



# 2014 ANNUAL REPORT THE UNIVERSITY OF TOLEDO FOUNDATION

**The University of Toledo Foundation**

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# 2014 ANNUAL REPORT

## THE UNIVERSITY OF TOLEDO FOUNDATION

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# Mission, Vision, & Values Statements

## **Mission Statement**

The mission of The University of Toledo Foundation is to secure the future for The University of Toledo, through prudent asset management and philanthropy. We build strong linkages between alumni and the University, fostering a spirit of loyalty and opportunity for engagement.

## **Vision Statement**

The University of Toledo Foundation embraces the mission of The University of Toledo by aspiring to be a forward-thinking, philanthropic organization, providing impactful financial support and engagement opportunities for transformation throughout the University community.

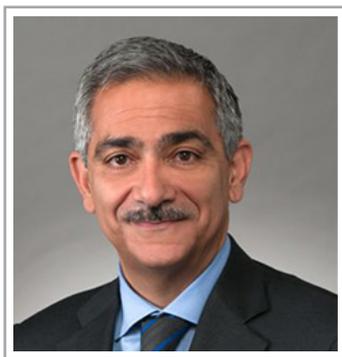
## **Values Statement**

The University of Toledo Foundation will be guided by its commitment to:

- Integrity, respect, and transparency
- Earn the respect, trust, and confidence of donors and the general public
- A long-term perspective and focus on growing a sustainable organization
- Its mission and that of The University of Toledo to improve the human condition
- A demonstrated desire to achieve excellence through innovation



# Letter from the Board Chair & UTF President



**Hussien Y. Shousher**  
2013–2014 Chair  
The University of Toledo Foundation  
Board of Trustees



**Brenda S. Lee**  
President  
The University of Toledo Foundation

Dear Friends of The University of Toledo,

The most successful organizations explore opportunities for progress and advancement while also taking measures to ensure stability. For The University of Toledo Foundation, the 2014 fiscal year proved to be a time of both positive change and continuity.

Over the past year, the UT Foundation strengthened its leadership team through the newly created positions of chief operating officer, controller, and real estate director. The reorganization will better meet the Foundation's changing needs through effective management of operations.

At the same time, the Foundation sustained its successful investment history, once again surpassing its benchmark. During 2014's post-recession rebound, the Foundation achieved a 17.9 percent total return, ensuring support to UT in perpetuity.

That support wouldn't be possible, however, without the generous foresight of UT's alumni and friends. The past year was one of significant philanthropic support, with \$17.8 million in contributions to the UT Foundation. Nearly \$13.3 million was distributed to the University for scholarships, facilities, faculty and staff, and programs and services.

Your gifts ensure the continued success of the University's programs and provide UT students with the tools to prosper. Through your contributions, you open doors and ensure a bright future for the entire UT community.

We remain thankful for all you do.

Sincerely,

Hussien Y. Shousher

Brenda S. Lee

# Letter from the Board Chair & UTF President (continued)

## 2014 Organization Achievements

- The number of endowed chairs and professorships created through donor gifts continued to increase, now totaling over 30. Such endowed positions recognize and augment support for outstanding UT faculty.
- The UT Alumni Association hosted more than 200 events globally.
- The Foundation, along with the UT Alumni Association, rolled out new websites, with updated content in a user-friendly format.
- The Foundation implemented a tiered administrative fee for individual endowment funds totaling \$3 million or more. The sliding scale policy will reduce the fee rate assessed to several of the largest funds.
- The Foundation adopted a new mission statement, defining its role in securing UT's future through prudent asset management and philanthropy. Our goals include building linkages between alumni and the University, fostering a spirit of loyalty and opportunity for engagement.



# Letter from the UT President



**Nagi G. Naganathan, Ph.D., ASME Fellow**  
Professor & Interim President  
The University of Toledo

Dear Friends and Supporters,

I think it is only fitting in a report that looks back over the past year for me to start in the same place. The past year has been a time of transition for The University of Toledo as a number of senior leaders have accepted exciting appointments and positions across the country.

