' efforts to stimulate the economy through the American Recovery and Reinvestment Act (ARRA), the intended progress has been slow-moving. Continued weak job markets coupled with high unemployment have been major contributors for the delayed recovery. As the economy struggles to grow in FY 2012, the University of Toledo continues to battle the effects of these economic challenges in order to attain its goals. Some of the effecting factors include the loss of federal stimulus monies, steep decline in state appropriations, and changes in healthcare legislation.

In response to FY 2012 and future challenges, the University of Toledo consistently redefines its strategies as necessary to adapt to the significant fiscal, political, and external changes that impact the institution. In alignment with its strategic goals, there has been a continuous focus on managing resources efficiently, reducing expenditures while maintaining critical functions, and pursuing new sources of revenues. The University has reduced its work force in non-academic operations as well as intensely managed faculty and non-faculty hiring. Budget adjustments have been made to strengthen financial discipline and information technology services have been utilized to further enhance automation. In addition, vital investments in its educational infrastructures and innovations were made. These approaches are crucial to not only heighten the competitiveness of the University but to also ensure there will be resources to sustain ongoing academic and other activities during this time of economic uncertainty.

Ohio's dynamic shift to a performance-based funding system has also been an altering factor for the state's institutions including The University of Toledo. Prior to 2010, the state's methodology, specifically the State Share of Instruction (SSI), rewarded Ohio universities with additional funding if various enrollment and completion objectives were met. The newer performance-based funding structure now consists of a method that links state appropriations of funds to course completion, student success, and institutional specific goals and metrics. "At-risk" students are accounted for to recognize the additional barriers colleges are faced with when enrolling unprepared undergraduates and a stop-loss provision restricts the amount of money an institution can lose.

For FY 2012, the University of Toledo experienced a significant decrease from SSI which ultimately added to its existing shortfall. The University increased tuition and fee charges as well as increased faculty workload. In addition, major investments were made in academic, residence, and athletic facilities. For example, instructional laboratories and technology mediated classrooms were added to enrich student learning experiences. Likewise, UTF resources were leveraged to invest in the development of a deteriorated strip adjacent to the Dorr Street Campus which will be utilized as retail merchandising and student housing. New academic programs were also developed in selected research based areas. With the state now connecting its funding to a performance-based system, the future economic sustainability will depend more heavily on effective enrollment and educational management. Therefore, the University has devised plans to increase student academic success, retention and progress to graduation. State support for higher education is variable and the University will continue to execute necessary actions to accommodate for volatilities in order to achieve its strategic goals and fulfill its mission.

Healthcare

UTMC operates within the healthcare industry and is therefore obligated to abide by regulations set by numerous governing agencies. These federal, state, and local governmental organizations are responsible for the administration of health planning programs and for the policies developed to regulate the manner in which healthcare is provided, administered, and paid for nationally and locally. Such agencies include The Centers for Medicare and Medicaid (CMS), who oversees the majority of the regulations and subsidizes medical coverage through the Medicare and Medicaid programs. Department of Health and Human Services (HHS) is another body which protects the public from certain health risks and provides programs for public health and welfare. In addition, non-profit organizations like The Joint Commission on Accreditation of Healthcare Organizations (JCAHO) serve as accreditation institutions and employ a scoring system that affects Medicare reimbursements. As a result, the healthcare industry is sensitive to legislative and regulatory policies and changes from these agencies as it is affected by reductions and limitations in governmental spending for such programs.

UTMC is subject to the following: the statutes, regulations, and changes governing the Medicare and Medicaid programs; regulatory actions by the governmental agencies that administer and enforce the Medicare and Medicaid programs; changes in payment from non-governmental third party payers, such as private insurance plans and managed care entities; and actions by, among others, the Medicare peer review organization, the Ohio Department of Health, the Joint Commission and other accreditation bodies, and federal, state, and local governmental authorities.

The following highlights some of the key provisions in the regulatory climate applicable to UTMC:

- ☐ Health Care Reform: The Patient Protection and Affordable Care Act (PPACA) have provisions that will be phased in through year 2020. Once fully implemented, it is anticipated to significantly reform the entire healthcare industry and result in providing healthcare coverage for millions of uninsured individuals. On June 28, 2012, the US Supreme Court upheld the constitutionality of the Health Care Reform Law which in turn mandates individuals to purchase healthcare coverage or pay a penalty beginning in 2014. The promulgation of this substantial regulation along with others to come will be necessary to interpret and implement PPACA. Thus, hospitals and healthcare systems like UTMC will be faced with ongoing regulatory and legislative changes for an extensive period of time.

- ☐ Medicare/Medicaid Reimbursement: A significant portion of UTMC's revenues are derived from the Medicare and Medicaid programs. Most Medicare services are provided through a fixed rate per case program under reimbursement methods such as Inpatient Operating Costs, Outpatient Services, and Physician Payment. In the future, Medicare reimbursement payments will be based on not only the quantity but the quality of care delivered to patients. The State of Ohio determines the level of reimbursement for Medicaid services provided by Ohio healthcare entities. Ohio has reduced Medicaid reimbursement payments in the past and could possibly reduce in the future. UTMC must budget and manage its resources to attempt to provide the reimbursed item or service within the payment amount. The potential financial impact on the Hospital from Medicaid managed care entities is dependent not only their reimbursement level but the ability of these entities to stay financially viable and continue to meet their monetary obligations to UTMC.

- ☐ Health Information Technology for Economic and Clinical Health (HITECH) Act: The HITECH Act provisions of the ARRA include incentives for certain healthcare providers, including hospitals, to implement and utilize Electronic Health Records (EHR) for meaningful users of EHR in

accordance with published standards. The financial incentives include percent compensation increased based upon the Medicare and Medicaid billings generated by the provider. The HITECH Act also imposes penalties such as reduction in the Medicare and Medicaid reimbursements if the eligible provider is not a "meaningful user" of certified EHR technology by 2015. Although UTMC has a strategic plan to continue its own implementation and upgrade of the EMR/EHR systems to achieve ARRA (HITECH Act), it is still undeterminable whether it will be a meaningful user until it is ultimately defined. On June 10, 2012, UTMC successfully upgraded its systems and is on track to achieve Phase 1 meaningful use by UTP on 12-31-12 and UTMC on 3-31-13 which will allow each entity to receive the maximum Phase 1 incentive.

In the future, the follow factors may affect the operations and financial performance of healthcare providers, including UTMC:

- Compressed economic limits of government funding will result in lower reimbursement rates in not only patient care but also in medical innovation development.
- Value based purchasing will mean Medicare reimbursements to hospitals will be based on the quality of care offered. Patient satisfaction is anticipated to be 30% of the value based score. However, there is no clear scientific link between patient satisfaction and the quality of care received.
- Declining procedure volume due to high deductibles and co-pays that patients will have to pay for could lead hospitals to reduce inventory levels which could in turn cause a backflow through the entire supply chain.
- Medicare reimbursement will be reduced for hospitals that have more readmissions than expected for heart attacks, heart failure, and pneumonia patients. This measure does not account for planned readmissions or readmissions that are beyond the hospital's control such as patients who don't take prescribed medicines or those who fail to keep follow-up appointments after being released.
- Accountable Care Organizations (ACOs) could be inevitable in the future for hospitals to help contain costs and to remain competitive in the healthcare industry.
- As more and more physicians merge with hospitals, an increase in departmental and administrative staff will likely be necessary to support the physicians. The challenge will be to not only provide quality care but to get paid for all the services provided as well. In addition, payment rates could possibly be impacted due to increased consolidation.
- Medicare will reduce payment by 1% for certain hospitals for select hospital-acquired conditions (HAI) such as infections. The federal government will also no longer reimburse states for Medicaid services related to HAIs.
- As the use of mobile devices such as laptops and tablets are being embraced by the healthcare industry, there could be issues regarding the patient data kept within these technologies. Personal information stored that may not be secured and cannot be fully protected could potentially violate HIPPA compliance depending on regulations mandated in the future.
- The future of nurse shortages as well as other qualified healthcare technicians and medical staff available may not be ample enough to support a hospital's operations. Therefore, it will need to increase the compensation expenses offered to these professionals in order to obtain and/or retain them.
- Health reform is pressuring providers to be more cost conscious. UTMC along with other healthcare providers will be held more accountable for costs as well as performance while coping with new tax and government payment regulations.

UNIVERSITY INITIATIVES

The University of Toledo is committed to identifying opportunities to expand investments in facilities and programs to strengthen the institution in its efforts to accomplish its mission of improving the human condition, advancing knowledge through excellence in learning, discovery, and engagement; and to serve as a diverse, student-centered public metropolitan research university. Current and future initiatives include:

- ☐ Anatomy (Gross/Dissection)/Simulation Center Design – The University of Toledo Inter-professional Immersive Simulation Center (UT-HSC) is a project that will make the University one of the national and global leaders in the education of health professionals. An innovative learning environment that simulates the real world of a healthcare practice will be created. This "state-of-the-art" instructional facility for modern training in human anatomy will positively impact the recruitment, retention, and efficiencies of educating the future workforce of the healthcare industry.

- ☐ The Center for Transitional Research (Center) – The University proposes to construct a facility for an interdisciplinary center that will be dedicated to the discovery of science needed to transition society to a sustainable future on principles related to technologies and environmental impacts. This proposal will not only enhance the institution's leadership in environmentally related research but will leverage its current research infrastructure and promote collaboration.

- ☐ Pharmacy Backfill Lab Renovations – Current laboratories in the south wing of the Bowman-Oddy Lab Building serves as the research facility whose efforts focus on terrestrial ecosystem and bioremediation. The labs, built over 40 years ago, also support research in environmental modeling, ecology, environmental microbiology, and ecological biochemistry. This project will renovate these essential labs and create a facility for the Center for Biosphere Restoration Research dedicated to research and education in science which is a necessity to secure an environmentally viable future.

- ☐ Core Research Facility Block Health Science Building – Plan, design, and renovate laboratory space to accommodate the Core Research Facility. This venture will concentrate on various technological and educational projects as well as support the University's mission and other academic programs. It will also provide considerable opportunities for convenient access to other existing laboratories and teaching areas for students, faculty, staff, and visitors.

- ☐ Nitschke Classroom/Connector – This undertaking would connect the auditorium (hence the rest of the engineering complex) to the Nitschke Commercialization Complex but will be more than just an architectural atrium. This expansion will serve as a central hosting place which will enable The University of Toledo to welcome students, families, personages, and provide a meeting place for conferences. With the current rate of growth of education and research initiatives, this proposal will facilitate this institution's desire to integrate education, research, outreach, and commercialization.

THE UNIVERSITY OF TOLEDO
Statements of Net Assets (in thousands)
as of June 30, 2012 and 2011

	University		UT Foundation	
	2012	**2011**	**2012**	**2011**
ASSETS				
Current assets:				
Cash and cash equivalents	$ 62,779	$ 100,275	$ 1,964	$ 7
Accounts receivable, net	124,658	111,355	574	235
Contributions receivable, net			2,787	4,901
Inventories	7,475	6,468		
Notes receivable, net	2,709	1,799		
Other assets	4,036	4,094	625	200
Total current assets	201,657	223,991	5,950	5,343
Noncurrent assets:				
Endowment and loan investments	48,280	51,647		
Notes receivable, net	15,398	17,498		
Long-term investments	174,202	147,256	164,941	169,195
Contributions receivable, net			19,253	17,447
Deferred outflow of resources - derivatives	14,301	2,453		
Investments held by bond trustee	29,642	5,684		
Capital assets, net	643,228	617,429	18,640	5,689
Science, Technology & Innovative Enterprises Inc.	6,384	7,493		
UT Medical Assurance Company assets	32,177	28,898		
Charitable remainder trusts and annuity contracts			5,057	5,281
Cash surrender value of life insurance policies			1,474	1,456
Other noncurrent assets	(980)	997	495	324
Total noncurrent assets	962,632	879,355	209,860	199,392
Total assets	$1,164,289	$1,103,346	$ 215,810	$ 204,735

THE UNIVERSITY OF TOLEDO
Statements of Net Assets (in thousands) - continued
as of June 30, 2012 and 2011

	University		UT Foundation	
	2012	**2011**	**2012**	**2011**
LIABILITIES				
Current liabilities:				
Accounts payable	$ 39,617	$ 32,855	$ 1,836	$ 928
Accrued liabilities	35,833	50,050	1,162	210
Deferred revenue	44,521	41,635		
Medical professional liability – current portion	200	200		
Deposits	521	560		
Compensated absences - current portion	24,299	22,997		
Long-term liabilities - current portion	5,870	5,743	236	10
Total current liabilities	150,861	154,040	3,234	1,148
Noncurrent liabilities:				
Compensated absences	6,509	6,360		
Medical professional liability – long-term portion	1,578	2,941		
UT Medical Assurance Company liabilities	11,501	9,622		
Fair value of derivative investment	23,424	8,321		
Long-term liabilities	325,076	281,807	16,022	4,073
Total noncurrent liabilities	368,088	309,051	16,022	4,073
Total liabilities	$ 518,949	$ 463,091	$ 19,256	$ 5,221
NET ASSETS				
Invested in capital assets, net of related debt	$ 332,475	$ 329,461	$ 3,797	$ 3,633
Restricted for:				
Nonexpendable	13,830	13,669	78,877	73,458
Expendable	122,000	132,198	106,768	113,686
Unrestricted	177,035	164,927	7,112	8,737
Total net assets	$ 645,340	$ 640,255	$ 196,554	$ 199,514

See notes to financial statements.

THE UNIVERSITY OF TOLEDO

Statements of Revenues, Expenses, and Changes in Net Assets (in thousands)

For the Years Ended June 30, 2012 and 2011

	University		UT Foundation	
	2012	**2011**	**2012**	**2011**
REVENUES				
Operating revenues:				
Hospital	$ 263,053	$ 252,246		
Student tuition and fees, net of student aid of $67,048 and $68,052, respectively	215,942	205,973		
Federal grants and contracts	41,003	43,708		
State grants and contracts	7,637	8,479		
Local grants and contracts	877	713		
Private grants and contracts	17,770	17,041		
Sales and services	8,660	7,944		
Auxiliary Enterprises, net of student aid of $4,956 and $4,866, respectively	64,764	65,056		
Other patient services revenue	67,486	63,945		
Contributions and support			$ 14,440	$ 14,332
Residency reimbursement	7,001	5,677		
UT Medical Assurance Company net revenue	1,402	4,678		
Other operating revenues	13,342	15,890	1,269	90
Total operating revenues	708,937	691,350	15,709	14,422
EXPENSES				
Operating expenses:				
Salaries and wages	379,744	376,149		
Benefits	126,896	123,107		
Supplies	91,521	95,454		
Travel and entertainment	12,882	11,127		
Information and communication	15,047	18,379		
Occupancy	17,054	17,749		
Scholarship	28,300	30,074		
Outside purchased services	92,462	74,369		
Provision for doubtful accounts	22,884	22,034		
Support to University			12,450	11,947
Fundraising and development			1,099	84
Management			2,767	2,830
Depreciation	50,093	47,619	95	43
Other	3,941	18,995		16
Total operating expenses	840,824	835,056	16,411	14,920
Operating loss	$ (131,887)	$ (143,706)	$ (702)	$ (498)

THE UNIVERSITY OF TOLEDO

Statements of Revenues, Expenses, and Changes in Net Assets (in thousands) – continued

For the Years Ended June 30, 2012 and 2011

	University		UT Foundation	
	2012	**2011**	**2012**	**2011**
Operating loss	$ (131,887)	$ (143,706)	$ (702)	$ (498)
NONOPERATING REVENUES (EXPENSES)				
State share of instruction	104,217	106,667		
ARRA stimulus		17,947		
Loss after state share of instruction	(27,670)	(19,092)	(702)	(498)
Federal grants and contracts	30,812	34,451		
State grants and contracts	11,025	12,591		
Gifts	3,329	5,224		
Investment income	(5,300)	32,360	(3,667)	32,587
Interest ARRA subsidy	967	1,047		
Interest on debt	(14,993)	(12,178)		
Investment (loss): Change in value of derivative instruments	(3,254)	(1,358)		
Other nonoperating (expense) revenues	(410)	(638)	1,409	605
Total nonoperating revenues (expenses)	22,176	71,499	(2,258)	33,192
Income (loss) before other changes	(5,494)	52,407	(2,960)	32,694
Other changes				
Capital appropriations	7,861	13,842		
Capital grants, gifts, and contracts	2,702	1,717		
Addition to permanent endowment	16	1		
Asset disposal	0	(75)		
Total other changes	10,579	15,485	0	0
Increase (decrease) in net assets	5,085	67,892	(2,960)	32,694
NET ASSETS				
Net assets at beginning of year	640,255	572,363	199,514	166,820
Net assets at end of year	$ 645,340	$ 640,255	$ 196,554	$ 199,514

See notes to financial statements.

THE UNIVERSITY OF TOLEDO
Statements of Cash Flows (in thousands)
For the Years Ended June 30, 2012 and 2011

	2012	2011
Cash flows from operating activities		
Tuition and fees	$ 215,641	$ 206,411
Grants and contracts	64,635	77,495
Hospital revenues	259,005	254,289
Sales and services of educational activities	8,599	8,869
Payments to suppliers and outside purchased services	(234,615)	(254,940)
Payments to employees	(476,729)	(454,813)
Loans issued to students	(1,485)	(1,799)
Collection of loans from students	2,675	3,109
Auxiliary Enterprise charges	64,397	65,515
Other	25,756	31,636
Net cash used in operating activities	(72,121)	(64,228)
Cash flows from non-capital financing activities		
State share of instruction	104,217	106,667
ARRA stimulus		17,947
Student direct lending receipts	171,899	179,857
Student direct lending disbursements	(178,293)	(175,677)
Gifts, grants, and contracts	45,182	52,267
Agency transactions	(39)	(47)
Net cash provided by non-capital financing activities	142,966	181,014
Cash flows from capital and related financing activities		
Purchases of capital assets	(75,840)	(57,177)
Principal paid on capital debt	(6,201)	(135,339)
Capital appropriations	7,861	14,687
Proceeds from debt issuance	48,720	132,207
Capital grants and gifts	1,484	1,551
Interest paid on capital debt	(14,036)	(10,713)
Net cash used In capital and related financing activities	(38,012)	(54,784)
Cash flows from investing activities		
Interest on investments	3,722	1,706
Net purchase of investments	(74,051)	(46,279)
Net cash used in investing activities	$ (70,329)	$ (44,573)

THE UNIVERSITY OF TOLEDO
Statements of Cash Flows (in thousands) - continued
For the Years Ended June 30, 2012 and 2011

	2012	2011
Net increase (decrease) in cash	$ (37,496)	$ 17,429
Cash and cash equivalents - beginning of year	100,275	82,846
Cash and cash equivalents - end of year	$ 62,779	$ 100,275

	2012	2011
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (131,887)	$ (143,706)
Adjustments to reconcile operating loss to Net cash used in operating activities:		
Depreciation	50,093	47,619
Provision for bad debt	21,247	16,079
(Increase) decrease in assets:		
Accounts receivable, net	(9,162)	14,127
Inventories	(1,006)	471
Other current assets	(90)	(591)
Notes receivable, net	1,190	1,310
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	587	(2,213)
Deferred revenue	(1,362)	1,659
Compensated absences	1,452	291
Medical profession liability accrual	(3,183)	726
Net cash used in operating activities	$ (72,121)	$ (64,228)

See notes to financial statements.

