

## WFAA Financial Report 2022–23

In fiscal 2022–23, through the Wisconsin Foundation and Alumni Association, UW–Madison donors supported important initiatives across campus, including the Wisconsin Medicine campaign, a new building for the College of Engineering, a new Letters & Science academic building (Irving and Dorothy Levy Hall), scholarships, and chairs and professorships to recruit and retain outstanding faculty members.

Generous donors contributed more than \$351 million to support the university in fiscal 2023. WFAA transferred a record \$340 million in philanthropic resources and increased the value of the endowment by 11 percent. In all, WFAA's net assets grew to more than \$4.9 billion by the end of the fiscal year.

In the following pages, you'll see WFAA's financial performance in greater detail. For a breakdown of the organization's current goals, please see our leadership's video presentation at [advanceuw.org/annual-report](https://advanceuw.org/annual-report).

As always, we at WFAA are grateful for the gifts that donors make in support of UW–Madison. Together, we are helping the UW remain one of the country's top universities, continuing its 175-year legacy of nurturing ideas that change the world. Thank you for adding to the power of those ideas.



# Statement of Financial Position

WFAA's net assets increased by nearly \$334 million between 2022 and 2023, while liabilities decreased by \$40 million.

## ASSETS

	JUNE 30, 2023	JUNE 30, 2022	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018
Cash and cash equivalents	20,377,383	137,512,696	15,642,741	55,488,244	14,352,673	26,692,037
Income or redemption receivables and prepaid investments	46,172,986	149,446,633	272,621,660	72,656,721	53,713,239	15,966,475
Estate and trust gifts receivable	23,854,961	42,234,774	17,457,988	8,424,073	7,608,771	9,851,373
Pledges receivable, net	72,167,885	100,769,223	140,664,551	99,533,804	105,016,732	122,589,146
Investments	5,066,702,824	4,488,308,351	5,223,802,186	4,168,998,081	4,157,753,513	3,964,923,905
Property and equipment, net	21,084,289	14,098,126	13,652,218	15,075,585	17,055,651	18,926,940
Other assets	8,613,014	7,840,469	8,620,066	11,717,002	10,828,160	16,018,202
<b>TOTAL</b>	<b>5,258,973,342</b>	<b>4,940,210,272</b>	<b>5,692,461,410</b>	<b>4,431,893,510</b>	<b>4,366,328,739</b>	<b>4,174,968,078</b>

## LIABILITIES

	JUNE 30, 2023	JUNE 30, 2022	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018
Pending investment purchases payable	49,805,680	115,409,595	349,396,887	54,219,318	82,648,552	54,783,240
Liability under split-interest agreements	39,687,483	40,645,070	46,825,628	41,598,000	42,673,164	44,599,135
Funds due to other organizations	257,496,470	232,404,268	296,667,031	290,366,846	287,886,482	279,228,731
Other liabilities	28,224,200	26,777,090	33,933,166	23,045,320	11,994,520	31,177,507
<b>TOTAL LIABILITIES</b>	<b>375,213,833</b>	<b>415,236,023</b>	<b>726,822,712</b>	<b>409,229,484</b>	<b>425,202,718</b>	<b>409,788,613</b>

## NET ASSETS

	JUNE 30, 2023	JUNE 30, 2022	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018
Net assets without donor restrictions	155,178,205	123,117,790	158,065,377	179,646,343	163,258,592	129,327,363
Net assets with donor restrictions	4,728,581,304	4,426,856,459	4,807,573,321	3,843,017,683	3,777,867,429	3,635,852,102
<b>TOTAL</b>	<b>4,883,759,509</b>	<b>4,549,974,249</b>	<b>4,965,638,698</b>	<b>4,022,664,026</b>	<b>3,941,126,021</b>	<b>3,765,179,465</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>5,258,973,342</b>	<b>4,965,210,272</b>	<b>5,692,461,410</b>	<b>4,431,893,510</b>	<b>4,366,328,739</b>	<b>4,174,968,078</b>

# Statement of Activities

In fiscal 2023, WFAA transferred the largest total in payments to or for the University of Wisconsin in the UW's history – nearly \$340 million. That's an increase of more than \$67 million compared to the previous year and \$34 million more than the previous high, set in fiscal 2021. For the seventh straight year, WFAA received more than \$300 million in contributions, and with strong returns on investments, WFAA's net assets increased by more than \$333 million dollars.