I want to thank President Emeritus Lloyd Jacobs for his leadership and service during the past eight years. As many of you know, Dr. Jacobs stepped down as president on July 1 to begin a prestigious fellowship with the Council on Competitiveness, a Washington, D.C.-based organization with a mission to increase the United States' economic competitiveness in the global marketplace.

As we look forward, it is important to remember what has not changed. The University of Toledo remains a pillar of this community and an organization with powerful and broad academic, clinical and research strengths. Our athletic programs have demonstrated a strong commitment to excellence in the classroom and on the field among our student-athletes.

For the fourth consecutive year the UT Medical Center has been named one of the best hospitals in the region, and our Jesup Scott Honors College is enrolling increasing numbers of outstanding students pursuing a broad array of majors.

The commitment of UT alumni, donors and supporters remains strong. The values that make this University community so special remain. And that's why I'm so excited for our future.

Thank you for your continued support of Rocket Nation, and I look forward to an opportunity to see you soon.

Warm Regards,

Nagi G. Naganathan, Ph.D., ASME Fellow  
Professor and Interim President, The University of Toledo



# UT Celebrates Medical College's 50th Anniversary



Helping to break ground for the Health Sciences Building in September 1970, from left to right: Paul Block, Gov. James Rhodes, Dr. Glidden Brooks, Dr. Robert Page, and student Lurley Archambeau.

The nation's 100th medical school was officially created Dec. 18, 1964, when Ohio Gov. James A. Rhodes signed legislation establishing the Medical College of Ohio at Toledo. The University of Toledo commemorated that milestone and its historic legacy with a 50th anniversary celebration in May.

The anniversary event also celebrated the first class of medical school students, the teaching hospital that opened in 1979, and the leadership of Dr. Richard Ruppert, who served as president from 1977 to 1993.



Members of the first graduating class included, from left to right: Dr. John Croci, Dr. Ralph Whalen, Dr. Clark Weidaw, Dr. Donna Woodson, Dr. Lurley Archambeau, and Dr. Michael Fadell, Sr.

Guests also received a premiere viewing of the WGTE Public Media's documentary, "Toledo Stories — MCO: A History of Healing and Teaching."

Speakers included Allan J. Block, chair of Block Communications, and John Robinson Block, publisher and editor-in-chief of The Blade and Pittsburgh Post-Gazette, who served as honorary co-chairs of the anniversary celebration committee. Their father, Paul Block Jr., co-publisher of The Blade and a chemist, was an advocate for northwest Ohio as the ideal location for the new medical school.

# UT Celebrates Medical College's 50th Anniversary (continued)



Dr. William McMillen, former UT provost and MCO 50th anniversary celebration committee chair, introduces keynote speaker Dr. Mary R. Smith, UT professor of medicine and pathology.