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

The University is a leading research institution in the state of Ohio with nearly 23,000 students, 1,500 instructional faculty, and 4,300 staff members. The University is comprised of thirteen colleges: Business; Education, Health Science, & Human Services; Engineering; Graduate Studies; Law; Language, Literature, & Social Sciences; Medicine; Natural Sciences & Mathematics; Nursing; Pharmacy; Adult & Lifelong Learning; Visual & Performing Arts; and the Honors College. The University offers more than 250 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 provides services to more than 12,000 inpatient admissions and more than 216,000 outpatient clinic visits including 34,000 emergency visits. UTMC specializes in kidney transplantation, cardiology, neurology, trauma care, orthopedic surgery, and cancer treatment.

ORGANIZATION

On December 6, 2005, the Boards of Trustees of both the former University of Toledo (UT) and the former Medical University of Ohio (MUO) adopted resolutions in favor of a proposed combination of UT and MUO. On December 17, 2005, the Ohio Board of Regents adopted a resolution in support of the proposed combination. House Bill 478, signed on March 31, 2006 by then Governor Bob Taft, combined UT and MUO as one state university, effective July 1, 2006, and named the resulting entity the University of Toledo (the University). The University is one of several state-supported universities in Ohio. The University is a component unit of the State of Ohio and is discretely presented in the State of Ohio's Comprehensive Annual Financial Report.

The University is classified as a state instrumentality under Internal Revenue Code Section 115, and is also classified as a charitable organization under Internal Revenue Code Section 501 (c) (3), 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 University is governed by a board of trustees who are responsible for oversight of academic programs, budgets, general administration, and employment of faculty and staff. The University is currently governed by a 12-voting member board of trustees created through the combination of the previous existing boards of the two universities. The Board will eventually be reduced to nine members, as current members' terms expire, only one new trustee will be appointed for every two that depart. The trustees are appointed to by the Governor with the advice and consent of the State Senate for overlapping nine-year terms. The Board includes two student non-voting members that are appointed for two-year terms.

BASIS OF PRESENTATION

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States as prescribed by the GASB. The University is a public institution engaged

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

in Business-type Activities. In accordance with GASB Statement No. 35 – *Basic Financial Statements and Management Discussion and Analysis for Public Colleges and Universities*, the University presents Management's Discussion and Analysis; Statements of Net Assets; Statements of Revenue, Expenses, and Changes in Net Assets; Statements of Cash Flow; and Notes to the Financial Statements.

The University follows all GASB pronouncements as well as Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Statements and Interpretations, Accounting Principles (APB) Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The University has elected not to apply FASB Statements and Interpretations issued after November 30, 1989.

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 nets assets are available, it is the University's practice to use restricted first.

Governmental Accounting Standards Board (GASB) Statement No. 39 *Determining Whether Certain Organizations are Component Units,* requires the University to reflect the Foundation as a discretely presented component unit in the financial statements based on the significance of the relationship with the University. 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, *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 Foundations' financial information in the University's financial reporting entity for these differences.

The Foundation is a legally separate, tax-exempt entity that acts primarily as a fund-raising organization to supplement the resources available to the University in support of its programs. The Foundation transferred approximately $12,500 and $11,900 during fiscal year 2012 and 2011, 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. A complete copy of the audited financial statements of the Foundation is available at the Foundation offices located near the campus of the University.

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). As a result, UTP financials are presented in a blended manner, reflected as a part of the

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

University's financials. Moreover, for comparative purposes, the University's prior year's financials have been restated to include UTP for this analysis.

The consolidated financial statements of UTP-CF and its wholly-owned subsidiaries: University of Toledo Physicians, LLC, UTP Pathology Services, LLC and Northwest Ohio Medicine, Inc. have been prepared following the recommendations of FASB ASC 958-205, *Not-for-Profit Entities – Presentation of Financial Statements*. 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 UTP-CF financial information in the University's financial reporting entity for these differences. All transactions between the University and UTP-CF have been eliminated in the financial statements for the years ended June 30, 2012 and 2011. Separate audited financial statements for UTP-CF are available at the UTP-CF offices located near the campus of the University.

In August 2005, the University created a captive insurance company, The University of Toledo Medical Assurance Company (SPC) ("UTMAC"), through a trust that is controlled by the Board of Trustees of UT. UTMAC was incorporated in the Cayman Islands and operates subject to the provisions of the Companies Law of the Cayman Islands. Under current Cayman Islands law, UTMAC is not obligated to pay taxes in the Cayman Islands on either income or capital gains. UTMAC provides an insurance vehicle for the insurance needs of the University, its staff, and affiliated physicians. UTMAC is blended in the University results.

SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and demand deposits with banks. All investments with maturities less than 90 days are considered cash and cash equivalents.

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

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

Patient Revenue and Accounts Receivable (continued)

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.

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. Because the University does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

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

	Year Ended 6/30/2012	Year Ended 6/30/2011
Traditional charity care	$ 5,712	$ 5,403
Unpaid costs of traditional Medicaid programs	3,452	3,167
Unpaid costs of other programs	6,352	7,576
Total charity and uncompensated care	$ 15,516	$ 16,146

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

Capital Assets

Capital assets are stated at historical cost or fair 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 GASB. 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 in any means.

Deferred Issuance Cost

Deferred bond issuance costs for the General Receipts Bonds have been capitalized and are included on the Statements of Net Assets, and are being amortized over the life of the bonds on the straight-line method, which approximates the interest method.

Deferred 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 deferred revenue and prepaid expenses in the Statements of Net Assets and will be recognized in the following year.

Net Assets

Net assets are classified into the three following categories:

Invested in capital assets, net of related debt: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement in those assets.

Restricted: Net assets subject to externally imposed constraints that they may be maintained permanently by the University, or net assets 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 assets are classified further as non-expendable and expendable. Expendable restricted net assets are 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. Non-expendable restricted net assets contain externally imposed restrictions that stipulate the resources be maintained permanently.

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

Unrestricted: Net assets available to the University for any lawful purpose of the institution. Unrestricted net assets 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 assets to provide for identified future needs, such as debt service, contractual obligations, capital outlay, academic programming, and post-employment benefits.

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 at year end.

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 Assets, and as a component of operating expense in the Statements of Revenues, Expenses, and Changes in Net Assets.

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 OMB Circular A-133 audit.

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 Board of Regents.

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

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

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 Statement of Net Assets. 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.

Endowments

The University's and the Foundation's Board of Trustees established an investment policy for the endowment 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, (established at 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.

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 2010 fiscal year end. 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 assets, 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 non-operating revenue (expense) as a component of investment income. See Note 7 for relevant disclosures.

Investments Held By Bond Trustee

Investments held by bond trustee represent funds held by a third party to pay for capital additions and improvements.

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

NOTE 2 – CASH AND CASH EQUIVALENTS

At June 30, 2012, the carrying amount of the University's cash and cash equivalents for all funds is $62,779 as compared to bank balances of $77,871. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, $250 is covered by federal deposit insurance as of June 30, 2012 and 2011. This reflects an increase in the basic limit on federal deposit insurance coverage from $100 to $250 per depositor originally set to expire June 30, 2010 and since extended permanently with the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The remaining balances of cash and cash equivalents 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 one hundred five percent of the total amount of all public deposits.

NOTE 3 – INVESTMENTS

University investments are categorized by the following: short-term investments, restricted investments, and long-term investments. Short-term investments are funds available for current operating expenses and capital projects with the vast majority of assets invested in fixed income instruments. Restricted 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. The long-term investments consist of a mix of fixed income instruments and equities.

The Board approved revisions to the University's investment policy effective May 2011. The policy establishes investment objectives, strategies and measures for evaluation. The University's policy complies with the State of Ohio regulations provided by legislation.

NOTE 3 – INVESTMENTS (continued)

The University's investment policy authorizes the investment of non-endowed funds other than Board Designated Reserves in the following investments:

- Obligation of the US Treasury and other federal agencies
- Municipal and state bonds
- Certificate of deposit
- Repurchase agreements
- Mutual funds and mutual fund pools
- Money market funds
- Commercial paper
- Bankers acceptances
- Corporate bonds and stock
- Asset backed securities
- Mortgage pools and mortgage related securities
- Guaranteed investment contract

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

- Obligation of the US Treasury and other federal agencies
- Municipal and state bonds
- Certificate of deposit
- Repurchase agreements
- Mutual funds and mutual fund pools
- Money market funds
- Corporate bonds and stocks
- Mortgages and collateralized mortgage obligations
- Alternative investments

NOTE 3 – INVESTMENTS (continued)

The cost and fair values, exclusive of accrued interest, of investments at June 30, consisted of the following:

	2012		2011	
	Cost	Fair Value	Cost	Fair Value
Money Market	$ 76,143	$ 76,143	$ 128,776	$ 128,776
Corporate bonds, mortgage-backed securities	1,285	1,424	510	545
Corporate stock	131,050	148,283	112,780	135,389
Mutual funds - fixed income	27,200	21,679	7,466	8,002
Mutual funds - equity	1,534	1,586	1,563	1,737
Partnerships and hedge funds	16,756	17,952	7,664	8,305
U.S. Government	929	1,088	417	464
U.S. Government agency	26,312	37,932	13,302	13,220
Real estate	2,950	2,950	1,403	1,403
Total investments	284,159	309,037	273,881	297,841
Less: Investments considered cash equivalents	56,913	56,913	93,254	93,254
Total investments less cash equivalents	$ 227,246	$ 252,124	$ 180,627	$ 204,587

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, 2012. 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, 2012, the University had the following interest-bearing investments and maturities.

		Investment Maturity (in Years)			
Investment Type	Fair Value	< 1	1 - 5	6 - 10	> 10
US Government	$ 1,088		$ 408	$ 499	$ 181
US Government agencies	$ 37,932	4,929	859	382	31,762
Corporate bonds	$ 1,424		625	743	56
Total	$ 40,444	$ 4,929	$ 1,892	$ 1,624	$ 31,999

NOTE 3 – INVESTMENTS (continued)

As of June 30, 2011, the University had the following interest-bearing investments and maturities:

		Investment Maturity (in Years)			
Investment Type	Fair Value	< 1	1 - 5	6 - 10	> 10
US Government	$ 464		$ 218	$ 204	$ 42
US Government agencies	13,220		48	98	13,074
Corporate bonds	545		209	336	
Total	$ 14,229	$ -	$ 475	$ 638	$ 13,116

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 (NRSRO's) such as Moody's Investors Service, Standard & Poor's, or Fitch Ratings – provides a current depiction of potential variable cash flows and credit risk.

The credit ratings of the University's interest-bearing investments at June 30, 2012 are as follows:

Credit Rating (Moody's)	Total	US Government Agencies	US Government	Corporate Bonds
Aaa	$ 38,433	$ 37,345	$ 1,088	
Aa	961	587		$ 374
A	1,050			1,050
Total	$ 40,444	$ 37,932	$ 1,088	$ 1,424

NOTE 3 – INVESTMENTS (continued)

The credit ratings of the University's interest-bearing investments at June 30, 2011 are as follows:

Credit Rating (Moody's)	Total	US Government Agencies	US Government	Corporate Bonds
Aaa	$ 13,707	$ 13,220	$ 464	$ 23
Aa	164			164
A	358			358
Total	$ 14,229	$ 13,220	$ 464	$ 545

Concentration Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The University's cash investment policy provides that investment pool direct placements are to be sufficiently diversified and provides that no more than 10 percent of its assets can be 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 percent or more in 2012 or 2011.

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. At June 30, 2012, the University had no exposure to foreign currency risk as it holds no securities denominated in foreign currencies.

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's investment of $2.9 million in real estate is not evidenced by securities that exist in physical or book entry form. The remaining investments are uninsured and unregistered with securities held by the counter party's trust department or agent in the University's name.

NOTE 3 – INVESTMENTS (continued)

The University of Toledo Foundation and Subsidiaries Investments

Investment securities are stated at fair value, some investments of the University of Toledo (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 is the Foundation's portion of the pooled investments and the Foundation's non-pooled investments as of June 30. Not included in the following schedule are investments held in real estate in the amount of $593 as of June 30 2012 and 2011, respectively.

	2012		2011	
POOLED & NON-POOLED	Market	Cost	Market	Cost
Mutual funds, index funds, and ETF's - equities	$ 93,801	$ 87,200	$ 80,068	$ 70,210
Mutual funds and EFT's - fixed income	21,869	21,394	26,229	24,794
Common stocks	20,115	18,182	23,756	19,884
Hedge funds	14,568	14,104	22,526	21,490
Cash equivalents	3,888	3,888	5,015	5,015
U.S. government and agency issues	3,210	2,979	4,416	4,143
Partnerships	2,873	2,574	3,809	2,985
Mutual funds - commodities	1,835	2,055	0	0
Corporate bonds	1,646	1,542	2,277	2,186
Private closely held	543	543	506	506
Total investments	$ 164,348	$ 154,461	$ 168,602	$ 151,213

NOTE 4 – ACCOUNTS AND NOTES RECEIVABLE

The accounts and notes receivable, shown net of allowances for uncollectible accounts at June 30, 2012 and 2011 respectively, are summarized as follows:

	2012	2011
Accounts receivable:		
Tuition and fees	$ 8,515	$ 8,789
Patient services	57,383	58,294
Sales and services	5,002	4,967
Auxiliary services	2,721	2,588
Grants and contracts	51,037	36,717
Total accounts receivable - net of allowances	124,658	111,355
Notes receivable:		
Current	2,709	1,799
Non-current	15,398	17,498
Total notes receivable - net of allowances	18,107	19,297
Total accounts and notes receivable - net of allowances	$ 142,765	$ 130,652

Accounts receivable are for transactions relating to tuition and fees, patient services, auxiliary enterprise sales, grants and contracts, and miscellaneous sales and services. Accounts receivable are recorded net of contractual allowances and allowances for uncollectible accounts totaling $15,899 and $13,777 for fiscal years 2012 and 2011, respectively. Student notes receivable are recorded net of allowance for uncollectible accounts of $760 as of June 30, 2012 and 2011, respectively.

NOTE 5 – CAPITAL ASSETS

Capital assets are recorded at cost or if acquired by gift at the fair market value as of the date of donation. Capital assets consist of the following as of June 30, 2012:

	Balance 2011	Additions	Reallocation/ Reductions	Balance 2012
Capital assets, not being depreciated:				
Land and land improvements	$ 22,363			$ 22,363
Construction in progress	34,152	$ 54,578	$ (50,470)	38,260
Total capital assets, not being depreciated	56,515	54,578	(50,470)	60,623
Capital assets, being depreciated:				
Land improvements	11,808	-	233	12,041
Infrastructure	145,530	3,638	8,461	157,629
Buildings	890,329		41,771	932,100
Equipment	169,099	18,147	(4,562)	182,684
Total capital assets, being depreciated	1,216,766	21,785	45,903	1,284,454
Less accumulated depreciation:	655,852	50,093	(4,096)	701,849
Total capital assets, being depreciated, net	560,914	(28,308)	49,999	582,605
Capital assets, net	$ 617,429	$ 26,270	$ (471)	$ 643,228

Capital assets consist of the following as of June 30, 2011:

	Balance 2010	Additions	Reallocation/ Reductions	Balance 2011
Capital assets, not being depreciated:				
Land and land improvements	$ 22,363			$ 22,363
Construction in progress	52,407	$ 46,274	$ (64,529)	34,152
Total capital assets, not being depreciated	74,770	46,274	(64,529)	56,515
Capital assets, being depreciated:				
Land improvements	11,712		96	11,808
Infrastructure	141,809		3,721	145,530
Buildings	834,764		55,565	890,329
Equipment	170,596	8,651	(10,148)	169,099
Total capital assets, being depreciated	1,158,881	8,651	49,234	1,216,766
Less accumulated depreciation:	623,453	47,619	(15,220)	655,852
Total capital assets, being depreciated, net	535,428	(38,968)	64,454	560,914
Capital assets, net	$ 610,198	$ 7,306	$ (75)	$ 617,429

NOTE 5 – 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

NOTE 6 – DEBT

On November 3, 2011 the University issued $47,640 in General Receipts Bonds, Series 2011B. Proceeds of the Series 2011B Bonds will be used, 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%.

On May 31, 2011 the University issued $86,340 in General Receipts Bonds, Series 2011A through a direct placement with JPMorgan Chase Bank, N.A. Proceeds of the Series 2011A were used to retire the outstanding General Receipts Bond Anticipation Notes, Series 2010 at maturity on June 1, 2011, to refund the outstanding Series 2008B General Receipts Bonds redeemed on June 1, 2011, and to pay the cost of issuance of the Series 2011A Bonds. Series 2011A bears interest at 74% of the sum of one month LIBOR plus 1.3%.

NOTE 6 – DEBT (continued)

On November 16, 2010 the University issued $45,460 in General Receipts Bonds, Series 2010. Proceeds of the Series 2010 Bonds were used to fund the purchase of $44,835 of outstanding General Receipts Bonds, Series 2005 that have been tendered for purchase, to pay a portion of the termination payments under interest rate hedges related to the Series 2005 Bonds, and to pay costs of issuance of the Bonds. The Series 2010 Bonds bear a fixed rate of interest with an average yield of 4.67%. The next scheduled principal redemption date on the series 2005 Bonds is currently July 1, 2029.

On July 15, 2009 the University issued $22,390 in General Receipts Bonds, Series 2009A (Tax-Exempt) (Series 2009A) and $37,430 in General Receipts Bonds, Series 2009B (Federally Taxable – Build America Bonds) (Series 2009B). Proceeds of the series 2009A Bonds will be 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. Proceeds of the Series 2009B Bonds will be used to pay a portion of the costs of certain improvements to University facilities as well as the cost of issuance related to both series. The University elected the direct pay option when it issued the 2009B Series as Build America Bonds.

As a result, the University receives a direct payment from the federal government equal to 35 percent of the interest paid to bond holders. This interest subsidy is reflected in the schedule of principal and interest payable. Bonds maturing on or after June 1, 2020 are subject to redemption at the option of the University prior to their stated maturities, on any date on or after June 1, 2019, in whole or in part, at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the redemption date. In addition, the University has the right to redeem at par the Series 2009B Bonds if the federal subsidy is repealed.

On July 21, 2008 the University issued $58,450 in General Receipts Bonds, Series 2008B (Series 2008B) and $35,480 in General Receipts Bonds, Series 2008A (Series 2008A), to refund the Series 2008 Bond Anticipation Note. Additional proceeds were used to pay for related issuance cost. The Series 2008B Bonds were subsequently refunded by the issuance of the Series 2011A Bonds.

Series 2008A Bonds bear a fixed rate of interest with coupons ranging from 3% to 5% over the scheduled redemption period from June 1, 2009 through the final maturity of June 1, 2027. A financial guarantee insurance policy was issued concurrently with the delivery of the bonds by Assured Guaranty Corp. Bonds maturing on or after June 1, 2019 are subject to redemption at the option of the University prior to their stated maturities, on any date on or after June 1, 2018, in whole or in part, at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the redemption date.

The interest rate derivative agreements originally associated with the Series 2002 General Receipts Bonds remain in effect. In order to comply with State Law, the hedged amount over and above the value of the 2008B Variable Rate Bonds were matched with the un-hedged portions of the Series 2005 Variable Rate Bonds and 2010 Bond Anticipation Notes. With the redemption of the 2008B Variable Rate Bonds and the 2010 Bond Anticipation Notes the interest rate derivatives were matched with the

NOTE 6 – DEBT (continued)

Series 2011A Bonds. As a result the University has $103,915 in outstanding variable rate debt and $102,070 in outstanding interest rate swaps.

