

WFAA Financial Report, Fiscal Year 2024

In fiscal year 2024 (July 1, 2023, to June 30, 2024), alumni and donors provided unprecedented support to advance the mission of the University of Wisconsin-Madison. The university secured funding and legislative approval for a new engineering building – the Phillip A. Levy Engineering Center – and it continued work on Irving and Dorothy Levy Hall (the new academic building for the College of Letters & Science) and Morgridge Hall (the new home for the School of Computer, Data, & Information Sciences). Increases in gift funds for student support helped UW-Madison provide scholarships for Bucky's Tuition Promise and other financial aid efforts. Endowment funds generated more than \$45 million for faculty support and more than \$43 million in research support. Donors contributed nearly 77,000 gifts and pledges, and WFAA transferred \$456 million to the university, a new record for annual transfers of private support and an increase of more than \$100 million compared to the previous record year.



Photo by Bryce Richter, University Communications

Statement of Financial Position

In fiscal 2024, WFAA's financial position improved due to strong investment performance and the support of generous donors. Total assets increased by more than \$500 million, while liabilities decreased. At the end of the year, WFAA's assets exceeded \$5.8 billion.

ASSETS

	JUNE 30, 2024	JUNE 30, 2023	JUNE 30, 2022	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019
Cash and cash equivalents	12,675,491	20,377,383	137,512,696	15,642,741	55,488,244	14,352,673
Income or redemption receivables	162,479,749	46,172,986	149,446,633	272,621,660	72,656,721	53,713,239
Estate and trust gifts receivable	13,826,522	23,854,961	42,234,774	17,457,988	8,424,073	7,608,771
Pledges receivable, net	144,152,080	72,167,885	100,769,223	140,664,551	99,533,804	105,016,732
Investments	5,444,908,123	5,066,702,824	4,488,308,351	5,223,802,186	4,168,998,081	4,157,753,513
Property and equipment, net	20,165,343	21,084,289	14,098,126	13,652,218	15,075,585	17,055,651
Other assets	11,392,227	8,613,014	7,840,469	8,620,066	11,717,002	10,828,160
TOTAL ASSETS	5,809,599,535	5,258,973,342	4,940,210,272	5,692,461,410	4,431,893,510	4,366,328,739

LIABILITIES

	JUNE 30, 2024	JUNE 30, 2023	JUNE 30, 2022	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019
Pending investment purchases payable	1,923,039	49,805,680	115,409,595	349,396,887	54,219,318	82,648,552
Liability under split-interest agreements	42,869,731	39,687,483	40,645,070	46,825,628	41,598,000	42,673,164
Funds due to other organizations	292,270,221	257,496,470	232,404,268	296,667,031	290,366,846	287,886,482
Other liabilities	34,194,300	28,224,200	26,777,090	33,933,166	23,045,320	11,994,520
TOTAL LIABILITIES	371,257,291	375,213,833	415,236,023	726,822,712	409,229,484	425,202,718

NET ASSETS

	JUNE 30, 2024	JUNE 30, 2023	JUNE 30, 2022	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019
Net assets without donor restrictions	216,940,298	155,178,205	123,117,790	158,065,377	179,646,343	163,258,592
Net assets with donor restrictions	5,221,401,946	4,728,581,304	4,426,856,459	4,807,573,321	3,843,017,683	3,777,867,429
TOTAL NET ASSETS	5,438,342,244	4,883,759,509	4,549,974,249	4,965,638,698	4,022,664,026	3,941,126,021
TOTAL LIABILITIES AND NET ASSETS	5,809,599,535	5,258,973,342	4,940,210,272	5,692,461,410	4,431,893,510	4,366,328,739

Statement of Activities

In fiscal 2024, WFAA transferred the largest total in payments to or for the University of Wisconsin in the Foundation's history: more than \$450 million to donor-designated accounts. That's an increase of more than \$100 million compared to the previous high, set in fiscal 2023. This marks the first time that WFAA has transferred more than \$400 million and the eighth consecutive year that donors have contributed more than \$300 million for the university.