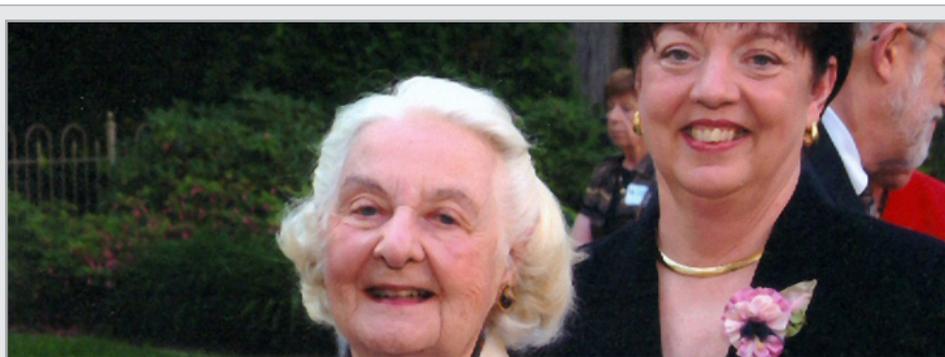
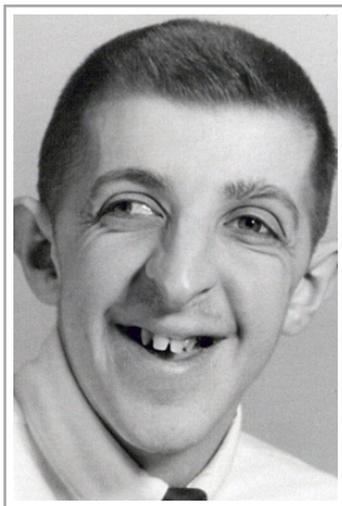
The anniversary celebration will continue through 2014. A special website has been created to share information about events as well as the College's history, along with a photo and memory gallery: [https://www.utfoundation.org/foundation/home/Child\\_NewsEvents.aspx?request=5](https://www.utfoundation.org/foundation/home/Child_NewsEvents.aspx?request=5)



Enjoying conversation at the anniversary celebration, from left to right: Dr. Patricia Metting, former associate dean for student affairs; Dr. Jim Willey, professor of medicine and pathology; Dr. Ronald McGinnis, associate dean for student affairs; and Dr. Marijo Tamburrino, chair of the department of psychiatry.



# Donors' Generous Foresight Provides Significant Support



Louise Collins, pictured at top with her daughter, Susan Pennell, at a 2004 Medical College of Ohio event, established a professorship in memory of her son, Vick, bottom.

Many of The University of Toledo's alumni and friends show their support of UT during their lifetime through annual gifts or a larger, one-time gift to establish an endowment. While every contribution helps to further UT's mission and is appreciated, planned or estate gifts offer giving advantages of which donors may not be aware.

Over the past year, UT received planned gifts through a variety of giving vehicles, according to Paul Hood, UT Foundation director of planned giving. "Our donors and their advisors can get fairly creative with a planned gift within the guidelines of the tax laws," he said. "They employed several different planned giving techniques during the past year."

## **Will and Trust Bequests**

The most popular and flexible of the legacy giving vehicles is a bequest through a donor's will or trust, Mr. Hood said.

"A will or trust gift doesn't cost anything out of pocket during a donor's lifetime, and it can be changed down the road as circumstances warrant," he said.

In 2014, the UT Foundation received a \$2 million bequest gift from Louise Collins, to establish the Edmund Vickroy Collins Professorship in the UT department of pediatrics. The fund, established in memory of her son, will support research, innovative diagnostic services, and clinical services in support of treatment for children with disabilities.

# Donors' Generous Foresight Provides Significant Support

(continued)

## Charitable Gift Annuities

Another popular type of planned gift—the charitable gift annuity—is a simple, but irrevocable, agreement with the UT Foundation, Mr. Hood said. In exchange for such a donation, the UT Foundation agrees to pay an annual annuity for life to one or two individuals.

“If you reserve the annuity for yourself, you receive an annuity payment at least annually. You also receive an income tax charitable deduction equal to the UT Foundation’s share of the donation,” explained Mr. Hood. “Finally, you receive an irrevocable promise from the UT Foundation, backed by its assets, to pay the annuity. Because your annuity payout is tied to your age, it is not unusual for donors to significantly increase their returns on money that might have been invested in CDs.”

Cathy Sheets (Bus '86, MBA '92) created a deferred charitable gift annuity to benefit UT as a way to give back for all the University had given her. “With the ease of getting income illustrations and documents, the gift sells itself when the time is right,” she said, “and there was no pressure to change any of my intentions.” She added that the UT Foundation is a great fund steward, working to maximize the impact of gifts.

## Charitable Remainder Trusts

Somewhat similar to a charitable gift annuity, a charitable remainder trust is a separate trust that donors create for their own—and possibly a loved one’s—benefit, with the UT Foundation receiving what is left at the end of the trust term.