On April 26, 2007, the University issued $49,900 in General Receipts Bonds, Series 2007B, (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 (APR) for each 35-day auction period. During fiscal year 2010 the University made two public tender offers for the 2007B Series Bonds. 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, 2031.

On April 17, 2007, the University entered into an interest rate swap agreement with JP Morgan Chase, with an effective date of April 26, 2007, 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. 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 University pays interest to the bondholders at the variable rate provided by the bonds. The swap agreement expires on June 1, 2036, the same maturity as the Series 2007B. The swap agreement may be terminated prior to its stated termination date under certain circumstances. Upon termination, 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 mark to market valuation of the swap agreement as of June 30, 2012 is a liability of $10,738 compared to a liability of $4,980 as of June 30, 2011. 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.

On January 23, 2007 the University issued $46,595 in General Receipts Bonds, Series 2007A, with an average interest rate of 4.43%, to advance refund the General Receipts Bonds Series 2001, with an average interest rate of 5.1% and current refund the General Receipt Bond Anticipation Notes Series 2006, with an interest rate of 4.25%. Proceeds of $32,900 were deposited into an escrow fund with Bank of New York Trust Company, N.A. to satisfy scheduled payments of principal and interest of Series 2001. The Series 2001 outstanding obligation of $31,900 is considered defeased and the liability from those bonds has been removed. The University has a cash flow savings of $1,300 and an economic gain of $1,300 from the advance refunding of Series 2001. Proceeds of $13,655 were used to extinguish Series 2006 outstanding obligations of $13,100 plus accrued interest.

On March 29, 2005, the University issued $50,000 in General Receipts Bonds, Series 2005 (Series 2005), at a variable rate of interest, for the construction and equipping of certain major expansions,

NOTE 6 – DEBT (continued)

renovations, and improvements at HSC. There projects included but were not limited to an ambulatory care center, an orthopedics center, an outpatient surgical center, an upgrade to HSC clinical information system to provide for a fully digital environment, and miscellaneous routine capital expenditures. During fiscal year 2010 the University made two public tender offers for the 2005 Series Bonds. During fiscal year 2011 the University made an additional tender offer for the 2005 Series Bonds. Bonds repurchased and subsequently cancelled under these tender offers have been credited against the mandatory redemption schedule of the Series 2005 Bonds.

On March 1, 2004, the University issued $14,110 General Receipts Bonds, Series 2004 to refund and redeem the General Receipt Bonds, Series 1994 in the amount of $13,200 with the remainder of the issue being used to fund the bond issuance cost and the call premium.

On December 1, 2002, the University entered into two different interest rate swap agreements with Bear Stearns & Co., Inc. and one with JPMorgan Chase (formerly Bank One N.A.) in the total notional amount of $104,535 to hedge the exposure against interest rate fluctuations arising from the variable interest rates on the Series 2002 Bonds. Based on the swap agreements, the University owes interest calculated at an average fixed rate of 4.35% to the counterparties to the swap agreements. In return, the counterparties owe the University interest at a variable rate based on two indices: (1) 67% of LIBOR rate on 42% of the notional amount; and (2) 71% of LIBOR on 58% of the notional amount. Only the net difference in interest payments is actually exchanged with the counterparties. In March of 2008 Bear Stearns was purchased by JPMorgan Chase on all stock transaction, as a result JPMorgan Chase is now the counterparty on the two former Bear Stearns swap agreements. However, the agreements remain governed by the original ISDA and CSA's entered into with Bear Stearns. These swap agreements were originally associated with the General Receipts Bonds, Series 2002 which were refinanced by the General Receipts Bonds, Series 2008A and Series 2008B.

The swaps maturing in 2032 were matched with the 2008B Bond maturing the same year. On June 1, 2011 the Series 2008B Bonds were redeemed and the swaps maturing on 2032 were matched with the 2011A Series Bond. The third swap maturing in 2020 was matched with General Receipts Notes, Series 2010. On June 1, 2011 the Series 2010 General Receipts Bond Anticipation Notes, were retired and the swap maturing on 2020 was matched with the 2011A Series Bond.

The swap agreements expire on June 1, 2020 and June 1, 2032 respectively but may be terminated prior to the stated termination date under certain circumstances. Upon termination, 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 combined mark to market valuation of the three swap agreements as of June 30, 2012 is a liability of $23,200 compared to a liability of $12,421 as of June 30, 2011. The swap agreements' fair value is estimated using the zero-coupon method, whereby the future net settlement payment as required by the swap is calculated, then discounted using the spot rates implied by the current yield curve.

NOTE 6 – DEBT (continued)

In previous years, the University defeased various bonds by placing the proceeds of new bonds into irrevocable trusts to provide for all further debt service payments of the defeased bonds. Neither the outstanding indebtedness nor the related trust account assets are included in the University's financial statements. The outstanding balance on the defeased bonds as of June 30, 2012 is $18,935.

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.

The University has master lease obligations with financial institutions and other lease obligations relating to a scoreboard, athletic turf, building and other equipment at rates ranging from 1.71% to 4.09%. The balance of capital lease obligations was $1,613 and $957 for the years ended June 30, 2012 and 2011, respectively.

Interest expense, net of interest income, related to the borrowing is capitalized as part of the cost of construction. Capitalized interest was approximately $1,655 and $2,091 for 2012 and 2011, respectively. Interest expense paid on indebtedness was $14,993 and $12,178 for the years ended June 30, 2012 and 2011, respectively.

NOTE 6 – DEBT (continued)

Long-term liabilities consist of the following as of June 30, 2012:

	Due Dates	Interest Rate	Balance June 30, 2011	Additions	Retirements	Balance June 30, 2012	Current
General Receipts, series 2004, serial and term bonds: Advance refund General Receipts Bonds, Series 1994	2005-2025	2.0% to 4.125%	$ 10,850	$ -	$ 595	$ 10,255	$ 620
General Receipts series 2005, term bonds: HSC expansion and renovations	2030	Variable	1,200			1,200	
General Receipts series 2007A, serial and term bonds Advance refund General Receipts Bonds, Series 2001 and Current refund Bond Anticipation Notes, Series 2006	2008-2036	4.0% to 5.0%	42,180		1,275	40,905	1,325
General Receipts series 2007B, term bonds: Renovations for athletic facilties, classrooms, and library	2031-2036	Variable	16,375		-	16,375	
General Receipts series 2008A, term bonds: Current refund of Series 2008 Bond Anticipation Note	2009-2027	3.0% to 5.0%	30,460		1,230	29,230	1,075
General Receipts series 2009A, serial and term bonds: Current refund of Series 1998 General Receipts Bonds, Hospital renovations and digital records project	2010-2020	Fixed	21,015		2,410	18,605	2,490
General Receipts series 2009B, serial and term bonds: College of Pharmacy and Indoor Athletics Practice Facility	2022-2031	Fixed Taxable BABs	37,430			37,430	
General Receipts series 2010, serial bonds: Current refund of Series 2005 General Receipts Bonds	2013-2021	Fixed	45,460			45,460	580
General Receipts series 2011A, private placement bonds	2015-2032	Variable	86,340			86,340	
General Receipts series 2011B, serial and term bonds: Health Science campus improvements and Medical Center reconstruction for cancer center	2015-2031	Fixed		47,640		47,640	
Interest Rate Swap Contract			9,080		252	8,828	264
Deferred Charge on Refunding			(13,959)		(877)	(13,082)	(876)
Capital lease obligation	2002-2009	Various	957	1,080	424	1,613	377
Notes payable	1999-2018	Various	162		15	147	15
Compensated absences			29,357	16,881	15,430	30,808	24,299
			$ 316,907	$ 65,601	$ 20,754	$ 361,754	$ 30,169
Less current portion long-term liabilities						30,169	
Long-term liabilities						$ 331,585	

NOTE 6 – DEBT (continued)

Long-term liabilities consist of the following as of June 30, 2011:

	Due Dates	Interest Rate	Balance June 30, 2010	Additions	Retirements	Balance June 30, 2011	Current
General Receipts, series 2004, serial and term bonds: Advance refund General Receipts Bonds, Series 1994	2005-2025	2.0% to 4.125%	$ 11,425	$ -	$ 575	$ 10,850	$ 595
General Receipts series 2005, term bonds: HSC expansion and renovations	2030	Variable	46,035		44,835	1,200	
General Receipts series 2007A, serial and term bonds Advance refund General Receipts Bonds, Series 2001 and Current refund Bond Anticipation Notes, Series 2006	2008-2036	4.0% to 5.0%	43,530		1,350	42,180	1,275
General Receipts series 2007B, term bonds: Renovations for athletic facilties, classrooms, and library	2031-2036	Variable	16,375			16,375	
General Receipts series 2008A, term bonds: Current refund of Series 2008 Bond Anticipation Note	2009-2027	3.0% to 5.0%	31,325		865	30,460	1,230
General Receipts series 2008B, serial and term bonds: Current refund of Series 2008 Bond Anticipation Note	2009-2036	Variable	53,770		53,770		
General Receipts series 2009A, serial and term bonds: Current refund of Series 1998 General Receipts Bonds, Hospital renovations and digital records project	2010-2020	Fixed	21,685		670	21,015	2,410
General Receipts series 2009B, serial and term bonds: College of Pharmacy and Indoor Athletics Practice Facility	2022-2031	Fixed Taxable BABs	37,430			37,430	
General Receipts series 2010, bond anticipation notes Current refund of Series 2005 and 2007B General Receipts Bonds	2013-2021	Fixed	32,390		32,390		
General Receipts series 2010, serial bonds: Current refund of Series 2005 General Receipts Bonds	2013-2021	Fixed		45,460		45,460	
General Receipts series 2011A, private placement bonds	2015-2032	Variable		86,340		86,340	
Interest Rate Swap Contract				9,080		9,080	
Deferred Charge on Refunding				(13,959)		(13,959)	
Capital lease obligation	2002-2009	Various	1,362	407	812	957	219
Notes payable	1999-2018	Various	234		72	162	14
Compensated absences			29,065	12,594	12,302	29,357	22,997
			$ 324,626	$ 139,922	$ 147,641	$ 316,907	$ 28,740
Less current portion long-term liabilities						28,740	
Long-term liabilities						$ 288,167	

NOTE 6 – 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	Interest Subsidy*	Swap Interest	Net Interest	Net P&I
2013	$ 6,354	$ 12,894	$ (967)	$ 3,552	$ 15,479	$ 21,833
2014	12,531	12,625	(967)	3,564	15,222	27,753
2015	14,168	12,081	(967)	3,576	14,690	28,858
2016	14,876	11,538	(967)	3,498	14,069	28,945
2017	15,510	10,996	(967)	3,342	13,371	28,881
2018-2022	81,802	44,808	(4,556)	14,834	55,086	136,888
2023-2027	72,454	27,331	(3,112)	13,910	38,129	110,583
2028-2032	109,452	10,593	(1,006)	12,624	22,211	131,663
2033-2036	15,121	524		980	1,504	16,625
TOTALS	$ 342,268	$ 143,390	$ (13,509)	$ 59,880	$ 189,761	$ 532,029

*Direct payment subsidy received from federal government on 2009B Build America Bonds

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

	Principal	Interest	Total
2013	$ 377	$ 59	$ 436
2014	387	49	436
2015	397	39	436
2016	342	30	372
2017	110	4	114
Total	$ 1,613	$ 181	$ 1,794

The future amounts of principal and interest payments required by the notes payable are as follows:

	Principal	Interest	Total
2013	$ 15	$ 6	$ 21
2014	16	6	22
2015	16	5	21
2016	100	1	101
Total	$ 147	$ 18	$ 165

Contracts have been entered into for capital construction projects in an amount approximating $24,660. The estimated cost to complete construction in progress at June 30, 2012 is $10,557.

NOTE 6 – DEBT (continued)

The University leases certain facilities and data processing, patient care, and other equipment under various non-cancelable operating lease agreements. Total operating lease expense was $978 and $1,691 in 2012 and 2011, respectively. At June 30, 2012, the University is committed to future minimum operating lease payments of $596 in 2013; $397 in 2014; and $12 in 2015.

NOTE 7 – INTEREST RATE SWAPS

The University currently holds four interest rate swap instruments. The University entered into these interest rate hedge agreements at the same time and as the issuance of certain variable rate debt, with the intent of creating a partial synthetic fixed rate debt structure, at an interest rate that is lower than if fixed rate debt were to have been issued directly.

Effective Date	Type	Objective	Notional Amont	Pays	Receives	Maturity Date	Counter Party Credit Rating	MTM @ 06/30/12	MTM @ 06/30/11
11/16/02	Pay-Fixed, Rec-Var.	Synthetic Fixed Interest	$ 24,690	3.888%	71% Libor	6/1/32	Aa3/A+	$ (4,269)	$ -
11/19/02	Pay-Fixed, Rec-Var.	Synthetic Fixed Interest	$ 27,435	3.888%	71% Libor	6/1/32	Aa3/A+	$ (4,744)	$ -
4/26/07	Pay-Fixed, Rec-Var.	Synthetic Fixed Interest	$ 33,250	3.660%	68% Libor	6/1/36	Aa3/A+	$ (10,738)	$ (4,980)
12/1/02	Pay-Fixed, Rec-Var.	Synthetic Fixed Interest	$ 16,695	5.000%	67% Libor	6/1/20	Aa3/A+	$ (3,673)	$ (3,341)
			$ 102,070					$ (23,424)	$ (8,321)

Two of the swap agreements are effective hedges. One swap is determined to be partially effective and the fourth is ineffective. These portions of the swaps determined to be ineffective are now matched with variable rate debt that was issued at a later date than the existing swap agreement. The ineffective swap portions of the swap agreements did not utilize consistent critical terms as the underlying new variable rate debt to changes in market conditions, and a calculation of the synthetic method compared to the fixed rate payments on those swap agreements demonstrated a significant enough difference to be considered ineffective under GASB Standard no. 53.

NOTE 7 – INTEREST RATE SWAPS (continued)

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

	Change in Fair Value		Fair Value at June 30, 2012			Fair Value at June 30, 2011		
	2012	2011	Classification	Amount	Notional	Classification	Amount	Notional
Business-type activities:								
Cash flow hedges								
Pay-fixed interest rate swaps (receive-variable)	$ (11,848)	$ 18,665	Deferred charge	$ (14,301)	$ 68,500	Deferred charge	$ (2,453)	$ 68,500
Investment derivatives:								
Pay-fixed interest rate	(3,254)	(85)	Investment loss	(9,123)	33,570	Investment loss	(5,868)	33,570

Included in the line "Investment (loss): Change in Value of Derivative Instruments" on the Statements of Revenues, Expenses, and Changes in Net Assets for Fiscal Year 2011 is $1,273 of Swap termination payments related to an ineffective swap terminated.

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.

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, 2012 the University's net liability position is $23,424. The University has not been required to post collateral with any counterparty as of June 30, 2012.

NOTE 7 – INTEREST RATE SWAPS (continued)

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 non-defaulting 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 non-defaulting party.

Although the University originally executed interest rate swap agreements with multiple counterparties, four contracts, comprising approximately 100 percent 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.

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. The University is exposed to rollover risk on portions of the receive-variable, pay-fixed interest rate swap scheduled to mature on June 1, 2020 which is matched with variable rate debt maturing June 1, 2032.

NOTE 8 – RETIREMENT BENEFITS

University employees are covered by one of three retirement systems. The University faculty is covered by the State Teachers Retirement System of Ohio (STRS). Other employees are covered by the Public Employees Retirement System of Ohio (PERS). These plans are statewide cost sharing, multi-employer defined benefit plans. Employees may opt out of STRS or PERS and participate in the Alternative Retirement Plan (ARP) if they meet certain eligibility requirements.

A retiree of STRS or PERS is eligible for reemployment following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for a money-purchase benefit or a lump-sum payment in addition to the original retirement

NOTE 8 – RETIREMENT BENEFITS (continued)

allowance. Effective April 11, 2005, a reemployed retiree may alternatively receive a refund of member contributions with interest before age 65, once employment is terminated.

Public Employees Retirement System of Ohio

PERS administers three separate pension plans as described below:

Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan.

Member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulated retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.

Combined Plan – a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provide retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code (ORC).

The ORC provides statutory authority for member and employer contributions. For 2010, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

The 2011 member contribution rates were 10.0% of covered payroll for members in state and local classifications. Public safety members and members in law enforcement classification contributed 11.0% and 11.6% respectively. The 2011 employer contribution rate for state and local employees was 14% of covered payroll. For both law enforcement and public safety divisions, the employer contribution rate for 2011 was 18.10%. Total required employer contributions for all plans are equal to 100% of employer charges and should be extracted from the employer's records.

The University's total employer contributions to PERS for the years ended June 30, 2012 and 2011 were $24,814 and $24,831, respectively.

NOTE 8 – RETIREMENT BENEFITS (continued)

State Teachers Retirement System of Ohio

STRS is a statewide retirement plan for licensed teachers and other faculty members and provides a choice of three retirement plan options.

Defined Benefit Plan (DB Plan) – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The maximum annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is determined by multiplying final average salary by 2.2% for the first 30 years of credited service.

Each year over 30 years is incrementally increased by .1%, starting at 2.5% for the 31st year of contributing service up to a maximum allowance of 100% of final average salary. Upon reaching 35 years of Ohio service, the first 31 years of Ohio contributing service is multiplied by 2.5% , and each year over 31 years in incrementally increased by .1% starting at 2.6% for the 32nd year. Members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit amounts. Under the "money-purchase benefit" calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from contributed employer funds. This total is then divided by an actuarially determined annuity factor to compute the maximum annual retirement allowance. Since the plan is tax-qualified, benefits are subject to limits established by Section 415 of the Internal Revenue Code. Benefits are increased annually by 3% of the original based amount.

Defined Contribution Plan (DC Plan) – Benefits are established under Sections 3307.80 to 3307.89 of the ORC. For members who select the DC Plan all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. The remaining 3.5% 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. Employer contributions into members' accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Combined Plan – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity.

NOTE 8 – RETIREMENT BENEFITS (continued)

A DB or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible survivors of members who die before retirement may qualify for survivor benefits. A death benefit of $1 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to $2 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

The ORC provides statutory authority for employee and employer contributions. During 2012 and 2011, STRS employees contributed 10% of their salary to the plan and the University contributed 14% of covered payrolls to the plan. The University's total employer contributions to STRS for the years ended June 30, 2012 and 2011 were $13,693 and $13,687, respectively.

Alternative Retirement Plan

Ohio Amended Substitute House Bill 586 (Ohio Revised Code 3305.2) became effective March 31, 1998, authorizing an alternative retirement plan (ARP) for academic and administrative university employees of public institutions of higher education who are currently covered by the State Teachers Retirement System or Public Employees Retirement System. The University of Toledo board of trustees adopted such a plan effective April 1999.

Eligible employees (those who are full-time and salaried) have 120 days from their date of hire to make an irrevocable election to participate in the alternate retirement plan. Under this plan, employees who would have otherwise been required to be in STRS or PERS and who elect to participate in the alternate retirement plan must contribute their share of retirement contributions (10% STRS or 9% PERS) to one of eight private providers approved by the State Department of Insurance. For employees who elect an ARP, employers are required to remit employer contributions to STRS Ohio at a rate of 3.5%. The employer contribution is the lower of a rate determined by independent actuarial study or the portion of the STRS Ohio DC Plan employer contribution rate that is allocated to the defined benefit unfunded liability. PERS does not require an employer contribution for employees electing an ARP. The University plan provides these employees with immediate plan vesting.