REVENUE, GAINS (LOSSES), AND OTHER SUPPORT

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Contributions	473,497,285	351,322,995	378,419,715	383,703,656	304,160,374	341,625,459
Investment return/(loss), net of fees	600,949,741	374,168,329	(466,213,412)	917,304,195	63,811,469	148,530,807
Other income	5,169,458	4,292,194	4,403,588	3,934,238	5,504,482	5,447,052
TOTAL	1,079,616,484	729,783,518	(83,390,109)	1,304,942,089	373,476,325	495,603,318

EXPENSES

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Payments to or for the University of Wisconsin	456,253,257	339,979,657	272,226,114	305,424,681	243,943,131	275,391,164
Administrative expenses	68,780,492	56,018,601	60,048,226	56,542,736	47,995,189	44,265,598
TOTAL	525,033,749	395,998,258	332,274,340	361,967,417	291,938,320	319,656,762

NET ASSETS

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Increase/(Decrease) in net assets	554,582,735	333,785,260	(415,664,449)	942,974,672	81,538,005	175,946,556
Balance at beginning of year	4,883,759,509	4,549,974,249	4,965,638,698	4,022,664,026	3,941,126,021	3,765,179,465
BALANCE AT END OF YEAR	5,438,342,244	4,883,759,509	4,549,974,249	4,965,638,698	4,022,664,026	3,941,126,021

Expenses

At WFAA, we value generous donor support and are committed to providing excellent stewardship. Keeping costs low helps to maximize the impact of donor dollars. The breakout of administrative expenses and calculation of our ratio of expenses to contributions illustrate this commitment.

The tables on the next page track expenses and compare them to new gifts and pledges over the last six years, from July 2018 through June 2024. In that page's lower right-hand corner is a chart showing 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.

A note regarding two expense categories that appear in 2021 and in 2022 but not afterward: the loss on guarantee relates to a one-time, nonoperational expense, and the agency transfer expense refers to funds held by WFAA on behalf of UW-Platteville and its Richland campus. The loss on guarantee refers to WFAA's decision to facilitate payoff of a mortgage for the Fluno Center, a mortgage that had been held by UW-Madison's Center for Advanced Studies in Business. WFAA estimated the bulk of the mortgage in fiscal 2021, but a small adjustment – about \$23,000 – fell into fiscal 2022. The agency transfer – essentially, sending UW-Platteville's funds to UW-Platteville – is a nonadministrative expense and is not included in the cost to raise a dollar.



TOTAL ADMINISTRATIVE EXPENSES

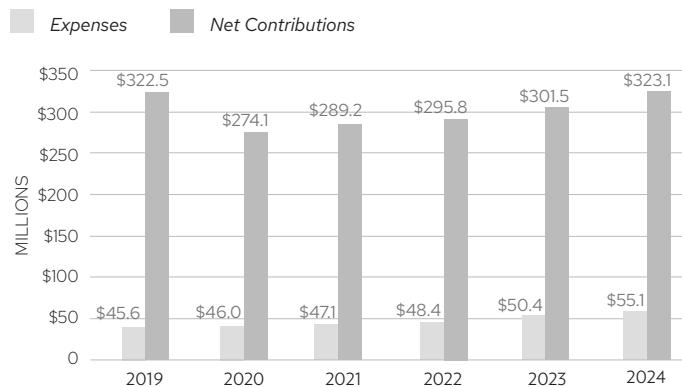
	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Salaries	30,954,642	27,698,753	27,003,338	24,460,453	25,526,956	22,035,562
Employee benefits	7,276,274	6,006,543	5,766,186	5,885,465	5,323,079	4,876,342
Professional services	5,149,268	2,992,951	2,369,199	1,574,064	1,710,704	1,987,071
Information technology	4,671,698	3,739,306	3,529,690	2,793,296	2,359,305	2,075,234
Bad debt expense (unfulfilled pledges)	3,773,086	1,482,368	5,411,568	5,495,371	1,176,565	580,776
Office expenses	3,571,583	2,526,065	2,238,079	2,009,206	1,976,290	2,002,324
Depreciation	3,201,933	2,332,182	2,122,195	2,191,768	2,281,317	2,280,806
Payroll taxes	2,373,656	2,140,612	1,996,797	1,692,386	1,805,144	1,607,734
Conferences, conventions, and meetings	2,268,151	2,295,652	2,248,641	264,189	2,163,068	1,974,693
Income tax expense	1,846,187	780,442	349,915	509,624	(112,457)	897,841
Occupancy	1,814,831	1,000,671	970,595	830,393	1,016,929	1,039,264
Insurance	739,754	724,891	608,071	468,686	393,981	361,327
Travel	693,963	740,201	413,459	33,905	527,569	613,959
Advertising and promotion	413,975	1,553,510	1,519,251	1,246,692	1,843,857	1,926,757
All other expenses	31,491	4,454	28,472	14,238	2,882	5,908
Agency Transfer Expense	–	–	3,448,786	–	–	–
Loss on Guarantee	–	–	23,984	7,073,000	–	–
TOTAL	68,780,492	56,018,601	60,048,226	56,542,736	47,995,189	44,265,598