“You can set up a charitable remainder trust while you are alive, or you can plan for it to come into existence at your death,” said Mr. Hood. “Charitable remainder trusts make it possible to defer capital gains tax after selling appreciated property while putting the entire sales proceeds to work for you.”

He noted that charitable remainder trusts also can increase the rate of return on assets. “If you set up a charitable remainder trust during your lifetime, you’ll get an income tax charitable contribution deduction equal to the fair market value of the property, less the value of the income interest.”

A charitable remainder trust set up by long-time UT supporter Jim Findlay before he passed away in October 2013 provided nearly \$300,000 to benefit the University. Mr. Findlay (Bus '49), designated the gift for three funds he had previously established in the Colleges of Business and Innovation, the Judith Herb College of Education, and the athletics department.

## Donors' Generous Foresight Provides Significant Support (continued)

A charitable remainder trust also was the giving vehicle choice for Richard Gordon (Ed '54, MED '60) and his wife, Barbara (Ed '55). After Mr. Gordon passed away in 1999 and Mrs. Gordon died in 2008, UT received \$21,000 in 2014 in support of the Judith Herb College of Education, the College of Communication and the Arts, and the athletics department.

### **Life Insurance**

For donors such as Lt. Col. Joe Pierce (Eng '84), a life insurance policy was a means of making a significant gift to UT during his lifetime that will benefit UT later.

By donating an insurance policy this past year with a face value of \$50,000, Mr. Pierce's gift will endow the College of Engineering's Thorbjornsen Fund, in memory of a favorite professor, when the policy matures after his death.

"A life insurance policy gift can be made economically to provide a bigger impact than a cash gift," noted Mr. Hood. "Donors who donate a life insurance policy during their lifetime are entitled to an income tax charitable contribution deduction that is essentially equal to the fair market value of the donated policy. And the donor would receive another deduction for the amount of the premium that he or she pays annually."

For more information about making a planned gift to The University of Toledo Foundation, contact Paul Hood at [paul.hood@utoledo.edu](mailto:paul.hood@utoledo.edu) or 419-530-5303.



# Donors Contribute to Campus Beauty by Purchasing Sculptures



Contributions from UT's Women and Philanthropy funded the permanent exhibition of Tom McGlauchlin's glass sculpture, "A University Woman."



Gifts from the Brunner family, in memory of Dr. James A. Brunner, provided "Gardener," by artist Kirk Roda, which is located in the Brunner Garden in Centennial Mall.



Centennial Mall's "Harp" by Michael Sohikian was purchased by Dorothy MacKenzie Price.

The University of Toledo has been named frequently as one of the most beautiful campuses in the country. Besides the collegiate lannon stone buildings and landscaped mall and gardens, the University has enhanced its campuses' appeal through an annual Outdoor Sculpture Exhibition.

Entries to the annual Midwest Sculpture Initiative are reviewed by the UT Campus Beautification Committee, which selects several pieces for one-year exhibits. Artists receive a stipend through private donations to the UT Foundation.

Additionally, the exhibition has resulted in a number of pieces being purchased by individuals and donated to UT for its permanent sculpture collection. Art-appreciating supporters of the University who enjoy any of the current, temporary sculptures on campus may make a donation to the Campus Beautification Fund through the UT Foundation.

For more information, contact Dr. Steve LeBlanc, chair of UT's Campus Beautification Committee at [steven.leblanc@utoledo.edu](mailto:steven.leblanc@utoledo.edu) or 419-530-8264.



# Jacobs Simulation Center Looks toward the Future of Education



Medical student Mark Abraham practices surgery with a few pointers from Cristina Alvarado, clinical simulation and education research associate, during an open house in April in the Interprofessional Immersive Simulation Center.