ARP is a defined contribution plan under IRS section 401(a). The University's total employer contribution to ARP for the years ended June 30, 2012 and 2011 were $6,572 and $6,119, respectively.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 8, the Ohio Revised Code provides the statutory authority requiring the University to fund post-retirement health care through employer contributions to PERS and STRS.

PERS provides post-retirement health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. It is a multi-employer cost sharing plan. Members of the Member-

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Directed Plan do not quality for ancillary benefits, including post-employment health care coverage. In order to qualify for post-retirement health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit.

Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available.

The Health care coverage provided by PERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. In 2011, state employers contributed at a rate of 14% of covered payroll, local government employer units contributed at 14% of covered payroll, and public safety and law enforcement employer units contributed at 18.10%. The portion of employer contributions, for members in the traditional plan, allocated to health care was 4.0% during calendar year 2011.

The portion of employer contributions allocated to healthcare for members in the combined plan was 6.05% during the calendar year 2011.

The Health Care Preservation Plan (HCPP) adopted by the PERS Board of Trustees on September 9, 2004 was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 for each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

STRS provides access to health care coverage to eligible retirees who participated in the DB or Combined Plans and their eligible family members. Coverage under the current plan includes hospitalization, physician fees, prescription drugs, and reimbursement of monthly Medicare Part B premiums. Pursuant to the ORC, the Retirement Board has discretionary authority over how much, if any, of the associate health care costs will be absorbed by the plan. Under Ohio law, the funds to pay the health care costs may be deducted from the employer contributions. The STRS board currently allocates employer contributions equal to 1% of covered payroll to the Health Care Reserve Fund, from which payments for

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (continued)

health care benefits are paid. The balance in the Health Care Funding Progress was $3.1 billion at January 1, 2011.

For the years ended June 30, 2011 and 2010, the net health care costs paid by STRS were $382,326 and $370,100, respectively. There were 138,088 and 133,103 eligible benefit recipients in 2011 and 2010, respectively.

NOTE 10 – 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 Insurance Consortium (IUC-IC). Since 1994, the IUC-IC Universities have purchased their property and casualty insurance on a group basis. The IUC-IC 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 3 committees 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-IC and act as a facilitator to other IUC committees and university departments to address insurance and risk related issues.

Through the IUC-IC group, the University maintains property insurance with a $100 deductible and a pre-funded group pool deductible of $350 per occurrence; with an annual group aggregate stop loss of $700. Total insurable value for the University of Toledo is approximately $2,618,000.

The casualty portion of the IUC-IC program provides educator's legal liability, general liability and other miscellaneous coverage. The University has a $100 deductible and a pre-funded group pool deductible of $900 per occurrence. There is a dedicated general excess coverage for the University of $10,000 and shared excess limits totaling $40,000. The educator's legal liability excess coverage has a dedicated limit of $10,000 for the University and shared excess limits totaling $20,000.

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 5-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 worker's compensation liability based on rates set by the Bureau to collect the cash needed in subsequent fiscal years to pay the worker's compensation claims of participating State agencies and universities.

NOTE 10 – 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. Settlements have not exceeded insurance coverage in each of the past three years.

On August 10, 2012, UT had a serious human error in its operating room which rendered a to-be-transplanted kidney unusable. This has resulted in the Centers for Medicare and Medicaid notifying UTMC that it will be conducting an exhaustive review of the entire facility. The University is currently evaluating the situation and cooperating fully with all parties involved.

NOTE 11 – MEDICAL PROFESSIONAL LIABILITY

In August 2005, the University created a captive insurance company, The University of Toledo Medical Assurance Company (SPC) ("UTMAC"), through a trust that is controlled by the Board of Trustees of UT. UTMAC was incorporated in the Cayman Islands and operates subject to the provisions of the Companies Law of the Cayman Islands. Under current Cayman Islands law, UTMAC is not obligated to pay taxes in the Cayman Islands on either income or capital gains. UTMAC provides an insurance vehicle for the insurance needs of the University, its staff, and affiliated physicians. UTMAC is blended in the University results.

UTMAC provides professional liability coverage to the University. The primary limit of liability is $2,000 per occurrence and $4,000 in aggregate for the policy period July 1, 2011 to July 1, 2012. The retroactive date is July 1, 1987. UTMAC also provides excess coverage through commercial insurers for the University's professional liabilities with limits of $15,000 per occurrence and $15,000 in aggregate.

UTMAC also provides professional liability coverage to the University of Toledo Physicians, LLC (UTP), which is an affiliated nonprofit, multi-specialty physician practice of UTMC. The primary professional liability limit of liability to each physician is $1,000 per occurrence and $3,000 in aggregate, with a group aggregate of $10,000, for the policy period July 1, 2011 to July 1, 2012. UTMAC provides excess professional liability coverage for the physicians with limits of $4,000 per occurrence with a shared $4,000 in aggregate. Effective January 1, 2011, an additional excess coverage of $5,000 per occurrence with a shared $5,000 in aggregate was added with a retroactive date of January 1, 2011. UTMAC also provides tail coverage to physicians leaving UTP employment.

At June 30, 2012 and 2011, the University has accrued $13,260 discounted at 4% and $12,678 discounted at 4%, respectively, for asserted and unasserted claims based on the University's experience and studies performed by a consulting actuary. With respect to pending malpractice claims and legal action where the University is a defendant, it is the opinion of management that any potential liability in such actions will not materially affect the financial position of the University. Settlements have not exceeded insurance coverage in each of the past three years.

NOTE 11 – MEDICAL PROFESSIONAL LIABILITY (continued)

	2012	2011
Medical Professional Liability:		
Beginning balance	$ 12,678	$ 12,487
Provision for incurred claims	1,805	619
Payments for claims	(1,223)	(428)
Ending Balance	$ 13,260	$ 12,678

The above liability includes insurance coverage for UTP and has been funded by premiums paid by UTP to UTMAC. The UTMAC Liabilities presented in the Statement of Net Assets include other trade liabilities in the amount of $19 and $85 for 2012 and 2011, respectively.

NOTE 12 – JOINT VENTURE

In February 2009, the University formed a nonprofit corporation called Science, Technology, and Innovation Enterprises (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 will support the University through investment in public and private economic development projects and promote the interests of the University.

The Corporation consists of equity investments (common stock, preferred stock, and promissory notes) valued at approximately $6,409 and $7,500 as of June 30, 2012 and 2011, respectively. Total cash available to help fund future investments for the years ended June 30, 2012 and 2011 was approximately $3,190 and $3,760, respectively. The Corporation is blended with University results.

NOTE 13 – UNIVERSITY OF TOLEDO PHYSICIANS CLINICAL FACULTY

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 financials are presented in a blended manner, reflected as a part of the University's financials.

UTP-CF is a multi-specialty corporation which employs over 189 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, Rehabilitation, Surgery, Urology, Family Medicine, and Emergency. UTP-CF also provides administrative support, billing and collection services for physician services at UTMC.

NOTE 13 – UNIVERSITY OF TOLEDO PHYSICIANS CLINICAL FACULTY (continued)

Total Operating Revenues for UTP-CF were $78,826 and $74,193 for the fiscal years ending June 30, 2012 and 2011 respectively.

NOTE 14 – FUNCTIONAL CLASSIFICATION OF EXPENSES

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

	2012	2011
Patient services	$ 290,262	$ 279,005
Instruction	190,008	187,435
Research	57,524	57,724
Public service	5,381	6,051
Academic support	35,195	37,319
Student services	19,858	20,179
Institutional support	51,689	52,832
Student aid	28,939	30,456
Operation and maintenance of plant	27,034	30,243
Depreciation	50,093	47,619
Provision for bad debts	22,884	22,034
Auxiliary enterprises	61,957	64,159
Total operating expenses	$ 840,824	$ 835,056

NOTE 15 – UPCOMING PRONOUNCEMENTS

Service concession arrangements: In December 2010 the GASB issued statement number 60, *Accounting and Financial Reporting for Service Concession Arrangements (SCA)*. A SCA is an agreement between a College/University and another legally-separate College/University or private sector entity in which two things happen. First, the College/University transfers to the other entity the right and related obligation to provide public services through the use of a public asset (such as using a part of a university facility as a bookstore) in exchange for significant consideration from the other entity. In the context of these agreements the College/University that transfers rights and obligations is referred to as the transferor. The entity to which these rights and obligations are transferred is referred to as the operator. Second, this operator—whether it is in the public or private sector—collects fees from the users or customers of the public asset (for example, students at the university/college). Finally, the transferor maintains control over the services provided. For example, the College/University has the ability to modify or approve the rates that can be charged for the services and the type of services that are provided.

NOTE 15 – UPCOMING PRONOUNCEMENTS (continued)

Service concession arrangements (continued):

For an SCA that involves an existing facility, the transferor should continue to report the capital asset. For a new facility or an improvement to an existing facility, the transferor should report the new facility or the improvement as a capital asset at fair value when the facility is placed in operation. The transferor should also report any related contractual obligations as liabilities. Finally, the transferor should report the difference between those two amounts as a deferred inflow of resources. This pronouncement must be applied for years that begin after December 15, 2011.

Reporting Entity Standards: In December 2010, the GASB issued statement number 61, *Financial Reporting Entity: Omnibus.* This standard is intended to improve the information presented about the financial reporting entity, which is made up of the College/University financial reporting entity and related entities (component units). The statement modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criteria, a financial benefit or burden relationship is also needed between the College/University and that organization for it to be included in the reporting entity as a component unit. The statement also modifies the criteria for reporting component units as if they were part of the College/University (i.e.: blending). Blending should be used when the College/University and the component unit have a financial benefit or burden relationship, or management has operational responsibility for the component units. Additionally, for equity interests in legally separate organizations, the entity is required to report its interest as "restricted net assets – non-spendable." This standard is effective for financial statements for reporting periods beginning after June 15, 2012; however, earlier application is encouraged.

Private sector accounting rules: In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This changes the requirement for the College/University to apply any private sector accounting guidance that existed as of November 30, 1989 and instead incorporates all such guidance in this statement. The College/University will no longer have the ability to choose to continue to follow FASB statements written after that date, although such guidance still qualifies as "other accounting literature" in the GAAP hierarchy. This pronouncement must be applied for years that begin after December 15, 2011.

Deferred inflows/outflows and Net Position: In June 2011, GASB issued Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* This standard provides financial reporting guidance for deferred inflows and outflows of resources. Concepts Statement No. 4, Elements of Financial Statements, introduced and defined those elements as a consumption of net assets by the College/University that is applicable to a future reporting period, and an acquisition of net assets by the College/University that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial

NOTE 15 – UPCOMING PRONOUNCEMENTS (continued)

Deferred inflows/outflows and Net Position (continued):

statement elements, which are distinct from assets and liabilities. The standard also incorporates deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The provisions for this standard are effective for financial statements for periods beginning after December 15, 2011.

Items Previously Reported as Assets and Liabilities: In March 2012, the GASB issued GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows and inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012 (or June 30, 2014).

Accounting and Financial Reporting for Pensions: In June 2012, the GASB issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). The University is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this Statement are effective for financial statements for the year ended June 30, 2015.

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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*

Independent Auditor's Report

To the Board of Trustees
University of Toledo

We have audited the financial statements of the University of Toledo (the "University") and its discretely presented component unit as of and for the year ended June 30, 2012, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 15, 2012. We have conducted our audit 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.

Internal Control Over Financial Reporting

Management of the University of Toledo is responsible for establishing and maintaining an effective internal control over financial reporting. In planning and performing our audit, we considered the University of Toledo's internal control over financial reporting as a basis for designing our auditing procedures 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 entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

To the Board of Trustees
University of Toledo

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the board of trustees, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

October 15, 2012

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Report on Compliance with Requirements That Could Have a Direct and Material Effect on the Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

Independent Auditor's Report

To the Board of Trustees
University of Toledo

Compliance

We have audited the compliance of the University of Toledo (the "University") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on its major federal program for the year ended June 30, 2012. The major federal program of the University of Toledo is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the University of Toledo's management. Our responsibility is to express an opinion on the University of Toledo's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination on the University of Toledo's compliance with those requirements.

In our opinion, the University of Toledo complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2012.

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

To the Board of Trustees
University of Toledo

Internal Control Over Compliance

The management of the University of Toledo is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the University of Toledo's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 entity'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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as Finding 2012-01. 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.

The University of Toledo's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the University of Toledo's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the board of trustees, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

October 15, 2012

University of Toledo

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

Agency	CFDA #	Agency Number	Fiscal Year 2012
STUDENT FINANCIAL AID CLUSTER			
Department of Education:			
FSEOG FY 2012	84.007		$ 701,038
FSEOG FY 2011	84.007		115,379
Federal Work Study FY 2013	84.033		1,773
Federal Work Study FY 2012	84.033		1,094,112
Federal Workstudy FY 2011	84.033		(65,838)
Perkins Loans - issued and outstanding	84.038		18,280,678
Federal Pell Grant FY 2013	84.063		40
Federal Pell Grant FY 2011	84.063		(80,443)
Federal Pell Grant FY 2012	84.063		29,672,923
Direct Loan Program	84.268	P268K120350	178,119,553
Federal Teach Grant	84.379	P379T120350	403,351
Total Department of Education			228,242,566
Department of Health and Human Services:			
Nurse Faculty Loan Program - issued and outstanding	93.264		17,497
ARRA: Nurse Faculty Loan Program - issued and outstanding	93.408		29,711
Total Department of Health and Human Services			47,208
TOTAL STUDENT FINANCIAL AID CLUSTER			$ 228,289,774
RESEARCH AND DEVELOPMENT CLUSTER			
Department of Agriculture:			
Examination of Factors Influencing Virus Disease in Floriculture Crops	10.001	58-3607-1-737	154,981
University of Wisconsin-Milwaukee: USDA/ARS VHS Research	10.001	58-3655-9-748 A01	225,384
Fate of Agrochemicals in the Greenhouse	10.001	58-3607-5-147	181
Support of Agricultural Research of Mutual Interest	10.001	58-3067-7-111	314
USDA SCA environmental Effects of Virus Infection on Bedding Plants	10.001	58-3607-7-611	(29,072)
Determine Natural Product Induction in Legumes and the Pharmacologic Consequences in Human Model Systems	10.001	58-6435-8-323	325,387
Biomonitoring of Nutritional and Environmental Stress in Plants	10.001	58-3607-9-741	93,909
Support of Agricultural Research of Mutual Interest	10.001	58-3607-0-111	(10,477)
Support of Agricultural Research of Mutual Interest	10.001	58-3607-1-111	12,090
Monitoring Agricultural Sewage Sludge, 2010	10.200	2010-38898-20963	108,284
Ohio State University: Dietary Intervention	10.200		36
Ohio State University Research Foundation: Monitoring Agricultural Sewer Sludge	10.200		(13,456)
Phytoremediation Plant Research, OH	10.200	2008-38894-19277	131,010
Dietary and Genetic Risk Factors in Obesity and Diabetes	10.200	2008-38903-19049	(5,451)
Genetic Detection and Geographic Analysis of Great Lakes Fish Infection by Viral Hemorrhagic Septicemia	10.200	2008-38927-19156	(9,762)
Investigating Potential Human Health Impacts of Sewage Sludge Applied to Agricultural Fields	10.200	2008-38898-19239	80,413
Dietary and Genetic Risk Factors in Obesity and Diabetes	10.200	2009-38903-19826	327
Monitoring Agricultural Sewage Sludge, 2009	10.200		239,233
Genetic Detection and Geographic Analysis of Great Lakes Fish Infection by Viral Hemorrhagic Septicemia - Part 2	10.200	2009-38927-20043	61,810
Lake Erie Wetlands and Shoreline Restoration: MBSP Phytoremediation	10.200	2009-38894-20171	143,898
Dietary and Ginetic Risk Factors in Obesity and Diabetes	10.200	2010-38903-20740	46,247
Genetic Detection & Geographic Analysis of Great Lakes Fish Infection by Viral Hemorrhagic Septicemia (VHS)	10.200	2010-38927-21048	53,936
Greenhouse Nurseries Ohio	10.200	2010-38897-21205	465,112
Applied GeoSolutions, LLC: Building an Operational Tillage Information System (OpTIS)	10.212	2011-33610-30827	1,457
Suganit Systems, Inc.: Development of Co-immobilized Enzyme Pellets to Replace GMOs for Cellulosic Ethanol	10.212		(4,488)
Maumee Valley Resource Conservation & Development: Lake Erie Algae Study	10.903		304
Maumee River Watershed GIS and Remote Sensing	10.921	68-5E34-05-113	13,384
Department of Agriculture			2,084,991

See Notes to Schedule of Expenditures of Federal Awards

Agency	CFDA #	Agency Number	Fiscal Year 2012
Departmet of Commerce:			
Effects of Bayshore Powerplant on Ecosystem Function in Maumee Bay, western Lake Erie	11.417	NA09OAR4170182	$ 154,616
Ohio State University: Development and Implementation of a New Molecular Test for Active VHS Infection in Fish	11.417	60030029	19,071
Ohio State University Research Foundation: Temporal and Spatial Analyses of Walleye and Yellow Perch Genetic Stock Structure: A High-Resolution Data Base for Fishery Management (Part II)	11.417	NA100AR4170074	31,111
Ohio State University Research Foundation: Investigating the Performance of Active Materials Amended to Clay Minerals for Sequestering Sediment Contaminants	11.417	60008574	(387)
Ecosystem Responses and Societal Adaptation of West Lake Erie Basin to Climate Change: A New Initiative Based on Land-Water Interactions	11.417	NA10OAR4170224	15,671
University of Michigan: Annual GLERL-CILER Long-Term Great Lakes Fellowship Program	11.432	30019878300	23,000
University of Notre Dame: Forecasting Spread and Bioeconomic Impacts of Aquatic Invasive Species from Multiple Pathways to Improve Management and Policy in the Great Lakes	11.478	NA10NOS4780218	107,390
Xunlight Corporation: Ultrahigh Rate Fabrication of Thin-Film Silicon Solar Cells Using Roll-to-roll Hybrid CVD Technologies with RTSE Monitoring and Control	11.612	7QNANB7H7017	(68)
Department of Commerce			350,404
Department of Defense:			
Rapidly Deployable Solar Electricity and Fuel Sources	12.000		(1,179)
Dynamic Performance of Flow Control on a Spinning Projectile	12.000	W15QKN-11-C-0162	28,873
Bell Helicopter: Advanced Computational Aerodynamics Tools for Rotor Performance Prediction	12.000	PO 4900087770	8,628
Prohydro, Inc.: An Assessment of Aquifer/Well Flow Dynamics: Identification of Parameters Key to Passive Sampling and Application of Downhole Sensor Technologies	12.000	SERDP ER-1704	22,261
Imaging Systems Technology: Novel Plasma Based EM Attack Rejection Mechanisms: EM Simulations and Prototyping	12.000	IST-4325 rev B	32,000
Breeding of Specific Inbred Rat Strains	12.000	W81XWH-12-P-0052	18,672
Bulk Material Defects and Reliability of SIC Power Devices	12.100	W911NF-11-2-0071	32,864
University of Cincinnati: 2010 Lake Erie Water Study	12.100	W91260-0-D-0005	5,050
University of Wisconsin-Superior: Assisting the United States Army Corps of Engineers in Integrating and Enhancing Navigation Data Collection Processes and Data Sets	12.107	DTMA1G10001	1,350
Marshall University Research Corporation: Developing Commodity Flow Model for Great Lakes Basin	12.114	R11011539	34,578
Reliability Assessment of Gallium Nitride (GaN) Power Switch	12.300	N00014-12-1-0338	19,317
Integrated Systems Solutions, Inc.: Notched Fatigue Bahavior of Aluminum under Constant and Variable Amplitude Multiaxial Loads	12.300	PO100489	98
University Hospitals of Cleveland: Risk and Resilience Factors for Combat-Related Posttraumatic Psychopathology and Post Combat Adjustment	12.420	W81XWH-07-1-0409	322,480
University Hospitals of Cleveland: Risk and Resilience Factors for Combat-Related Posttraumatic Psychopathology and Post Combat Adjustment	12.420	W81XWH-07-1-0409	79,407
University of Cincinnati: Real-Time Combat Navigation System and Virtual Battlespace	12.800	FA9550-10-1-0519	82,157
Center for Innovative Food Technology: Processing of Algal Feedstocks for Fuels	12.800	PO4698	15,031
Rapidly Deployable Solar Electricity and Fuel Sources	12.800	FA9453-08-C-0172	8,710
Kirtland: Fast Fourier Transform FPGA/ASIC Architecture Simulator/Generator	12.800	RY1-UT-09-1	18,193
Lightweight Flexible Solar Cells	12.800	FA9453-11-C-0253	1,392,929
Dayton Area Graduate Studies Institute: GUI Based MIMO Radar Development, Simulation and Visualization System	12.800	RY5-UT-12-1	15,559