## REVENUE, GAINS, AND OTHER SUPPORT

	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Contributions	351,322,995	378,419,715	383,703,656	304,160,374	341,625,459	313,184,081
Investment return/(loss), net of fees	374,168,329	(466,213,412)	917,304,195	63,811,469	148,530,807	243,905,644
Other income	4,292,194	4,403,588	3,934,238	5,504,482	5,447,052	6,109,982
<b>TOTAL</b>	<b>729,783,518</b>	<b>(83,390,109)</b>	<b>1,304,942,089</b>	<b>373,476,325</b>	<b>495,603,318</b>	<b>563,199,707</b>

## EXPENSES

	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Payments to or for the University of Wisconsin	339,979,657	272,226,114	305,424,681	243,943,131	275,391,164	279,541,953
Administrative expenses	56,018,601	60,048,226	56,542,736	47,995,189	44,265,598	46,107,614
<b>TOTAL</b>	<b>395,998,258</b>	<b>332,274,340</b>	<b>361,967,417</b>	<b>291,938,320</b>	<b>319,656,762</b>	<b>325,649,567</b>

## NET ASSETS

	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Increase/(Decrease) in net assets	333,785,260	(415,664,449)	942,974,672	81,538,005	175,946,556	237,550,140
Balance at beginning of year	4,549,974,249	4,965,638,698	4,022,664,026	3,941,126,021	3,765,179,465	3,527,629,325
<b>BALANCE AT END OF YEAR</b>	<b>4,883,759,509</b>	<b>4,549,974,249</b>	<b>4,965,638,698</b>	<b>4,022,664,026</b>	<b>3,941,126,021</b>	<b>3,765,179,465</b>



# Expenses

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We value your support, and we know that you want to see your gifts used efficiently for the greatest benefit of UW–Madison. To demonstrate our commitment to stewarding your gifts well – to show that we are keeping costs low and maximizing the impact of donor dollars – we are sharing details of our administrative expenses and a calculation of our ratio of expenses to contributions.

The table at the top of the next page lists expenses, and the table at lower left compares expenses to new gifts and pledges over the last six years, from July 2017 through June 2023. The chart at lower right shows net contributions.

While the cost of raising a dollar is calculated as a percentage – expenses divided by total contributions – net contributions are calculated by subtracting expenses from total contributions. Net contributions show in raw dollars how much WFAA has raised in each year.



## TOTAL ADMINISTRATIVE EXPENSES

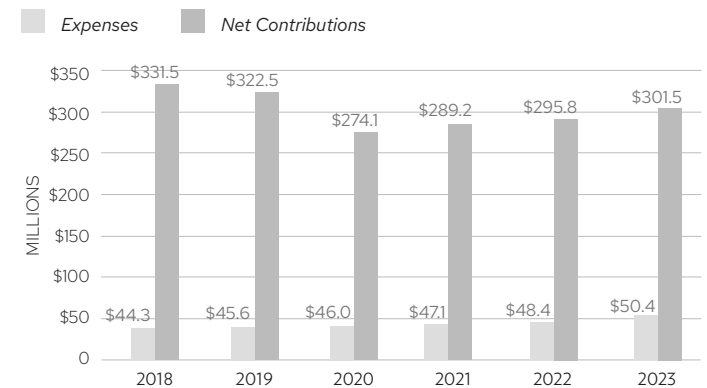
	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Salaries	27,698,753	27,003,338	24,460,453	25,526,956	22,035,562	20,941,414
Employee benefits	6,006,543	5,766,186	5,885,465	5,323,079	4,876,342	4,600,040
Information technology	3,739,306	3,529,690	2,793,296	2,359,305	2,075,234	3,370,509
Professional services	2,992,951	2,369,199	1,574,064	1,710,704	1,987,071	1,559,380
Office expenses	2,526,065	2,238,079	2,009,206	1,976,290	2,002,324	2,265,712
Depreciation	2,332,182	2,122,195	2,191,768	2,281,317	2,280,806	2,596,703
Conferences, conventions, and meetings	2,295,652	2,248,641	264,189	2,163,068	1,974,693	2,293,437
Payroll taxes	2,140,612	1,996,797	1,692,386	1,805,144	1,607,734	2,265,712
Advertising and promotion	1,553,510	1,519,251	1,246,692	1,843,857	1,926,757	2,168,502
Bad debt expense (unfulfilled pledges)	1,482,368	5,411,568	5,495,371	1,176,565	580,776	3,370,509
Occupancy	1,000,671	970,595	830,393	1,016,929	1,039,264	1,020,368
Income tax expense	780,442	349,915	509,624	(112,457)	897,841	555,558
Travel	740,201	413,459	33,905	527,569	613,959	662,553
Insurance	724,891	608,071	468,686	393,981	361,327	248,873
All other expenses	4,454	28,472	14,238	2,882	5,908	63,084
AGENCY TRANSFER EXPENSE	-	3,448,786	-	-	-	-
LOSS ON GUARANTEE	-	23,984	7,073,000	-	-	-
<b>TOTAL</b>	<b>56,018,601</b>	<b>60,048,226</b>	<b>56,542,736</b>	<b>47,995,189</b>	<b>44,265,598</b>	<b>46,107,614</b>