UT students will be able to “fly through” high-definition images of the human body from cells to organs, work on an oil rig, or design a new kind of automobile, thanks to technology at the Lloyd A. Jacobs Interprofessional Immersive Simulation Center (IISC) at The University of Toledo Medical Center.

The IISC, named in honor of UT’s past president Dr. Lloyd Jacobs, opened in spring 2014 on UT’s Health Science Campus. The three-story, 65,000-square-foot center is equipped with high technology to enhance education and skills for UT students, particularly those in medicine, nursing, pharmacy, therapy, and other health professions.

The Center includes simulated hospital rooms, an intensive care unit, trauma suite, operating room, and labor and delivery room. UT students learn to care for patients by practicing skills and procedures using simulation, as well as working as teams in a virtual hospital equipped with human patient simulators.

# Jacobs Simulation Center Looks toward the Future of Education

(continued)



A UTMC resident inserts a scope into a bronchoscopy simulator, as Terry Kenny and Mike Maserjian, from Barco, Inc., one of the Center's industry suppliers, look on. The monitors provide patient data and "teaching roadmaps" that help guide the scope through the airway.

"Using simulation, just like the aviation industry, health care professionals can now practice a wide range of procedures and patient scenarios without placing actual patients at risk," said Dr. Pamela Boyers, executive director of the IISC. "The Center is unique in that it encompasses the widest range of simulation technology available, providing healthcare professionals with a safe place to practice skills over and over again until they become proficient."

Debriefing rooms encourage team problem-solving and discussions to improve patient care and team performance, resulting in fewer medical errors and better patient outcomes.

Dr. Boyers said the IISC is designed to transform the education of doctors, nurses, and other healthcare professionals by using highly advanced technologies to stimulate new ways to learn, teach, and engage in research. She said the training of healthcare professionals is changing in ways that could only have been imagined a decade ago. "This transformational simulation center is well ahead of the curve in healthcare education," she noted, "and positions the University to remain ahead of the curve for years to come."

While individual technological components of the UT facility may exist at other simulation centers, UT is among the first to bring together this wide range of simulation technologies in what Dr. Boyers calls the "tri-center concept."

"The tri-center concept incorporates 3D and virtual immersive reality environments, advanced surgical training, as well as human patient simulators in simulated hospital and community settings," she explained.

# Jacobs Simulation Center Looks toward the Future of Education

(continued)

In addition to supporting faculty and students at UT, the Center also works closely with global industry collaborators, other health-care organizations, and even the U.S. military.

“Now that we have the programs for health care professionals well underway, we are looking forward to expanding our offerings to our colleagues on the main UT campus,” said Dr. Boyers. “We believe that the Center offers opportunities for partnering with a wide range of disciplines, including engineering, business, law, and the arts.” The Center is a unique blend of an academic and business model, she said, designed to bring research and development opportunities, as well as new work force training opportunities to Toledo and the region.

Several donors supported the facility’s technology and programs through significant gifts, including Dr. Gerald Zelenock in memory of his wife Mary Kate, and Tom and Susan Palmer. Other fund-raising opportunities are available, according to Howard Newman, associate vice president of development for UT’s Health Science Campus.

“There are numerous opportunities to name facilities in the Center, as well as contribute to an endowment for directorship by Dr. Boyers,” he said. “Philanthropy will have a great role in endowing the future of the Center, encouraging innovative work in simulation, the development of new training programs, and assuring new applications of technology and many innovations in both the medical and nonmedical fields.”

For information about making a gift in support of the IISC, contact Howard Newman at [howard.newman@utoledo.edu](mailto:howard.newman@utoledo.edu) or 419-383-6840.



# Vaughan Scholarship Helps Neal Applin Reach His Goals



Jean and Bill Vaughan meet with Richard Etter, left, and Neil Applin, right, two of the 2013-2014 recipients of The William and Jean Vaughan Scholarship.