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2012

Agency	CFDA #	Agency Number	Fiscal Year 2012
Ascent Solar: CdSe Top Cells Enabling CdSe/CIGS Tandem Junction Photovoltaics	12.800	FA9454-08-C-0108	$ 217
Bell Helicopter: Physics-Based Analytical Tools for Anhedral Tip Design	12.800	4900067621	17,399
Center for Innovative Food Technology: Biofuels from Algae	12.800	PO 4697	17,235
Center for Innovative Food Technology: Renewable Hydrocarbon Fuels from Algae	12.800	PO 4707	5,295
Advanced Virtual Engine Test Cell, Inc.: Advanced Design Techniques for MDAO of Turbomachinery with Emphasis on Component Optimization for the Engine System	12.800	FA9550-07-1-0259	34
Rapidly Deployable Solar Electricity and Fuel Sources	12.800	FA9453-08-C-0172	1,310,513
Semiparametric Missing Data Analysis	12.901	H98230-11-1-0128	19,526
Southwest Research Institute: Hybrid Hydraulic Comp Test and Ctrl Meth. Dvlp.	12.910	B99028X	18,045
Advanced Technology Institute: Forging Advanced Systems & Technologies Program	12.910	SP4701-08-C-0003	144,291
Bell Helicopter: Application of Wave Bearing Technology To Helicopter Transmissions	12.910	4500235587	1,239,632
Bell Helicopter: CFD Study of Stacked Tail Rotors	12.910	4900102520	6,506
Department of Defense			4,915,671
Department of Interior:			
National Sea Grant Law Center: Legal Tools and Best Practices for Reducing Harmful Algae Blooms	15.000	11-03-074	11,122
PZP Immunocontraception in Free-Roaming Feral Horses	15.229	FAA040011	153
Development of a 3 to 4 year Controlled Release PZP Contraceptive Vaccine For Wild Horses	15.229	L10AC20431	444,674
Studies on Presence, Influence and Contol of Biofilms on Desalination Membranes	15.506	R11AC81536	34,978
Static Mixing Spacers for Spiral Wound Modules	15.506	R10AP81213	79,849
Central Michigan University: Conservation of Native Freshwater Mussel Refuges in Great Lakes Coastal Zones	15.608	30181AG152	10,873
Ohio State University: Research Foundation: Sustainability Analysis of the Water Infrastructure in Ohio	15.805	60012688	498
Ohio State University: High-Performance Porous Polybenzimidazole Membranes for Water Treatment Using Forward Osmosis	15.805	OWDA 4614	31,755
Hydrolic Assessment of the Potential Effects of Sea-Level Rise on Natural Resources, Assateague Island National Seashore	15.808	G10AC00579	12,171
Surficial Geology of the Oak Openings Region, Whitehouse Quadrangle, Lucas County, Ohio	15.810	06HQAG0092	35
Surficial Geology Map of the Delta, Ohio 7.5 minute Quadrangle	15.810	G11AC20135	4,130
Geomorphic and Hydrogeomorphic Maps for Assateague Island National Seashore	15.915	J2360064112	45
Department of Interior			630,283
Department of Justice:			
Increase Effective Services for Child Victims of Commercial Sexual Exploitation	16.556	2008-DD-BX-0266	(55,278)
Understanding the Prevalence, Process and Social Networks Invvolved in Domestic Sex Trafficking in Ohio	16.580	2010-DD-BX-0691	119,911
Department of Justice			64,633

See Notes to Schedule of Expenditures of Federal Awards.

Agency	CFDA #	Agency Number	Fiscal Year 2012
Department of Transportation:			
University of Wisconsin - Madison: Analyzing Regional Freight Information Resources	20.000	995B772	$ 211,123
Magnetic Sensor for Nondestructive Evaluation of Deteriorated Prestressing Strand	20.000	UTUTC-IU-12	923
Ohio Department of Transportation: Veteran's Glass City Skyway Solar Array Performance Evaluation	20.205	23339	80,046
Ohio Department of Transportation: Development of Transportation Asset Management Decision Support Tools	20.205	24753	12,042
University of Wisconsin - Madison: MAFC Data Collection - GL Inventory Assessment	20.205	TRB3479615	30,030
Ohio Department of Education: Cost Benefit Models to Support PMS Decisions	20.205	21729 D	94,578
Ohio Department of Education: Veteran's Glass City Skyway Solar Array Performance Evaluation	20.205	23339	81,285
Ohio University: Addendum to Structural Evaluation of LIC-310-0396 Box Beams with Advanced Strand Deterioration	20.205	21916	12,086
Michigan-Ohio University Transportation Center: Pavement Distress Evaluation Using 3D /depth Information from Stereo Vision	20.701	TS43	12,686
Michigan-Ohio University Transportation Center: Reducing Noise and Vibration of Hydraulic Hybrid and Plug-In Hybrid Electric Vehicles	20.701	UTUTC-AE-5	15,179
Transportation for Economic Security and Development	20.760	DTRT06-G-0039	269,700
University of Wisconsin - Madison: Expanding Regional Freight Information Resources For The Upper Midwest: The Great Lakes Maritime Information Delivery System Phase III	20.801	DTMA1G06005	(8,076)
University of Wisconsin-Superior: Develop New Process for Collecting Information on Piers, Wharves, Docks and Facilities	20.806	DTMA1H08007	18,584
University of Wisconsin-Superior: Expanding Regional Freight Information Resources for the Upper Midwest Phase VI	20.806	100110GLMRI3-2INFOVI	8,035
University of Wisconsin-Superior: Data Acquisition, Management and Delivery Functions in Support of U.S. Flag - Great Lakes Shipping Revitalization Study	20.816	GS-10F-0242L	41,999
Department of Transportation			880,220
National Aeronautics and Space Administration:			
Interactive Changes of Ecosystems and Societies on the Mongolian Plateau: From Coupled Regulations of Land Use and Changing Climate to Adaptation	43.001	NNX09AM55G	175,441
The Transition from Diffuse Molecular Clouds to Dark Clouds Through Ultraviolet CO Measurements	43.002	NNX10AD80G	61,923
Analex Corporation: Tribological Investigations Involving Mechanical and Thermomechanical Systems	43.002	P09-00159	311
ASRC Aerospace Corporation: Turbomachinery Computational AeroAcoustics (CAA)	43.002	AS3458	160,348
QinetiQ North America Operation, LLC: Flywheel Analysis	43.002	P11-000532	51,506
University of Akron: Advanced Aerospace Seals Research	43.002	NNC08CA35C	285,683
Development of Advanced Computational Tools for the Simulation of Multistage Turbomachinery in Support of Aeropropulsion	43.002	NNC07T61T	2,281
Microstructural Analysis and Structure-Property Correlation in Advanced High-Temperature Materials Developed for Improved Material Performance	43.002	NNC07TA63T	253,894
Extended Durability of Materials in Advanced Propulsion and Power Systems for Aeronautic and Space Exploration	43.002	NNC007TA62T	211,472
NASA-GRC Solid Oxide Fuel Cell Technology for High Power Density Aeronautic and Applications	43.002	NNC07TA65T	147,016
Turbomachinery Aeroelastic Analysis Tools for Aerospace Propulsion Application	43.002	NNC07TA64T	212,376
A Workplan for Testing Aerospace Components and Advanced Materials	43.002	NNC07TA67T	254,236
Development of Computed Tomography and Digital Radiography for Aerospace Materials and Facilities Operations	43.002	NNC07TA68T	131,587
Development of Life Prediction and Probabilistic Analysis Tools for High Temperature Composites	43.002	NNC07TA69T	201,660
Smart Damping for Turbomachinery Blades	43.002	NNC07TA60T	95,797
Smithsonian Astrophysical Observatory: The Nature of Optical Counterparts to X-ray Binaries in M101	43.002	AR0-11012X	25,811

Agency	CFDA #	Agency Number	Fiscal Year 2012
Control System Upgrade for Ritter Observaatory's 1-m Telescope Pass Through From: American Astronomical Society	43.002		$ 794
American College of Sports Medicine Foundation: Contribution of ICAM - 1 to the Immunobiology of Skeletal Muscle Hypertrophy	43.002	84570	448
ASRC Aerospace Corporation: Development of Advanced Computational Tools For the Simulation of Multistage Turbomachinery in Support of Aeropropulstion Study of Reaction Chemistry and Thermophysics in Hypersonic Reacting Flows	43.002	AS7111	372,840
California Institute of Technology: Spitzer/IRS Spectral Mapping Support: CUBISM	43.002	NAS7-03001	1,481
Genziko, Inc.: Frequency Steered Acoustic Transducer	43.002	NNX11CB85C	67,807
Jet Propulsion Laboratory: After the Fall: Dust and PAHs in Post-Starburst Galaxies	43.002	1315270	31,185
Jet Propulsion Laboratory: A Spitzer Legacy Survey of the Cygnus X Complex	43.002		10,319
Jet Propulsion Laboratory: PAHs, Interacting Galaxies, Nearby AGN, and Massive Stars	43.002	1332056	3,223
Jet Propulsion Laboratory: Evolution of Infall and Envelope-disk Accretion in Proostars	43.002	1378521	27,100
Jet Propulsion Laboratory: Interacting Galaxies, Paschen Alpha, and Dust in the Wind	43.002	1355562	38,354
Jet Propulsion Laboratory: Key Insights on Nearby Galaxies: A Far-Infrared Survey with Herschel	43.002	1372803	118,594
Jet Propulsion Laboratory: Herschel Orion Protostar Survey (HOPS)	43.002	1373141	79,591
Jet Propulsion Laboratory: \Ohio Space Grant Consortium (OSGC) Scholarships and Fellowships for Fellowships for 2006-2007 to University of Toledo	43.002		5,178
Smithsonian Astrophysical Observatory: Evolution of Young Stars in the Large Massive Cluster Cep OB3b	43.002	G090017A	6,537
Space Telescope Science Institute: The Effect of Multiplicity on the Evolution of Young Stellar Objects	43.002	HST-GO-11205.03-A	5,749
Space Telescope Science Institute: NICMOS Imaging of Protostars in the Orion A Cloud: The Role of Environment in Star Formation	43.002	HST GO 11548.01-A	70,419
Space Telescope Science Institute: Structural Properties of Star Clusters in M33	43.002	HST-AR-11748.01-A	55,947
Space Telescope Science Institute: The Recent Star Formation History of SINGS Galaxies	43.002	HST-Go-11987.05	27,661
Space Telescope Science Institute: Searching for Intermediate Mass Black Holes in Globular Clusters via Proper Motion	43.002	HST-GO-11988.01A	20,300
Space Telescope Science Institute: Opening New Windows on the Antennae with WFC3	43.002	HST-GO-11577.08-A	9,049
Space Telescope Science Institute: Contribution of Massive Stars to the Production of Neutron Capture Elements	43.002	HST-AR-12123.01-A	246
Teledyne Continental Motors: Small Turbine Institute	43.002	P06-01682 05	3,024
University of Kentucky Research Foundation: Basic Studies for the Production and Upgrading of Fischer-Tropsch Synthesis Products to Fuels	43.002	NNX07AB93A	1,450
QinetiQ North America Operation, LLC: Tribological Investigations Involving Mechanical and Thermomechanical Systems	43.002	P1-000986	22,432
University of Kentucky: Relating FTS Catalyst Properties to Performance	43.002	NNX11A175A	194,955
Advanced Photovoltaic Array Testing	43.002	NNX10AJ02A	35,788
Variable Massive YSOs in the Magellanic Clouds Pass Through From: Jet Propulsion Laboratory	43.002	1214626	6,423
Jet Propulsion Laboratory: Herschel OT1 Combined: Beyond the Peak; Water in NGC 891	43.002	RSA1427378	18,618
Jet Propulsion Laboratory: Herschel Space Observatory Combined: PACS Imaging...; Anatomy of Class O...; A Deeper Look…; Probing the Inner Envelopes…	43.002	1427448	4,557
Ohio Aerospace Institute: Open Design and Development of an Extensible Graphical User Interface for NPSS - Phase I: Requirements Collection, Development Environment and project Plan Recommendations	43.002		35,728
Space Telescope Science Institute: NGC 6266: The Smoking Gun of Intermediate Mass Black Holes in Galactic Globular Clusters?	43.002	HST-GO-11609.04-A	1,522
National Aeronautics and Space Administration			3,548,661

See Notes to Schedule of Expenditures of Federal Awards.

Agency	CFDA #	Agency Number	Fiscal Year 2012
National Science Foundation:			
CAREER: Investigation of Intron Cellular Roles	47.000	MCB-0643542	$ 138,768
3D Multi-Scale Modeling of Thin Film Photovoltaics	47.041	CBET 1066749	95,609
BRIGE: Transition Metal Oxide Based Multifunctional Nanoelectronic Memristor Devices	47.041	ECCS-1125743	27,388
Mechanistic Analysis of Polyelectrolyte-Based Colloidal Drug Carriers	47.041	1133795	32,006
University of Michigan: Extreme Events Impacts on Water Quality in the Great Lakes: Prediction and Management of Nutrient Loading in a Changing Climate	47.041	CBET 1039043	57,862
University of Michigan: Extreme Events Impacts on Water Quality in the Great Lakes: Prediction and Management of Nutrient Loading in a Changing Climate	47.041		2,987
Xunlight 26: Buffer Layers for Semitrnsparent CDTE PV	47.041	IIP-1113818	39,980
CAREER: Micromachined Surface Conduction Tunning Gas Sensors Year 4	47.041	ECCS 0401690-010	(947)
Toward Negative Poisson's Ratio Composites - Numerical and Experimental Study	47.041	CMMI - 0728109	(198)
A New Approach to Regenerate Bone Using Microparticles Seeded with Mesenchymal Stem Cells and Macrophages	47.041	0652024	88,387
Evaluation of Novel Bisphosphonate Containing Coated Ti Foams for Osterporosis Treatment	47.041	CBET 0700306	(203)
Development of Anti-Biofouling Nanocomposite Polypropylene Fibers for Membrane Feed Spacers	47.041	CBET 0754387	42,719
Shape Memory Alloy Actuated Active Ankle Foot Orthosis	47.041	CBET-0731087	156,218
The Fundamental Study of UV Bonding Abrasive Tools with Application to the Semiconductor Industry	47.041	CMMI 0855769	100,073
The Role of Extracellular Polymeric Substances of Biofilm on Pathogen Disinfection in Water Distribution Systems	47.041	CBET-0933288	90,067
A Facile Pretreatment Strategy for Recovering Sugars and Lignin Effectively from a Variety of Lignocellulosic Feedstocks	47.041	CBET-0933250	95,055
A Study on the Microstructure and the Properties of Zinc Nitride and Zinc-Oxy-Nitride Films and Heterostructures for Photovoltaic and Other Applications	47.041	CMMI-0928440	96,307
Engineering Senior Design Projects to Aid Persons with Disabilities	47.041	CBET 0931643	13,570
Fundamental Investigation of Pulsed Laser Irradiation Metal Oxide Gas Sensor Performance	47.041	CMMI-0933069	44,464
CAREER: Plasmons for Solar Energy Harvesting	47.041	CBET-0955148	137,267
EAGER: Feasaibility Study of Hybrid Friction Sir Riveting of Mg Alloys	47.041	CMMI-1050362	32,253
New Methodologies for System-Level Electromagnetic Compatibility (EMC) Analysis of Electronic Systems	47.041	CMMI-1000744	42,445
CAREER: Photodirected Assembly of Custom-Designed Polyelectrolyte Complexes	47.041	CBET-1150908	12,957
Networking Urban Resources with Teachers and University to enRich Early Childhood Science	47.046	DUE-1102808	777,749
National Radio Astronomy Observatory: The Role of Environment in the Formation of Orion Protostars	47.049	GSSP10-05	9,061
The Smallest Interstellar Grains: Optical/Near-IR Emission from Nanoparticles	47.049	AST-0606756	3,659
CAREER: Syntheses of Hyaluronan Oligosaccharides as Biological Probes	47.049	CHE-0547504	121
CAREER: Exploration of Negative Thermal Expansion Materials: From Basis Properties to Formation of Composites	47.049	DMR-0545517	35,285
REU Site: Research Experiences for Undergraduates in Physics and Astronomy	47.049	PHY0648963	282
CAREER: Task-specific Microextractions Using Ionic Liquids	47.049		82,721
Quantum Theory of Two-atom, Few-atom, and Many-atom Systems	47.049	PHY-0758042	19,643
CAREER: 3-Iminophosphine Palladium Catalysts for Atom-efficient	47.049	CHE-0841611	125,516
Creation of Tools for the Study of Reactive Intermediates in DNA and RNA	47.049	CHE 0848303	90,860