## ADMINISTRATIVE EXPENSES AND CONTRIBUTIONS, 2018-23

	ADMINISTRATIVE EXPENSES <i>(excluding income taxes, agency transfers, and loss on guarantee)</i>	TOTAL CONTRIBUTIONS	COST OF RAISING A DOLLAR <i>(as a percentage of contributions)</i>	NET CONTRIBUTIONS
FY2023	55,238,159	351,322,995	15.7%	296,084,836
FY2022	56,225,541	378,419,715	14.9%	322,194,174
FY2021	48,960,112	383,703,656	12.8%	334,743,544
FY2020	48,107,646	304,160,374	15.8%	256,052,728
FY2019	43,367,757	341,625,459	12.7%	298,257,702
FY2018	45,552,238	313,184,081	14.5%	267,631,843

## ROLLING FIVE-YEAR AVERAGES

### ENDING IN YEAR SHOWN



# Payments to or for UW–Madison

In 2023, payments to the UW rose to a new high of nearly \$340 million.

## PAYMENTS TO OR FOR THE UNIVERSITY OF WISCONSIN

	FY 2023 (7/22–6/23)	FY 2022 (7/21–6/22)	FY 2021 (7/20–6/21)	FY 2020 (7/19–6/20)	FY 2019 (7/18–6/19)
Medicine and Public Health	103,742,736	102,571,380	108,790,406	91,663,742	108,662,831
Athletics	71,768,065	24,099,002	39,897,247	17,327,655	20,772,179
Letters & Science	31,123,219	31,682,346	37,495,502	33,064,170	37,166,989
Business	20,907,624	17,650,892	15,345,638	17,350,773	23,088,919
Engineering	18,565,339	15,370,295	13,403,257	15,384,339	15,623,710
Chancellor's Designated	17,740,216	15,091,707	17,061,438	16,961,988	10,611,565
Agricultural and Life Sciences	11,784,866	11,410,195	22,884,378	10,639,661	11,828,253
UW Hospitals and Clinics	11,586,338	6,164,045	3,122,395	4,857,504	3,485,684
Education	11,299,273	10,381,838	11,236,739	6,607,026	5,866,153
Law School	8,260,476	3,346,422	3,598,642	3,918,493	3,035,396
Research and Graduate Education	7,920,489	10,077,603	3,341,224	3,102,825	2,869,126
Other UW–Madison	4,391,968	5,106,084	2,022,098	2,466,006	2,414,425
Veterinary Medicine	3,668,086	3,344,187	6,526,726	7,124,120	8,857,827
International Studies	3,640,672	3,232,733	3,623,795	1,626,769	1,728,789
Human Ecology	2,950,959	2,982,622	1,436,386	2,496,498	8,740,576
Pharmacy	2,278,415	2,171,728	1,595,810	1,949,071	2,326,552
Wisconsin Union	2,016,244	612,996	5,502,862	2,928,703	2,857,601
Other Non-UW–Madison	1,691,178	2,020,226	604,751	806,617	690,401
Nursing	1,673,947	1,088,579	1,633,663	1,054,976	1,296,975
Nelson Institute for Environmental Studies	1,003,462	1,463,435	1,230,569	911,330	1,332,572
Continuing Studies	680,228	1,021,559	758,543	674,146	487,544
Libraries	602,309	459,470	335,412	587,341	973,898
Recreation and Wellbeing	437,177	307,944	3,748,000	2,557	340,355
Student Affairs	175,865	495,252	168,700	155,469	213,926
Arts Institute	70,506	73,574	60,500	281,352	118,918
<b>TOTAL PAYMENTS</b>	<b>339,979,657</b>	<b>272,226,114</b>	<b>305,424,681</b>	<b>243,943,131</b>	<b>275,391,164</b>



# Endowment Funds

Endowment funds provide a base of assets from which the University of Wisconsin may draw current and future revenues.