After receiving his associate's degree in 1992, Neal Applin, 42, planned on finishing his bachelor's degree "but never got around to it." Going back to school would be daunting enough for anyone, let alone someone working 50-60 hours a week while raising six young children.

Three years ago, with four biological children at home, Mr. Applin and his wife, Jennifer, met two six-year-olds with special needs from an orphanage in Russia. "We ended up falling in love with them and were lucky enough to adopt them," he said.

When he returned part-time to UT a year later, he found simultaneously going to school, holding a job, and raising a large family to be demanding and chaotic. "Time has been a precious resource," he noted. "It has been difficult to find the time for classes and homework, but it has also been incredibly rewarding."

Mr. Applin said their lives turned even more challenging in the fall of 2013 when his wife, a homemaker and freelance writer, became seriously ill and eventually underwent brain surgery. During her illness and recovery, she was unable to drive or work.

The financial burden of medical and educational costs proved to be even more of an obstacle than the time constraints. "I'm the primary breadwinner in our family, and my salary just barely provides for our family of eight," he said.

## Vaughan Scholarship Helps Neal Applin Reach His Goals (continued)

Fortunately for the Applins, financial aid and support through privately funded scholarships, including the William and Jean Vaughan Scholarship at the UT Foundation, lightened that burden.

Bill Vaughan (Bus '57) and his wife, Jean (Bus '92), endowed the Vaughan Scholarship in 1997 as a way of giving back while helping UT students achieve their goals.

“There was a point in my life when it was obviously very clear to me I had to have an education, but my economic situation seemed to make this impossible,” said Mr. Vaughn, founder of The William Vaughan Company. “The Korean War and my enlistment in the Air Force showed me how to do it. There was nothing unusual about my actions, but doors were opened which I didn’t know existed.”

“It seemed to me Neal was in a position like mine. You have to recognize where you are and accept that is the starting point. Then you have to find what works for you to reach your goal.”

Thanks to perseverance and scholarship assistance, Mr. Applin graduated with a bachelor’s degree from UT’s College of Adult and Lifelong Learning (CALL) this past summer semester, sooner than he originally expected. “Scholarships allowed me to take more classes to finish sooner, not incur nearly the debt I would have had to take on through loans, and provided me peace of mind knowing that we wouldn’t have to struggle further to pay those all off,” he said.

Mr. Applin and Mr. Vaughan both credit CALL with providing the special services and support necessary for adult learners to succeed.

“I support CALL because I think it provides a second chance for many,” said Mr. Vaughan. “When I think how much different my life would have been without one, I am forever grateful and gratified if I can help others have a second chance.”

While Mr. Applin is excited about achieving his academic and professional goals, he looks forward to walking away with more than just the piece of paper necessary to advance his career.

“Not finishing my bachelor’s degree was something that I always regretted. Now, I won’t have to live with that regret,” he said. “I want to be the best role model I can be for my children. I want to show them that it is never too late to accomplish their goals.”