Agency	CFDA #	Agency Number	Fiscal Year 2012
Simulating Non-equilibrium Processes Over Extended Time and Length-scales Using Parallel Accelerated Dynamics			
Simulating Extended Time and Length Scales Using Parallel Accelerated Dynamics	47.049	DMR-0907399	$ 121,395
REU Site: Research Experiences for Undergraduates in Physics and Astronomy at The University of Toledo	47.049	PHY-1004649	72,533
Novel Low Temperature Routes to Metal Sulfides	47.049	DMR-1005911	57,243
REU Site Exploring Structure of Molecules and Materials	47.049	CHE-1004921	74,386
Interfacial Assembly of Nanoparticles and Their Interactions	47.049	CHE-1012896	121,848
The CepOB3b Young Cluster: A New Laboratory for Studying the Role of Environment...	47.049	AST-1009564	63,544
Collaborative Research: Using Nanoscale Patterning to Reveal the Atomic-scale Effects which Drive Unstable Growth on GaAs (001)	47.049	DMR-0705464	862
University of Delaware: Quantifying Geologic and Temporal Controls on Water and Chemical Exchange between Groundwater and Surface Water in Coastal Estuarine Systems	47.050	Subaward #21291	12,966
II-New: High-Performance Scalable Computing Infrastructure	47.070	CNS-0855134	30,091
A Digital/VLSI Test and Reliable Computing Research Laboratory	47.070	CNS-1233190	14,870
DISSERTATION RESEARCH: Phylogenetic Relationships, Biogeography and Ginetic Diversity of the VHS Fish Virus	47.074	DEB-1110495	676
Ohio State University: GEPR: Systems Approaches to Identify Gene Regulatory Networks in the Grasses	47.074	IOS-1125620	131,590
EAGER: MSB: Collaborative Research: Chemical and Microbial Mechanisms Linking Litter Quality and Decomposition Rate	47.074	DEB-0946257	(3,714)
Collaborative Research: MSB: Microbial Control of Litter Decay at the Cellulose-Lignin Interface	47.074	DEB-0918718	155,361
Mechanisms Controlling the Function and Development of Neuronal Nicotinic Synapses	47.074	IOS-0951549	103,591
Regulation of Type II Restriction-Modification Systems	47.074	0964728	190,436
Environmental Sensor System for the Lake Erie Center	47.074	DBI-1034791	106,764
Testing Multiple Hypotheses of Community Assembly Using a Tropical Insect: Twig-nesting Ants	47.074	DEB 1020096	100,976
Assembly, Disassembly and Function of the Mitotidc Checkpoint Complex	47.074	MCB-1052413	245,221
Ohio State University Research Foundation: Subcontract to "TRPGR - The Grass Regulome Initiative: Integrating Control of Gene Expression and Agronomic Traits Across the Grasses"	47.074	DBI-0701405 - 60010915	82,721
Individual Differences in Risk Perception and Risk Taking: The Role of Handedness and Interhemispheric Interaction	47.075		295
National Council for Science and the Environment: Creating Learning Community for Solutions to Climate Change	47.076	0950396	45,623
LEADERS: Leadership for Educators: Academy for Driving Economic Revitalization in Science	47.076	DUE-0927996	949,058
CAREER: Teaching Practices That Support Fraction-Based Algorithmic Thinking	47.076	DRL-0952661	108,435
ARRA - Collaborataive Research: The Changing Seasonality of Tundra Nutrient Cycling: Implications for Ecosystem and Arctic System Functioning	47.082	ARC-0902096	160,324
ARRA - Acquisition of a Cyber-enabled Scanning Electron Microscope	47.082	CHE-0840474	10,576
ARRA - Collaborative Research: Single Walled Nanotubes and Graphene Based Multiplexed Sensors for Hypergolic Fuel Detection	47.082	0925783	69,245
ARRA - CAREER: The Life Cycle of Star Clusters: New Windows into Star Formation and Galaxy Evolution	47.082	AST-0847467	180,581
ARRA: MRI: Acquisition of a Matrix-Assisted Laser Desorption/Ionization Tandem Time-of-Flight (MALDI ToF-ToF) Mass Spectrometer (MS)	47.082	DBI-0923184	(1,891)
ARRA - MRI-R2: Acquisition of a suite of analytical instrumentation essential for investigating fuel, chemical and polymer production from biomass	47.082	CBET-0959920	478,536
ARRA- A Path Toward an Environmentally Secure Future through Ecosystem Science and Monitoring	47.082	OIA-0963345	3,115,665
National Science Foundation			9,289,738

Agency	CFDA #	Agency Number	Fiscal Year 2012
Environmental Protection Agency:			
Cuyahoga County Board of Health: A Holistic Watershed Approach to Health at Huntington Beach	66.000	GL-00E00624-0	$ 37,489
Ohio Department of Health: Radon Web Site	66.032	048400221R0411	19,729
Ohio Department of Health: Radon Web Site	66.032	04840022IR0512	18,054
Ohio Environmental Protection Agency: A Multifaceted Urban Stream Restoration Project for the Ottawa River at The University of Toledo, Ohio	66.460	09(h)EPA-20	26,532
Maumee AOC, Wolf Creek: Passive Treatment Wetland to Improve Nearshore Health and Reduce Nonpoint Source Pollutants	66.469	GL-00E00823-0	65,220
Buffalo State College: The Lake Erie Nearshore and Offshore Nutrient Study (LENONS)	66.469	GL-00E00503-TOL	10,626
Ohio Department of Natural Resources: Nearshore Fish Samipling Program Development	66.469	FSGR02	41,638
Prevention of Surface Water Contamination from Biosolids Application	66.469	GL-00E00519-0	178,135
Ohio Department of Health: Routine Monitoring for Pathogen indicators in Recreational Waters at Maumee Bay State Park, Ohio	66.472	CU-97575403-0	15,316
Heidelberg College: The Honey Creek Targeted Watershed Program Proposal	66.480		4,496
Optimization and Sustainability of Converting Agricultural Animal Wastes into Biofuels	66.516	SU-83603701-0	10,932
Pathogen and NOM Removal in Riverbank Filtration for the Village of LaBarranca Honduras	66.516	SU-83471601-0	(973)
The University of Toledo Pollution Prevention Grant Proposal	66.708	NP-00E00915	11,116
University of Toledo Pollution Prevention Incentives for States Grant Proposal	66.708	NP00E00701-2	(21)
The University of Toledo Pollution Prevention Grant Proposal	66.708	NP-00E90201-0	(118)
The University of Toledo Pollution Prevention Grant Proposal	66.708	NP-OOE00432-0	38,475
Environmental Protection Agency			476,646
Department of Energy:			
National Renewable Energy Laboratory: Novel Nanocrystal-Based Solar Cell to Exploit Multiple Exciton Generations	81.000	DE-AC36-08GO28308	65,710
Suganit Systems, Inc.: Scale-up of IL Recovery Methods	81.000		33,337
ARRA - Direct Assessment using Cluster Eddy-Covariance Towers	81.000	109044	174,480
Cognitive Pharmaceuticals Ltd.: Recrystallization of Liquid Silane Derived Films	81.000	DE-FG36-08GO88160	86,001
SEM-COM, Inc.: Stable Glass-Ceramic Nanocomposites as Compliant Seals for SOFCs	81.049	DE-SC0007608	517
Xunlight 26: Transparent Back Contacts for Thin CdTe-Based Tandem Cells	81.049	DE-SC0006349	54,656
Alliance for Sustainable Energy LLC: Electron Microscopy Study of Photovoltaic Materials	81.087	XEJ-2-11828-01	38,801
Alliance for Sustainable Energy LLC: Theoretical Study of Lattice Defects and Transition Metal Impurities in Si	81.087	XEJ-2-1182701	16,780
Midwest Optoelectronics LLC: Critical Research for Cost-Effective Photoelectrochemical Production of Hydrogen	81.087	DE-FG36-05GO15028	36,892
Montana State University: Extremophilic Microalgae: Advanced Lipid and Biomass Production for Biofuels and Bioproducts	81.087	G243-10-W2498	52,819
National Renewable Energy Laboratory: Growth, Heat Treatment and Theory of CdTe Thin Films	81.087	XEJ-2-22052-01	9,797
Orbital Research Inc.: Wind Turbine Performance Enhancement Using Plasma Control	81.087	DE-EE0000366	1,575
University of Illinois at Chicago: Novel Contact Materials for Improved Performance CdTe Solar Cells	81.087	2011-05814-01	21,977
High-Rate Fabrication of a-Si-Based Thin-Film Solar Cells Using Large-Area VHF PECVD Technologies	81.087	DE-FG36-08GO18073	123,595
A Novel Simultaneous-Saccharification-Fermentation Strategy for Efficient Co-fermentation of C5 and C6 Sugars Using Native, Non-GMO Yeasts	81.087	DE-FG36-08GO18163	95,843
U.S. Department of Energy: Center for Advanced Concept Offshore Wind Turbine Development	81.087	DE-EE0003540	154,645

Agency	CFDA #	Agency Number	Fiscal Year 2012
Membrane Technology & Research: Spiral Wound Module Design for CO2 Capture	81.089	368-DOE-FE-07553-UTO	$ 14,218
Bowling Green State University: A Comparative Study of Advanced Concept Offshore Floating Wind Turbines	81.089	DE-FG36-06G086096	458,238
ARRA - Air Products and Chemicals, Inc.: Enhanced Growth Rate and Silane Utilization in Amorphous Silicon and Nanocrystalline-Silicon Solar Cell Deposition via Gas Phase Additives	81.100	DE-EE0000580	25,941
Suganit Systems, Inc.: Direct Catalytic Conversion of Lignin to Aromatic Chemicals	81.100		2,870
Xunlight Corporation: Critical Research for Cost-Effective Photoelectrochemical Production of Hydrogen	81.105	DE-FG36-05GO15028	734
1484Improved CdTe PV Modules by APVD	81.122	DE-FG36-08GO18067	285,843
Department of Energy			1,755,269
Department of Education:			
Ohio Department of Education: Tech Prep Perkins Reallocation Grant	84.243	VETP-TP-12-063099	55,525
Maximizing the National Resource: Chinese as a Model for Heritage Language Development with Community Involvement	84.017	PO17A090314	99,763
Ohio Department of Education: The Woodward MSP Partnership	84.366	EDU01-0000005207	3,599
Ohio Department of Education: The Woodward MSP Partnership	84.366	EDU01-0000006591	121,249
Ohio Board of Regents: Using Technology to Enhance Teaching and Learning of Mathematics: Let's Be Smart	84.367	09-42	7,955
Ohio State University: Transition Options in Postsecondary Settings for Students with Intellectual Dis. (TOPS)	84.407	60027994	11,693
Ohio State University: STAR: ECSE	84.324	60014328	63,029
Department of Education			362,813
Department of Health and Human Services			
National Institutes of Health:			
Chemoprevention of Tumors Induced by Mainstream Cigarette Smoke (MCS) in Mice	93.000	N01 - CN - HHSN26120043	161,018
Assessment Of Chemopreventive Agents In A Spontaneous Estrogen Receptor-Positive Breast Cancer Model	93.000	N01 - CN - HHSN26120043	218,488
Metabolomic and Lipidomic Profiling for Comprehensive Discovery of Non-steroidal Anti-inflammatory Drug Actions in vivo	93.000	N01 - CN - HHSN26120043	235,950
Screen for Chemopreventive Agents that Inhibit Dnmt1, a Key Target in Carcinogenesis	93.000	N01-CN-HHSN2612004330	173,980
Genetics of Hypertension	93.000	R01 - HL - 105113	384,090
CEACAM1: A link between metabolic and cardiovascular diseases	93.837	1 - R01 - HL - 112248	279,011
Transcriptional Regulation of Angiotensinogen Gene	93.837	R01 - HL - 092558	101,906
The Coordination of Netrin Signal Transduction	93.853	1 - R15 - NS - 075738	110,767
Synthesis of Glycopeptide-based Cancer Antigen Vaccines	93.859	1 - R15 - GM - 094734	117,476
Regulation of Sororin Function by Mitotic Phosphorylation	93.859	1 - R15 - GM - 100440	39,556
Arkansas Children's Hospital Research Institute: Identification of New Mechanistic Biomarkers of Adverse Responses to Acetaminophen	93.847	R01 - DK - 081406	424
Best Medical International, Inc.: Feasibility of a New Thermo-brachytherpay Seed for Concurrent Brachytherapy and Hyperthermia Treatments in Prostate Cancer	93.000	M2012-44	5,406
Boston University: Functional Characterization of YbaO and HP0727	93.000	RCR GM092602	20,307
Case Western Reserve University/Case Medical Center: Prevention of Cardiovascular Disease in Diabetes Mellitus	93.830	HHSN268201100027C	73,727
Case Western Reserve University/Case Medical Center: Prevention of Cardiovascular Disease in Diabetes Mellitus	93.830	N01 - HC - 95181	(54,951)

Agency	CFDA #	Agency Number	Fiscal Year 2012
Case Western Reserve University/Case Medical Center: Prevention of Cardiovascular Disease in Diabetes Mellitus	93.838	N01 - HC - 95181	$ 10,423
Clinical Research Management, Inc.: Phase I Delafloxacin	93.000	DMID 09_0031	77,682
Clinical Research Management, Inc.: A Phase I Open-Label Trial to Investigate the Pharmacokinetic Interaction Between Rifabutin or Rifampin and a Single Dose of TMC207 in Health Subjects" protocol (DMID Protocol Number: 10-0043), Task Order 005	93.000	HHSN272200800026C	19,804
Cognitive Pharmaceuticals Ltd.: Development of a Selective Muscarinic Agonist for the Treatment of Schizophrenia	93.242	6 - R44 - MH - 067430	2
Cornell University: Effects of Coenzyme Q10 in Early Parkinson's Disease - Phase III QE3 Study	93.853	U01 - NS - 050324	1,607
Duke University: Catheter Ablation Versus Antiarrhythmic Drug Therapy for Atrial Fibrillation Trial (CABANA Trial)	93.000		(2,409)
Duke University: ARRA - PROspective Multicenter Imaging Study for Evaluation of Chest Pain (PROMISE Trial)	93.701	R01 - HL - 098237	6,837
East Carolina University: B. burgdorferi motility and chemotaxis in the development of Lyme disease	93.846	A13-0050-50001	5,347
Hospital Council of Northwest Ohio: Tabletop Exercise to Pilot-Test Transitional Medical Care	93.889		3,043
Medical College of Georgia: The Oncogenic Basis of Bmi-1 in Neuroblastoma Development	93.396	7 - R01 - CA - 124982	(15)
Mount Sinai School of Medicine - New York City: Future Revasularization Evaluation in Patients with Diabetes Mellitus: Optimal Management of Multivessel Disease (FREEDOM)	93.837	1 - R01 - HL - 071988	366
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) Pass Through From: Mount Sinai School of Medicine - New York City	93.853	1 - U01 - NS - 045719	11,934
National Cancer Institute: Evaluation of the Modulation on Gene Expression by Chemopreventive Agents in Human Colon Polyp Adenoma Cells Using Gene Arrays - Work Assignment #11	93.000	N01-CN-HHSN2612004330	118,166
National Institutes of Health: Cardiovascular Outcomes in Renal Atherosclerotic Lesions (CORAL)	93.837		251,324
National Surgical Adjuvant Breast & Bowel Project Foundation: National Surgical Adjuvant Breast and Bowel Project - Master Agreement	93.399	5 - U10 - CA - 37377	(3)
New York Medical College: Hormonal Regulation of Blood Pressure	93.837	5 - P01 - HL - 034300	4,381
New York Medical College: Hormonal Regulation of Blood Pressure	93.837	P01 - HL - 034300	553,628
Ohio Department of Jobs and Family Services: Workforce Development	93.654	G-1213-06-0148	68,790
Ohio Developmental Disabilities Council: Enhancing the Job Performance of SCOUT Employees	93.630	06-2/09	(191)
Ohio State University: Multi-faceted Approach to Modeling ACL Injury Mechanisms	93.846	7 - R01 - AR - 056259	271,291
Pacific Research Laboratories: Development and Validation of Instrumented Synthetic Mechanical Analogue Lumbar Spine Model	93.846	5R44AR054289-03	34,992
Palmer Chiropractic University Foundation: Vertebral Displacements and Ligament Strains During Simulated Spinal Manipulation	93.213	1 - U19 - AT - 004137	31,845
ARRA: Palmer Chiropractic University Foundation: Developmental Center to Study Mechanisms & Effects of Chiropractic Manipulation	93.701	3U19AT004137-03-S1	(76)
Rhode Island Hospital: Claudication: Exercise vs. Endoluminal Revascularization	93.837	U01 - HL - 077221-01A1	1,535
Rush-Presbyterian-St. Luke's Medical Center: Epidemiologic Study of Brain VitaminE, Diet & Age-Related Neurologic Diseases	93.866	R01 - AG - 031553	27,886
Toledo Community Hospital Oncology Program: Community Clinical Oncology Program (Federal Funds)	93.399	5 - U10 - CA - 35415	(4)

Agency	CFDA #	Agency Number	Fiscal Year 2012
University of Calgary: Glanders Vaccine Development	93.855	1 - U01 - AI - 077764	$ (683)
University of Calgary: Glanders Vaccine Development	93.855	U01 - AI - 077764	137,340
University of Cincinnati: Determinants and Consequences of MDMA Neurotoxicity	93.279	5 - R01 - DA - 007427	15,751
University of Cincinnati: Genetic Epidemiology of Lung Cancer: Gene Identification in High Risk Families	93.393	U01 - CA - 076293	(3,422)
University of Cincinnati: Genetic Epidemiology of Lung Cancer: Gene Identification in High Risk Families	93.393	U01 - CA - 076293	90
ARRA: University of Cincinnati: Genetic Epidemiology of Lung Cancer: Gene Identification in High Risk Families	93.701	L-10-4500044619	63,645
University of Cincinnati Children's Hospital Research Foundation: Multi-faceted Approach to Modeling ACL Injury Mechanisms	93.000	PO #310017901	(72,594)
University of Connecticut Health Center: Biophysics of the morphology & motility of Borrelia burgdorferi in diverse environments	93.859	R01 - GM - 072004	9,298
University of Medicine & Dentistry of New Jersey: Carotid Revascularization Endarterectomy vs. Stenting	93.853	5 - R01 - NS - 38384	56,341
University of Rochester: [Ca2+]i and Secretory Dynamics in Parotid Acinar Cells	93.121	2 - R01 - DE - 014756	42,208
ARRA: University of Rochester: [Ca2+]i and Secretory Dynamics in Parotid Acinar Cells	93.701	3 - R01 - DE - 014756	66,080
University of Rochester: Study of Antidepressants in Parkinson's Disease (SAD PD)	93.853	5 - R01 - NS - 046487	6,994
University of Rochester: A Longitudinal Observational Follow-up of the PRECEPT Study Cohort (PostCEPT)	93.853	U01 - NS - 050095	29,716
ARRA :University of Wisconsin - Madison: Influence of Human Gene Variants on the Effects of Developmental MeHg Exposure	93.701	Subaward No. 103405507	22,628
Yale University: Insulin Resistance Intervention after Stroke (IRIS) Trial	93.853	U01 - NS - 44876	306
Neuroprotein Effect of Ginkgo Biloba and its Bioactive Components in Ischemia	92.213	5 - R00 - AT - 004197	250,870
Effect of Chemopreventive Agents on the Development of BCC and SCC in the Ptch +/- Hairless Mouse-Work Assignment #5	93.000		(1,160)
The Chemoprevention of Colon Cancer in the Rat AOM Colon Model. Tissues for Surrogate Biomarker Studies and Testing of a Proliferative Index - Work Assignment #6	93.000		6,368
Marinobufagenin as a Target for DIGIBIND in Hypertensive Patients with End-Stage Renal Disease	93.000	263-MA-707136	2,489
Preclinical in vitro and in vivo Screening Assays - Work Assignment #1 - Contract Administration and Management	93.000	N01-CN-HHSN2612004330	41,135
Chemoprevention in a novel mouse model of Barrett's esophagus and esophageal adenocarcinoma	93.000	N01-CN-HHSN2612004330	102,945
Use Of C57BL/6J-Min/+mice to 1)Characterize the in vivo activity of natural AhR ligands 2) To examine the effects of PPI inhibitors on the efficacy of NSAIDS	93.000	N01-CN-HHSN2612004330	260,790
Human Melanoma: Early Biomarkers/Targets of Progression and Prevention - Work Assignment #10	93.000	N01-CN-HHSN2612004330	372,944
Chemoprevention in a novel mouse model of Barrett's esophagus and esophageal adenocarcinoma	93.000	N01-CN-HHSN2612043300	196,517
Receptor Na/K-ATPase Antagonists As Novel Therapeutics For Renal/Cardiac Diseases	93.000	R01 - HL - 109015	486,134