WFAA staff and the investment committee of its board of directors manage the endowment fund on a total return basis – they invest the endowment with a long-term perspective and an emphasis on diversified, equity-related strategies.

The investment, spending, and expense-fee policies associated with the endowment are designed to provide consistent distributions while enabling the balance to increase at the rate of inflation. WFAA currently allocates distributions based on an annual spending-plan rate of 4.5 percent, multiplied by the average market value of the total endowment fund for the most recent 16 quarters. By basing the spend plan on a 16-quarter average, we reduce the effects of short-term volatility. This rate is reviewed annually by the board of directors.

The table titled “Investment Performance” shows the total return figures, and the circular chart shows the asset allocation of WFAA’s endowment fund. WFAA established the endowment fund asset-allocation targets to promote overall portfolio diversification while providing a return necessary to meet investment objectives.

## INVESTMENT PERFORMANCE

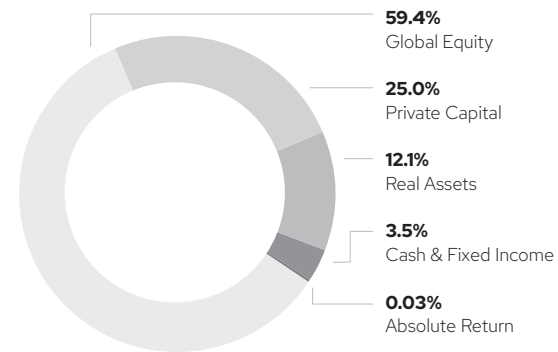
### ANNUALIZED RESULTS AS OF JUNE 30, 2023

*Net of external manager fees*

1 year	11.0%
3 years	8.4%
5 years	6.2%
10 years	6.9%

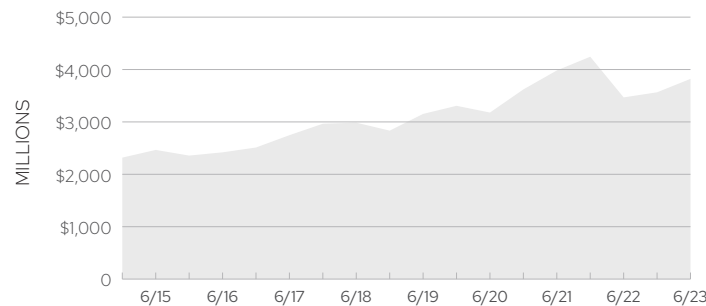
## ASSET ALLOCATION

AS OF JUNE 30, 2023



## ENDOWMENT FUND ASSETS 2015–23

ASSETS AS OF 6/30/2023: \$3,821,478,658



# Planning Your Estate and Supporting the University

Thousands of our alumni and friends use a “gift planning” mind-set: they consider their financial, tax, and estate planning when making charitable gifts to maximize benefits both for themselves and for UW–Madison. When realized, the resulting planned gifts make significant funding available to the university each year, providing crucial support during normal operations and times that are financially challenging.

WFAA’s Office of Gift Planning is available to consult with donors and their financial or legal advisers to assist with drafting appropriate legal language or documentation to accomplish gift intentions, discuss the gift types best suited to specific financial or charitable goals, and explain how the various life-income gift options we offer may achieve multiple objectives. Please visit us online at [supportuw.org/gift-planning](http://supportuw.org/gift-planning) to learn more.

All individuals with a planned gift in place for the Wisconsin Foundation and Alumni Association are welcomed into the Wisconsin Legacy Society – our way of thanking those who have made this philanthropic commitment. No minimum gift is required, and any gift information provided is nonbinding. Current membership includes more than 2,500 individuals.

## REALIZED PLANNED GIFTS

JULY 2022 TO JUNE 2023

Life-Income Gifts	
Charitable remainder trusts	\$697,015
Charitable gift annuities	\$689,816
Pooled income funds	\$919,252
Bequests	\$40,833,357
Financial Accounts	
Life insurance	\$248,913
Retirement plan assets	\$2,252,204
Other	\$3,354,865

## NEW PLANNED GIFT COMMITMENTS CONFIRMED

JULY 2022 TO JUNE 2023

Life-Income Gifts	
Charitable remainder trusts	190,000
Charitable gift annuities	2,129,939
Bequests	80,898,023
Financial Accounts	
Life insurance	186,500
Retirement plan assets	9,346,501