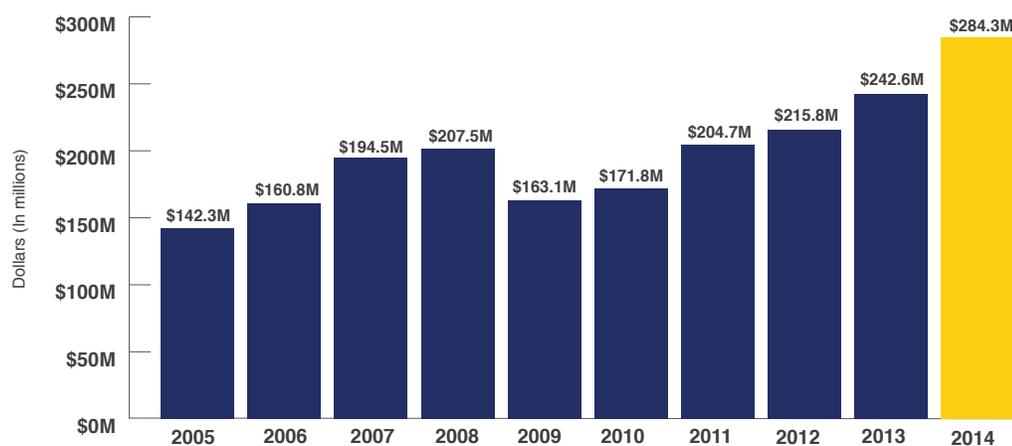


# Financial Statements

## The Year in Review: July 1, 2013 - June 30, 2014

Total UTF Assets	<b>\$284.3M</b>
Endowment	<b>\$416.1M</b>
Investments Under Management	<b>\$451.1M</b>
Total Contributions	<b>\$17.8M</b>
Total Support Provided to the University	<b>\$13.3M</b>