Agency	CFDA #	Agency Number	Fiscal Year 2012
Long Term Toxicity of Di- and Tri-Chloracetate	93.113	1R15ES013706-01A2	$ 38,598
Hearing in Bats	93.173	1R15DC009321-01A1	35,312
The role of GLT1 in the modulation of alcohol-drinking behavior in P rats	93.273	5 - R01 - AA - 019458	273,288
Benzodiazepine-induced Glutamate Receptor Plasticity	93.279		(4,966)
Regulation of Voltage-gated Calcium Channels During Chronic BZ Treatment in Rats	93.279	5 - F30 - DA - 026675	43,831
Methamphetamine Toxicity and Corticostriatal Glutamate	93.279	5 - R01 - DA - 007606	399,231
Role of Tyrosine in MDMA Toxicity	93.279	5 - R01 - DA - 019486	76,476
Gfi-1 in the Regulation of p21 Cip	93.390	1 - R15 - HL091511-01	(4,897)
Regulation of NF-kappaB Transactivation Function	93.390	1 R15 GM071405-01	18,513
Zebrafish TPSTs and Tyrosine-sulfated Proteins	93.390	R15 - GM085756	65,910
Regulation of a Tumor Target through Steroid Receptors	93.393	5 - R01 - CA - 103964	308
Regulation of Mismatch Repair	93.393	5 - R01 - CA - 106575	44
Implementation of Innovative RNA Sample Quality Control Methods	93.394	5 - R21 - CA - 138397	158,215
Standardized Gene Expression Core Facility Development	93.394	5 - R24 - CA - 095806	130
Standardized NanoArray PCR for Gene Expression Profiling of Lung Cancer	93.394	7R21CA132806-03	79,031
Regulation of MLK3 by Merlin	93.395	1 - R15 - CA - 132006	(489)
Dissecting the Mechanisms of Tamoxifen Action	93.395	R01 - CA - 140690	252,590
Evaluation of hGBP-1 as a Marker for Paclitaxel Resistance in Ovarian Cancer	93.395	R21 - CA132016-	30,316
Molecular Mechanisms of Ras-Induced Autophagy in Glioblastoma	93.396	3-R01CA115945-03	30,087
RI-alpha/RIAZ on Cell Growth in Breast Cancer	93.396	5 - R01 - CA - 102204	3,409
Mechanisms Driving Cortical Cytoskeleton Dynamics in Cancer Cell Invasion	93.396	5 - R01 - CA - 151632	306,936
Androgen and Soluble Guanylyl Cyclase Signaling in Prostate Cancer Cells	93.396	R01 - CA - 127873	162,782
Expansion of PA Training Program	93.514	T88hp20684-01-00	110,000
Center for Excellence in Autism	93.647	90XP0327	6,127
Center for Excellence in Autism	93.647	90XP0410/01	258,712
ARRA - Role of small RNAs in innate immunity and inflammation	93.701	1 - R15 - AI - 089518	138,618
ARRA - Understanding the Impact of Antigen 85 Complex Substrate Specificity on Mycobacterial Cell Wall	93.701	1R15AI089653-01	121,095
ARRA - Regulation of Borealin by Mitotic Phosphorylation	93.701	1R15GM084410-01	126
ARRA: National Institute of Allergy & Infectious Diseases: Role of ISG12 in Cellular Innate Immune Responses	93.701	1R21AI063014-01A2	61,534
ARRA: National Institute of Allergy & Infectious Diseases: Bacterial, Signaling, & Leukocyte Transcription Activation	93.701	3 - R01 - AI - 043524	38,060
ARRA - Ceacam and Insulin Action	93.701	3 - R01 - DK - 054254	(76)
ARRA - Molecular Mechanisms of Ras-Induced Autophagy in Glioblastoma	93.701	3-R01CA115945-03-S1	(11,052)
ARRA: National Heart, Lung & Blood Institute: The Role of Complement Proteins in Cardiovascular Disease	93.701	5 - P30 - HL - 101317	277,608
ARRA - Behavioral Dynamics of Langerhans Cells in Skin	93.701	5 - R01 - AR - 053355	50,715

Agency	CFDA #	Agency Number	Fiscal Year 2012
ARRA: National Cancer Institute: RKIP Regulation as a Potential for Tumor Metastasis Suppression	93.701	5 - R01 - CA - 133479	$ 81,585
ARRA: National Institute of Diabetes, Digestive & Kidney Diseases: Insulin Resistance in the Pathogenesis of NASH	93.701	5 - R01 - DK - 083850	84,108
ARRA: National Institutes of Health: Dual Release of Osteogenic Factors to Enhance Bone Regeneration	93.701	5 - R03 - DE - 019508	76,273
ARRA: National Institute of Environmental Health Sciences: 3D Skin Model to Test Toxic and Sensitizing Potentials of Environmental Chemicals	93.701	5 - RC1 - ES - 018026	454,596
ARRA: National Cancer Institute: Validation Study of a Multi-gene Test for Lung Cancer Risk	93.701	5 - RC2 - CA - 148572	545,042
ARRA: National Institute on Alcohol Abuse and Alcoholism: Molecular mechanism of ADNF and ADNP peptides in prevention of mitochondrial dysf	93.701	7 - R21 - AA - 017735	40,249
ARRA: National Institutes of Health: A Genetic Analysis of Intermediate Filament Domain Functions in C. elegans	93.701	R15 - 1R15GM086807	59,340
Na/K-ATPase reduction in renal disease-related caridac dysfunction	93.837	1 - R01 - HL - 105649	178,717
TRPC3 Protein in Molecular and Cellular Events During Atherogenesis	93.837	1 - R01 - HL - 111877	162,355
National Institutes of Health: Innovative Models for Mechanistic Studies of Novel Hypertension Genes	93.837	1 - R01 - HL - 112641	359,436
Cardiovascular Outcomes in Renal Atherosclerotic Lesions (CORAL)	93.837	1 - U01 - HL - 071556	3,741
Digitalis-Induced Signaling by Cardiac Na+/K+-ATPase	93.837	5 - P01 - HL - 036573	1,316,175
Genetic Elements Controlling Blood Pressure	93.837	5 - R01 - HL - 020176	667,503
Genetics of Hypertension	93.837	5 - R01 - HL - 076709	310,994
CORAL: Clinical Coordinating Center	93.837	5 - U01 - HL - 071556	313
Cardiovascular Outcomes in Renal Atherosclerotic Lesions (CORAL)	93.837	U01 - HL - 071556	2,295,789
Inherited genetic risk factors common to COPD and lung cancer	93.838	5 - R01 - HL - 108016	337,817
Behavioral Dynamics of Langerhans Cells in Skin	93.846	5 - R01 - AR - 053355	164,137
Regulation of Melanocyte Differentiation by SWI/SNF Chromatin Remodeling Enzymes	93.846	5 - R01 - AR - 059379	363,164
Inhibition of CCR1/CCR5 mediated angiogenesis and joint destruction by EGCG	93.846	5 - R03 - AR - 055741	36,398
Innate Cellular Lectin-Mediated Binding of Xenoantigens	93.847		146,693
Ceacam and Insulin Action	93.847	3 - R01 - DK - 054254	6,495
TPR Proteins in Steroid Receptor Signaling and Physiology	93.847	3 - R01 - DK - 070127	(95,181)
CEACAM and Insulin Action	93.847	5 - R01 - DK - 054254	506,346
Heme Oxygenase Regulation of Eicosanoid Biosynthesis	93.847	5 - R01 - DK - 056601	776,752
Mechanisms of Enteric Nervous System Development	93.847	5 - R01 - DK - 067064	3,543
The Roles of Primary Cilia in Cardiovascular System	93.847	5 - R01 - DK - 080640	383,145
Role of JAK2-PAK1 Interaction in Prolactin-Dependent Signaling	93.847	5 - R01 - DK - 088127	207,598
Defining Preadipocyte Signature Genes	93.847	5 - R21 - DK - 083643	217,563
Role of the serine-threonine kinase PAK1 in prolactin-dependent signaling	93.847	7 R21 DK074689-03	1,445
Oxidative Stress and Vascular HO in Diabetes	93.847	R01 - DK - 068134	(2,104)
UNC-73/Trio Signaling in Axon Guidance and Neurotransmission	93.853	1 - R15 - NS - 062406	3,577
Homeostatic Regulation of GABA Synapses	93.853	1R15NS067474-01	29,469
Mechanisms of Sympathetic Neuron Development	93.853	5 - R01 - NS - 040644	178,321
Post-Hypoxic Regulation of GABA-A Receptor Function	93.853	5 - R01 - NS - 049389	101,334

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Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2012

Agency	CFDA #	Agency Number	Fiscal Year 2012
Targeted Treatments for Invasive CNS Tumors	93.853	5 - R21 - NS - 065809	$ 114,747
Nanotechnology for Amyotrophic Lateral Sclerosis	93.853	5 - R21 - NS - 066279	149,517
Probing the Enzymatic Basis of Canavan Disease	93.853	R01 - NS - 5 R01 NS045664-	4
Determinants of RNA Virus Evolution	93.855		(25,165)
Alphavirus Minus Strand RNA Synthesis and Rnase L	93.855	5-R01-1A1057571-05	8,016
Selective Agents to Block Virulence in Gram-negative Pathogens	93.855	1 - R21 - AI - 098702	14,494
Francisella tularensis intracellularly-induced outer membrane proteins	93.855	5 - K22 - AI - 083372	68,434
Bacterial, Signaling, & Leukocyte Transcription Activation	93.855	5 - R01 - AI - 043524	97,663
Regulation of AAV Rep Protein Function	93.855	5 - R01 - AI - 051471	1,747
Deletion of T and B Cells to Induce Tolerance	93.855	5 - R01 - AI - 061052	(10,276)
Locomotion in Parasitic Nematodes	93.855	5 - R01 - AI - 072644	286,700
Improvement in Paired Donation Program	93.855	5 - R01 - AI - 090244	352,452
Impact of the Interferon Regulated Proteins XAF1 and ZNF313 on Innate Immunity	93.855	5RO1AI068133-08	133,466
Development of Aspartate Pathway Inhibitors as Novel Antiobiotics	93.855	R01 - A1077720-03	379,668
Dysregulation of Innate Immune Responses by Borrelia burgdorferi: A Role for IL-10	93.855	R01 - AI - 073452	323,837
Immune Response to Pneumococcal Vaccine in HIV Infected Adults	93.855	R01 - AI - 081558	404,069
Preclinical Development of a Tularemia Vaccine	93.855	R01 - AI - 093351	405,294
Regulation of Borealin by Mitotic Phosphorylation	93.859	1R15GM084410-01	49,944
Na,K-ATPase as an Integrator of the Calcium Signaling Machinery	93.859	5 - R01 - GM - 078565	57,190
Novel Role of Base Excision Repair and Mismatch Repair in Cisplatin Sensitivity	93.859	R01 - GM - 088249	323,879
Mechanism of transport of secretory vesicles in regulated secretory pathway	93.865	1 - K22 - HD - 056137	98,928
Inflammatory Triggers of Polycystic Ovarian Syndrome	93.865	1 - R21 - HD - 071529	50,795
Hypothalamic Leptin and Insulin Signals Aligning Metabolic State and Fertility	93.865	5 - R00 - HD - 056491	296,693
Elderly Immune Response to Pneumoccoccal Polysaccharide	93.866	5 - R01 - AG - 015978	82,182
Bone Loss with Aging Occurs Due to Increased PPAR-g Activity in Marrow Stem Cells	93.866	5 - R01 - AG - 028935	202,712
Total National Institutes of Health			22,343,910
Total Research and Development Cluster			$ 46,703,239
WIA Cluster			
WIA - 12144	17.258		71,808
NOW WIA -12145	17.258		73,441
Monroe Cty WIA - 12121	17.258		22,752
TOTAL WIA Cluster			$ 168,001
Vocational Rehabilitation Cluster			
Bureau of Vocational Rehabilitiation	84.126		217,043
TOTAL Vocational Rehabilitation Cluster			$ 217,043
Early Intervention Services (IDEA) Cluster			
Ohio Department of Health: HMG (Help Me Grow) Hospital Based Regional Child Find	84.181	0484001 1HB0110	10,140
TOTAL Early Intervention Services (IDEA) Cluster			$ 10,140
TANF Cluster			
Lucas County Job and Family Services: Teenage Pregnancy Prevention Evaluation	93.558	48-12-TANF-02	41,985
TOTAL TANF Cluster			$ 41,985

See Notes to Schedule of Expenditures of Federal Awards.

University of Toledo

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2012

Agency	CFDA #	Agency Number	Fiscal Year 2012
CCDF Cluster			
Ohio Department of Jobs and Family Services: Reach Out and Read	93.575	48-10-QCC-06	$ (7,315)
Ohio Department of Jobs and Family Services: Reach Out and Read	93.575	48-12-QCC-05	13,960
TOTAL CCDF Cluster			$ 6,645
TRIO Cluster			
UT Student Support Services	84.042	P042A051096-09	(9,501)
UT Student Support Services	84.042	P042A101389-11	251,857
Regular Upward Bound	84.047	P047A070851-10	370,690
TOTAL TRIO Cluster			$ 613,046
Other Federal Awards			
Department of Commerce: National Oceanic and Atmospheric Administration: Ohio State University: Knauss Fellowship	11.481	60026818	$ 27,906
Department of Defense:			
Military Service Center Student Support	12.000		3,011
Procurement Technical Assistance Center Pass Through From: Ohio Department of Development	12.002	MBDD 11-010	17,368
Student Support for NAMS 2011	12.300	N00014-11-1-0675	5,000
Air Force-AFIT-12121	12.607		295,823
Dept of Air Force--	12.607		750
Air Force-Fairchild-	12.607		750
Total Department of Defense			322,702
Department of Justice: Additional DNA Analysis Capability in Northwest Ohio	16.000	2009CKWX0775	4,460
Department of Labor: TAA - 12121	17.245		49,948
Department of State Bureau of Educational and Cultural Affairs:			
Admideast Fulbright Program	19.400		26,137
CEE - Fulbright	19.400		2,090
IIE - Fulbright	19.400		37,209
Total Department of State Bureau of Educational and Cultural Affairs			65,436
National Aeronautics and Space Administration:			
Govt Training - 12121	43.001		97,405
NSF IPA Assignment - Min Song	43.001	CNS-1240341	52,674
Climate Change Education: Engaging Teachers and Students and Correcting Misperceptions using NASA data	43.008	NNX10AT44A	93,465
Total National Aeronautics and Space Administration			243,544
National Endowment for the Humanities:			
Ohio Humanities Council: "Wholly Toledo: Business and Industry that Shaped the City": An Exhibition	45.129	GR-R10-051	250
University of Toledo Foundation: "Faith Matters" TV Series	45.129	OHC-10-018	40
Total National Endowment for the Humanities			290

See Notes to Schedule of Expenditures of Federal Awards.

University of Toledo

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2012

Agency	CFDA #	Agency Number	Fiscal Year 2012
National Science Foundation:			
An Innovative Model for a New Advanced Energy Workforce	47.041	IIP-0917981	$ 217,642
Meetings: Support of Student Participation in the 2011 North American Membrane Society Meeting and the 2011 International Congress on Membranes and Membrane Processes	47.041	CBET-1133655	10,000
Ohio State University: Ohio Consortium for Undergraduate Research	47.049	RF01042476	2,293
NSF Personnel Mobility Program (IPA)	47.050	IOS-1232472	9,076
Undergraduate Research and Mentoring (URM)	47.074	DBI 0829252	168,566
Wright State University: A National Model for Engineering Mathematics Education - Phase III	47.076	PSQ0708	42,199
The UT3 Noyce Scholarship Program	47.076	DUE-0733767	300,823
Water Distribution Analysis Modules and Kits for Undergrad Education	47.076	DUE-1044823	39,826
Graduate Teaching Fellows in STEM High School Education: An Environmental Science Learning Community at the Land-Lake Ecosystem Interface	47.076	DGE-0742395	437,499
GLOBE: GLOBE Teacher Workshops	47.079		3,332
Total National Science Foundation			1,231,256
Department of Veterans Affairs Veterans Benefits Administration:			
Veterans Vocational Training	64.120		281,873
A.C.E.S. - 12121	64.120		17,072
Army Medical-12121	64.120		249,809
Coast Guard Group-12121	64.120		9,500
Marine Corp-12121	64.120		1,500
Naval Ed/Trng - 12121	64.120		3,368
Navy Medical-12121	64.120		221,194
ROTC - 12126	64.120		570,304
BG ROTC - 12121	64.120		31,982
Post 911 GI Bill-12168	64.120		2,191,836
Go Army - 12162	64.120		96,227
Total Department of Veterans Affairs Veterans Benefits Administration			3,674,665
Department of Education:			
Ohio Department of Education: Engineering for Migrant Students and Teachers	84.011	USAS505	24,633
Ohio Department of Education: Special Funding for Engineering for Migrant Students	84.011		26
Lesotho and South Africa: A Curriculum Development Project Integrating Visual Arts and Social Sciences	84.021	P021A100053	(790)
Ohio Department of Education: CTE Teacher Preparation and Retention	84.048	VEPD-TPR-12-063099	74,576
Ohio Rehabilitation Services Commission: Assistive/Adaptive Virtual Lab Phase II	84.126	RSC01-000005435	2,175
Ohio Department of Education: Engineering for Migrant Students and Teachers	84.149	USAS505	35,207
The PARTNER Project	84.325	H325N110014	54,398
Project DIRECT Connections	84.325	H325K070101-10	53,893
Project EC-NET	84.325	H325T070038-11	92,586
UToledo, UTeach, UTouch the Future (UT3)	84.336	P336B040031-06	1,802
Ohio Department of Education: The Woodward MSP Partnership	94.366	EDU01-0000006591	(3,513)
ASEE SMART Program Team	84.376		26,137
UT3 Inquiry Masters Program Advancing Content for Teachers (IMPACT)	84.381	P381B080006	222,712
ARRA - Regional Child Find Pass Through From: Board of County (Lucas) Commissioners	84.393A		380
Total Department of Education			584,222

See Notes to Schedule of Expenditures of Federal Awards.