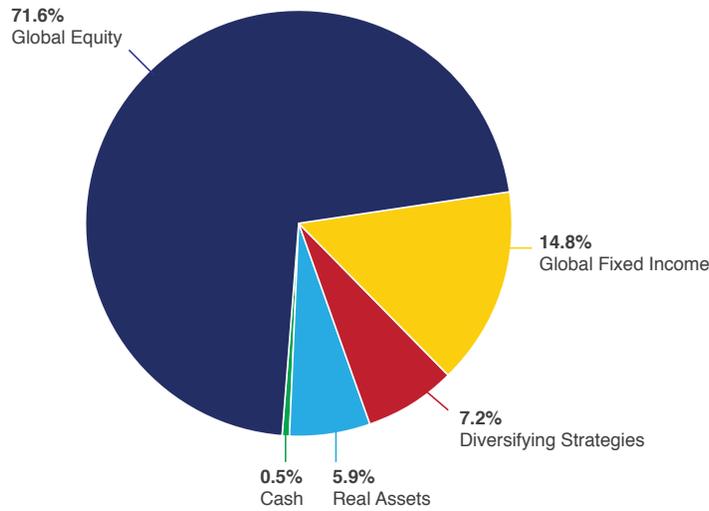
### ▼ Assets 2005-2014



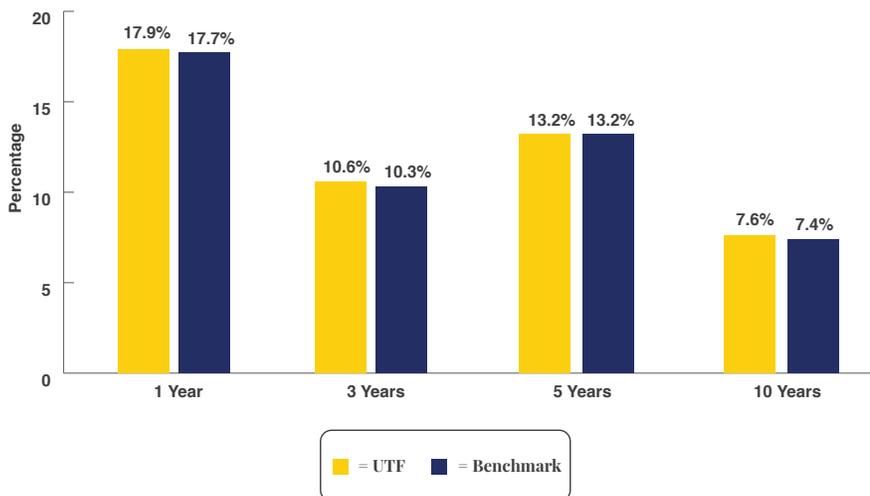
# Financial Statements

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## ▼ Asset Allocation



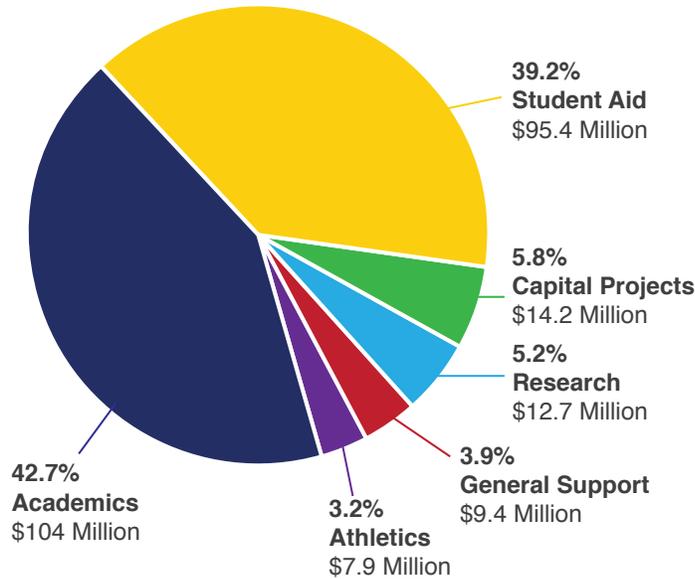
## ▼ Annualized Investment Performance June 30, 2014



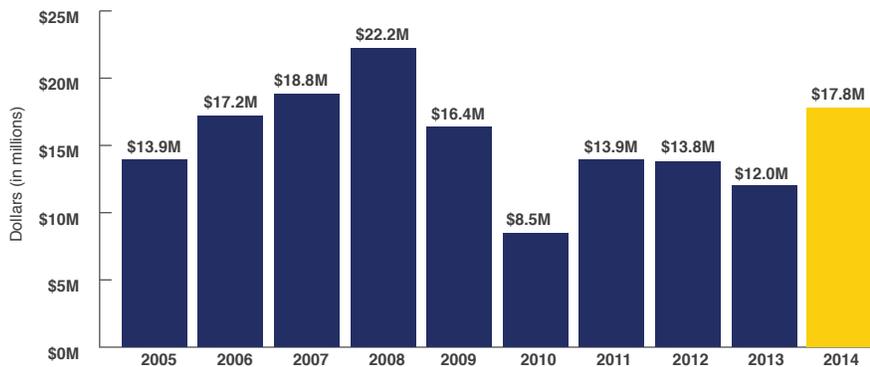
# Financial Statements

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## ▼ Designation of Fund Balances



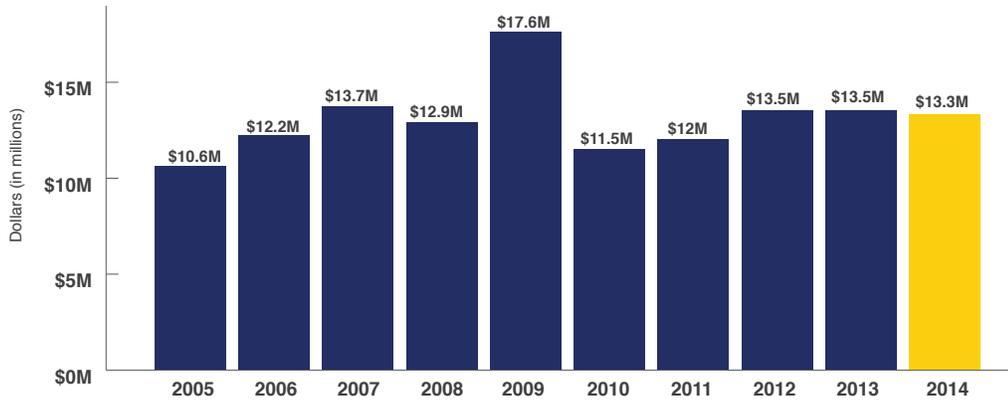
## ▼ Contributions 2005-2014



# Financial Statements

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## ▼ Foundation Support Provided to UT 2005–2014



## ▼ Designation of Support to UT — 2014