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2012

Agency	CFDA #	Agency Number	Fiscal Year 2012
Department of Health and Human Services:			
Lucas County Regional Health District: Healthy Relationships through Existing Support Groups	93.000		$ 10,591
Lucas County Regional Health District: Options	93.000	4810012HP0207	8,683
Ryan White 340b Pharmacy Revenue Program UTMC	93.000		1,459
Coordinated Services and Access to Research for Women, Infants, Children, and Youth(Ryan White IV Part D)	93.000	H12 - HA - 23012	421,417
Model State-Supported AHEC	93.107	5 - U77 - HP - 03029	530,468
AHEC Point of Service Maintenance and Enhancement	93.107	U77 - HP - 23072	400,964
Multidisciplinary Comprehensive Care Center for Families Impacted by HIV	93.153	2 - H12 - HA - 23012	392
Multidisciplinary Comprehensive Care Center for Families Impacted by HIV	93.153		(22)
Part D Title IV Multidisciplinary Comprehensive Care Center for Families Impacted by HIV	93.153	5 - H12 - HA - 23012	(10,702)
Part D Title IV Multidisciplinary Comprehensive Care Center for Families Impacted by HIV	93.153	H12 - HA - 23012	74,209
Occupational Health Training Grant	93.262	2 - T01 - OH - 008605	(15,161)
Occupational Health Training Grant	93.262	5 - T01 - OH - 008605	56,355
NIOSH Training Project Grant (TPG): Industrial Hygiene - U Toledo	93.262	5 - T01 - OH - 008605	28,593
Advanced Education Traineeships	93.358	2 - A10 - HP - 00004	37,072
13th Annual Midwest DNA Repair Symposium	93.393	1-R13-CA-159793-01	1,308
Lucas County Job and Family Services: Reach Out and Read	93.558	48-10-QCC-06	9,668
Ohio Department of Jobs and Family Services: Workforce Development	93.654	G-1011-06-0069	20,342
Ohio Department of Jobs and Family Services: Reach Out and Read	93.667	48-09-TXX-03	(13,716)
ARRA - OHIP Northwest Ohio Regional Extension Center Pass Through From: OHIP Northwest Ohio Regional Extension Center	93.729	90RC001201	114,038
Ohio Colleges of Medicine Government Resource Center: UT Interprofessional Healthcare Provider Development	93.778	OHP201209	67,555
American Society for Virology Meeting	93.855	1 - R13 - A1 - 096720	15,000
International Congress of Virology, Sapporo, ASV Travel Request	93.855	1 - R13 - AI - 091185	11,000
First Spending Plan Hospital Funding Pass Through From: Hospital Council of Northwest Ohio	93.889		21,754
Ryan White Part C (Title III) HIV Early Intervention Services (EIS) Program	93.918	5 - H76 - HA - 00732	376,623
University of Toledo Physicians: Program Income Account for Ryan White Part D	93.918		10,780
University of Toledo Physicians: Program Income Account for Ryan White Part C	93.918		4,793
Ryan White Part C (Title III)	93.918	5 - H76 - HA - 00732	2,034
Ryan White Part C (Title III) HIV Early Intervention Services (EIS) Program	93.918	2 - H76 - HA - 00732	3,522
Ryan White Part C (Title III) HIV Early Intervention Services (EIS) Program	93.918	6 - H76 - HA - 00732	75,394
Lucas County Regional Health District: Healthy Relationships through Existing Support Groups	93.940		432
Lucas County Regional Health District: University of Toledo Medical Center HIV Testing Program	93.940		(72)
Lucas County Regional Health District: HIV Prevention in a Medical Care Setting Project	93.940	4810012HP0207	(2)
Lucas County Regional Health District: Healthy Relationships through Existing Support Groups	93.940		(2)
Lucas County Regional Health District: Options	93.940	4810012HP0207	8,141
Lucas County Regional Health District: Healthy Relationships through Existing Support Groups	93.940		18,704
COMMUNITY MEDICAID	93.958		715,628

See Notes to Schedule of Expenditures of Federal Awards.

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2012

Agency	CFDA #	Agency Number	Fiscal Year 2012
Ohio Department of Alcohol and Drug Addiction Services: Reducing High Risk Drinking	93.959	99-8203-HEDUC-P-11-9	$ 2,180
Ohio Department of Alcohol and Drug Addiction Services: Reducing High Risk Drinking	93.959	99-8203-HEDUC-P-12-9	15,933
Ohio Department of Health: Women's Health Week IV	93.994	PREV-30609	(114)
Ohio Department of Health: Regional Comprehensive Genetic Services	93.994	04840011GS0512	174,657
Ohio Department of Health: Regional Comprehensive Genetic Services	93.994	04840011GS0108	(283)
Women's Health Week Pass Through From: Ohio Department of Health	93.994		828
Total Department of Health and Human Services			3,200,443
HRSA National Health Services	99.999		88,191
Total Other Federal			$ 9,493,063
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 285,542,936**

See Notes to Schedule of Expenditures of Federal Awards.

Note 1 - Basis of Presentation and Significant Accounting Policies

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, 2012. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-21, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Because the Schedule presents only a selected portion of the operations of University of Toledo, it is not intended to and does not present the financial position, changes in net assets or cash flows, if applicable, of University of Toledo. Pass-through entity identifying numbers are presented where available.

Note 2 - Subrecipient Awards

CFDA Number	Agency	Descrpition	Current Year Transferred to Subrecipient
10.200	Bowling Green State University	Investigating Potential Human Health Impacts of Sewage Sludge Applied to Agricultural Fields	$ 7,337
10.200	Bowling Green State University	Monitoring Agricultural Sewage Sludge, 2009	51,678
10.200	Hull & Associates, Inc.	Lake Erie Wetlands and Shoreline Restoration: MBSP Phytoremediation	750
10.200	U.S. Geological Survey	Lake Erie Wetlands and Shoreline Restoration: MBSP Phytoremediation	32,599
10.200	Bostdorf Greenhouse Acres, LTD	Greenhouse Nurseries Ohio	5,091
10.200	CIFT	Greenhouse Nurseries Ohio	1,000
10.200	Crossroads Resource Center	Greenhouse Nurseries Ohio	7,914
10.200	Fair Food Network	Greenhouse Nurseries Ohio	25,893
10.200	Hoen's Greenhouse	Greenhouse Nurseries Ohio	3,330
10.200	Indiana State University	Greenhouse Nurseries Ohio	32,013
10.200	Ohio State University	Greenhouse Nurseries Ohio	38,737
10.200	Bowling Green State University	Monitoring Agricultural Sewage Sludge, 2010	25,944
12.800	Bowling Green State University	Rapidly Deployable Solar Electricity and Fuel Sources	102,044
12.800	National Aeronautics and Space Administration	Rapidly Deployable Solar Electricity and Fuel Sources	92,528
12.800	Ohio State University	Rapidly Deployable Solar Electricity and Fuel Sources	136,901
12.800	Old Dominion University	Rapidly Deployable Solar Electricity and Fuel Sources	230,847
12.800	Rochester Institute of Technology	Rapidly Deployable Solar Electricity and Fuel Sources	94,714
12.800	University of Illinois	Rapidly Deployable Solar Electricity and Fuel Sources	37,695
12.800	Bowling Green State University	Lightweight Flexible Solar Cells	9,376
12.800	Ohio State University	Lightweight Flexible Solar Cells	149,220
12.800	Old Dominion University	Lightweight Flexible Solar Cells	212,864
12.800	Rochester Institute of Technology	Lightweight Flexible Solar Cells	44,409
12.800	University of Illinois	Lightweight Flexible Solar Cells	11,062
12.910	National Aeronautics and Space Administration	Application of Wave Bearing Technology To Helicopter Transmissions	795,765
20.205	CNWR, Inc.	Cost Benefit Models to Support PMS Decisions	7,481
20.205	Advanced Distributed	Veteran's Glass City Skyway Solar Array Performance Evaluation	81,285
20.760	Bowling Green State University	Transportation for Economic Security and Development	25,000
20.760	Wayne State University	Transportation for Economic Security and Development	5,497
43.001	Inner Mogolia Agricultural	Interactive Changes of Ecosystems and Societies on the Mongolian Plateau: From Coupled Regulations of Land Use and Changing Climate to Adaptation	2,817
43.001	Institute of Geographic Science & Natural Resources	Interactive Changes of Ecosystems and Societies on the Mongolian Plateau: From Coupled Regulations of Land Use and Changing Climate to Adaptation	4,080
43.001	West Haidan District of China	Interactive Changes of Ecosystems and Societies on the Mongolian Plateau: From Coupled Regulations of Land Use and Changing Climate to Adaptation	14,975
47.041	Central State University	An Innovative Model for a New Advanced Energy Workforce	36,473
47.041	Hocking College	An Innovative Model for a New Advanced Energy Workforce	14,513
47.041	Owens Community College	An Innovative Model for a New Advanced Energy Workforce	34,009
47.041	Oklahoma State University	New Methodologies for System-Level Electromagnetic Compatibility (EMC) Analysis of Electronic Systems	4,849
47.046	Acumen Research and Evaluation	Networking Urban Resources with Teachers and University to enRich Early Childhood Science	135,000
47.046	Gale Mentzer	Networking Urban Resources with Teachers and University to enRich Early Childhood Science	15,000
47.049	University of Rochester	The CepOB3b Young Cluster: A New Laboratory for Studying the Role of Environment...	5,632
66.469	Hull & Associates, Inc.	Maumee AOC, Wolf Creek: Passive Treatment Wetland to Improve Nearshore Health and Reduce Nonpoint Source Pollutants	2,058
66.469	Mannik & Smith Group, Inc.	Maumee AOC, Wolf Creek: Passive Treatment Wetland to Improve Nearshore Health and Reduce Nonpoint Source Pollutants	3,490

Note 2 - Subrecipient Awards (Continued)

CFDA Number	Agency	Descrpition	Current Year Transferred to Subrecipient
66.708	CIFT	The University of Toledo Pollution Prevention Grant Proposal	$ 11,550
66.708	TechSolve, Inc.	The University of Toledo Pollution Prevention Grant Proposal	8,101
66.708	CIFT	The University of Toledo Pollution Prevention Grant Proposal	156
66.708	TechSolve, Inc.	The University of Toledo Pollution Prevention Grant Proposal	510
81.087	Nautica Windpower, LLC	Center for Advanced Concept Offshore Wind Turbine Development	29,213
81.087	Nordic Windpower USA, Inc.	Center for Advanced Concept Offshore Wind Turbine Development	26,083
81.122	CALYXO USA	1484Improved CdTe PV Modules by APVD	117,275
81.122	University of Michigan	1484Improved CdTe PV Modules by APVD	6,819
81.122	University of Nevada Las Vegas	1484Improved CdTe PV Modules by APVD	4,678
84.325	University of North Carolina	The PARTNER Project	6,574
84.403	Terra Community College	Carl D. Perkins Grant FY 12	60,364
93.000	University of Tennessee	Human Melanoma: Early Biomarkers/Targets of Progression and Prevention - Work Assignment #10	240,714
93.000	University of Utah	Human Melanoma: Early Biomarkers/Targets of Progression and Prevention - Work Assignment #10	120,155
93.000	Rgents of University of California	Evaluation of the Modulation on Gene Expression by Chemopreventive Agents in Human Colon Polyp Adenoma Cells Using Gene Arrays - Work Assignment #11	118,166
93.000	University of Iowa	Screen for Chemopreventive Agents that Inhibit Dnmt1, a Key Target in Carcinogenesis	173,980
93.000	Brigham & Women's Hospital	Use Of C57BL/6J-Min/+mice to 1)Characterize the in vivo activity of natural AhR ligands 2) To examine the effects of PPI inhibitors on the efficacy of NSAIDS	248,340
93.000	Columbia University	Chemoprevention in a novel mouse model of Barrett's esophagus and esophageal adenocarcinoma	263,775
93.000	University of Michigan	Receptor Na/K-ATPase Antagonists As Novel Therapeutics For Renal/Cardiac Diseases	22,342
93.000	University of Genoa	Chemoprevention of Tumors Induced by Mainstream Cigarette Smoke (MCS) in Mice	148,568
93.000	Georgetown University	Assessment Of Chemopreventive Agents In A Spontaneous Estrogen Receptor-Positive Breast Cancer Model	193,588
93.000	Weill Medical College of Cornell University	Metabolomic and Lipidomic Profiling for Comprehensive Discovery of Non-steroidal Anti-inflammatory Drug Actions in vivo	223,500
93.107	BAHEC	Model State-Supported AHEC	27,508
93.107	Lima Area Health Education	Model State-Supported AHEC	7,903
93.107	Lima Area/MCO Health	Model State-Supported AHEC	25,358
93.107	Neoucom	Model State-Supported AHEC	242,698
93.107	Northeast Ohio Medical University	Model State-Supported AHEC	(8,077)
93.107	Ohio University	Model State-Supported AHEC	79,618
93.107	Sandusky Area Health Education	Model State-Supported AHEC	55,861
93.107	University of Cincinnati	Model State-Supported AHEC	44,954
93.107	BAHEC	AHEC Point of Service Maintenance and Enhancement	22,968
93.107	Hilton Toledo	AHEC Point of Service Maintenance and Enhancement	2,530
93.107	Lima Area Health Education	AHEC Point of Service Maintenance and Enhancement	6,500
93.107	Lima Area/MCO Health	AHEC Point of Service Maintenance and Enhancement	27,107
93.107	Northeastern Ohio Universities	AHEC Point of Service Maintenance and Enhancement	115,413
93.107	Ohio University	AHEC Point of Service Maintenance and Enhancement	66,003

Note 2 - Subrecipient Awards (Continued)

CFDA Number	Agency	Descrpition	Current Year Transferred to Subrecipient
93.107	Sandusky Area Health Education	AHEC Point of Service Maintenance and Enhancement	$ 53,991
93.107	University of Cincinnati	AHEC Point of Service Maintenance and Enhancement	40,638
93.396	University of Nebraska Medical Center	Androgen and Soluble Guanylyl Cyclase Signaling in Prostate Cancer Cells	10,971
93.701	Academic Health Center Corporation	Validation Study of a Multi-gene Test for Lung Cancer Risk	15,207
93.701	ACCUGENOMICS	Validation Study of a Multi-gene Test for Lung Cancer Risk	71,689
93.701	Cleveland Clinic	Validation Study of a Multi-gene Test for Lung Cancer Risk	12,350
93.701	Clinical Research LTD	Validation Study of a Multi-gene Test for Lung Cancer Risk	14,500
93.701	Henry Ford Health System	Validation Study of a Multi-gene Test for Lung Cancer Risk	75,136
93.701	INOVA Research Center	Validation Study of a Multi-gene Test for Lung Cancer Risk	10,240
93.701	Mayo Clinic Rochester	Validation Study of a Multi-gene Test for Lung Cancer Risk	12,768
93.701	Medical University of South Carolina	Validation Study of a Multi-gene Test for Lung Cancer Risk	10,000
93.701	Middle Tennessee Research Institute, Inc.	Validation Study of a Multi-gene Test for Lung Cancer Risk	1,072
93.701	National Jewish Health	Validation Study of a Multi-gene Test for Lung Cancer Risk	2,500
93.701	Ohio State University	Validation Study of a Multi-gene Test for Lung Cancer Risk	10,603
93.701	ResearchDx, LLC	Validation Study of a Multi-gene Test for Lung Cancer Risk	20,614
93.701	University of Michigan	Validation Study of a Multi-gene Test for Lung Cancer Risk	22,889
93.701	Vanderbilt University Medical	Validation Study of a Multi-gene Test for Lung Cancer Risk	8,285
93.837	Case Western Reserve University	Cardiovascular Outcomes in Renal Atherosclerotic Lesions (CORAL)	400
93.837	Massachusetts General Hospital	Cardiovascular Outcomes in Renal Atherosclerotic Lesions (CORAL)	7,946
93.837	McKesson Specialty Arizona, Inc.	Cardiovascular Outcomes in Renal Atherosclerotic Lesions (CORAL)	8,970
93.837	Rhode Island Hospital	Cardiovascular Outcomes in Renal Atherosclerotic Lesions (CORAL)	366,124
93.837	Salford Royal Hospital	Cardiovascular Outcomes in Renal Atherosclerotic Lesions (CORAL)	1,500
93.837	Tango Coordinating Center S.A.	Cardiovascular Outcomes in Renal Atherosclerotic Lesions (CORAL)	12,140
93.837	University of Michigan	Cardiovascular Outcomes in Renal Atherosclerotic Lesions (CORAL)	48,393
93.837	University of Texas	Cardiovascular Outcomes in Renal Atherosclerotic Lesions (CORAL)	24,878
93.837	Portland State University	Digitalis-Induced Signaling by Cardiac Na+/K+-ATPase	155,930
93.846	University of Wisconsin-Madison	Regulation of Melanocyte Differentiation by SWI/SNF Chromatin Remodeling Enzymes	23,996
93.847	University of Oxford	Innate Cellular Lectin-Mediated Binding of Xenoantigens	23,498
93.847	Cincinnati Children's Hospital	Defining Preadipocyte Signature Genes	19,429
93.853	University of Arkansas	Post-Hypoxic Regulation of GABA-A Receptor Function	50,801
93.853	Beckman Research Institute	Targeted Treatments for Invasive CNS Tumors	41,500
93.855	Allainace for Paired Donation	Improvement in Paired Donation Program	41,250
93.859	University of Pittsburgh	Novel Role of Base Excision Repair and Mismatch Repair in Cisplatin Sensitivity	7,129
93.994	Toledo Children's Hospital	Regional Comprehensive Genetic Services	32,750
		Total amount provided to subrecipients	$ 6,542,752.00

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes __X__ None reported

Noncompliance material to financial statements noted? _____ Yes __X__ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? __X__ Yes _____ None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? __X__ Yes _____ No

Identification of major program:

CFDA Numbers	Name of Federal Program or Cluster
84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 93.264, and 93.408	Student Financial Aid Cluster

Dollar threshold used to distinguish between type A and type B programs: $1,717,595

Auditee qualified as low-risk auditee? __X__ Yes _____ No

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

Reference Number	Finding
2012-01	**Program Name** - Student Financial Aid Cluster - Federal Direct Loan Program (84.268), Federal Perkins Loan Program (84.038), TEACH (84.379) **Pass-through Entity** - Not applicable **Finding Type** - Significant deficiency **Criteria** - If a student account is credited with federal direct loans, Federal Perkins loans, or TEACH funds, the University must notify the student or parent of the date and amount as well as the right to cancel all or a portion of the loan. The University must also inform them of the procedure and time by which the student must notify the University, no earlier than 30 days before and no later than 30 days after crediting student's account if using an affirmative confirmation process (34 CFR Section 668.165). **Condition** - The University experienced a system malfunction that resulted in disbursement notifications, including the right to cancel wording, to not be recorded in the University's system. **Questioned Costs** - None **Context** - The University experienced a system malfunction on the first day of classes for the fall 2011 term. In a sample of 25 students, there was no evidence that notification was made for the fall 2011 term for 18 students. Approximately 14,500 students received financial aid for the fall 2011 term. The University is unable to determine exactly the number of students that this malfunction affected. There were no issues in the testing sample related to either the spring or summer terms. **Cause and Effect** - The University experienced a system malfunction that resulted in disbursement notifications, including the right to cancel wording, to not be recorded in the University's system. As a result, no evidence exists to indicate the disbursement notifications were sent that included the student's right to cancel all or a portion of the loan. **Recommendation** - We recommend the University implement a policy and internal control to review disbursement notification history to ensure the proper transmission history evidence is maintained in the system for compliance purposes.

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2012-01 (Cont'd)	**Views of Responsible Officials and Planned Corrective Actions** - The University is in the process of putting procedures and controls in place to check email transmission history to ensure proper evidence is maintained in the University's system.

Internal Audit and Compliance Department
2801 West Bancroft Street
Toledo, Ohio 43606
419-530-8718
419-530-3035 Fax

DATE: October 22, 2012

RE: The University of Toledo
Corrective Action Plan
Related to the Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

Contact responsible for planned corrective actions:

David L. Cutri, CPA
Director of Internal Audit and Chief Compliance Officer
University of Toledo
Internal Audit and Compliance Department
2801 West Bancroft Street
Toledo, Ohio 43606
Phone: 419-530-8718
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Finding No. 2012-01

<u>Views of responsible Officials and Planned Corrective Action</u>

If a student account is credited with Federal Direct loans, Federal Perkins loans, or TEACH funds, the University must notify the student or parent of the date and amount as well as the right to cancel all or a portion of the loan. The University must also inform them of the procedure and time by which the student must notify the University, no earlier than 30 days before and no later than 30 days after crediting student's account if using an affirmative confirmation process (34 CFR section 668.165).

The University experienced a system malfunction on the first day of classes for the fall 2011 term. In a sample of 25 students, there was no evidence that notification was made for the fall 2011 term for 18 students. Approximately 14,500 students received financial aid for the fall 2011 term. The University is unable to determine exactly the number of students that this malfunction affected. There were no issues in the testing sample related to either the spring or summer terms.

The University is in the process of putting procedures and controls in place to check email transmission history to ensure proper evidence is maintained in the University's system.