ADMINISTRATIVE EXPENSES AND CONTRIBUTIONS, 2019–24

	ADMINISTRATIVE EXPENSES <i>(excluding income taxes, agency transfers, and loss on guarantee)</i>	COST OF RAISING A DOLLAR		
		TOTAL CONTRIBUTIONS	(as a percentage of contributions)	NET CONTRIBUTIONS
FY2024	66,934,305	473,497,285	14.1%	406,562,980
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

ROLLING FIVE-YEAR AVERAGES

ENDING IN YEAR SHOWN



Payments to or for UW-Madison

Each year, WFAA sends funds to the university in accordance with donor designations and the needs of campus. Transfers to the UW grew in fiscal 2024, reaching \$456 million and helping enhance the UW's excellence in education, research, and public outreach. Payments for the School of Medicine and Public Health (SMPH) rose to more than \$125 million this year, showing the success of the Wisconsin Medicine campaign, which raises funds for SMPH and UW Health. Transfers to the College of Letters & Science increased significantly this year. These include funds for the new Irving and Dorothy Levy Hall, a new home for the humanities. Construction on this project began in May 2024.

PAYMENTS TO OR FOR THE UNIVERSITY OF WISCONSIN

	FY 2024 (7/23-6/24)	FY 2023 (7/22-6/23)	FY 2022 (7/21-6/22)	FY 2021 (7/20-6/21)
Medicine and Public Health	125,371,697	103,742,736	102,571,380	108,790,406
Letters & Science	114,417,742	31,123,219	31,682,346	37,495,502
Athletics	75,071,513	71,768,065	24,099,002	39,897,247
Business	21,486,687	20,907,624	17,650,892	15,345,638
Chancellor's Designated	19,844,903	17,740,216	15,091,707	17,061,438
Engineering	17,836,070	18,565,339	15,370,295	13,403,257
Recreation and Wellbeing	13,207,136	437,177	307,944	3,748,000
Agricultural and Life Sciences	12,110,454	11,784,866	11,410,195	22,884,378
Education	10,680,927	11,299,273	10,381,838	11,236,739
Law School	6,843,434	8,260,476	3,346,422	3,598,642
Veterinary Medicine	5,998,323	3,668,086	3,344,187	6,526,726
Research and Graduate Education	5,976,449	7,920,489	10,077,603	3,341,224
UW Hospitals and Clinics	5,435,167	11,586,338	6,164,045	3,122,395
International Studies	3,307,898	3,640,672	3,232,733	3,623,795
Pharmacy	3,038,503	2,278,415	2,171,728	1,595,810
Human Ecology	2,961,452	2,950,959	2,982,622	1,436,386
Student Affairs	1,583,975	175,865	495,252	168,700
Nursing	1,541,006	1,673,947	1,088,579	1,633,663
Nelson Institute for Environmental Studies	1,420,899	1,003,462	1,463,435	1,230,569
Continuing Studies	1,216,946	680,228	1,021,559	758,543
Wisconsin Union	636,673	2,016,244	612,996	5,502,862
Libraries	590,599	602,309	459,470	335,412
Arts Institute	9,426	70,506	73,574	60,500
Other UW-Madison	2,737,235	4,391,968	5,106,084	2,022,098
Other Non-UW-Madison	2,928,143	1,691,178	2,020,226	604,751
TOTAL PAYMENTS	456,253,257	339,979,657	272,226,114	305,424,681

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 the annual income based on a 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 hope to even out the effects of volatility. This rate is reviewed annually by the board of directors.

The table at right 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 the investment objectives.

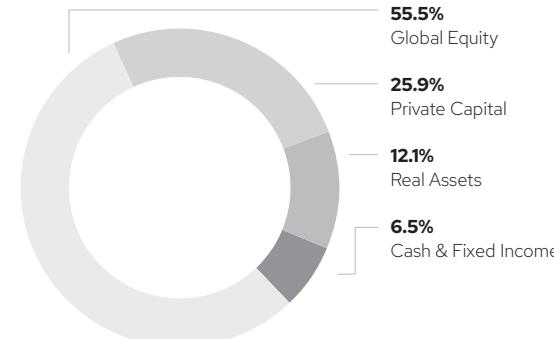
INVESTMENT PERFORMANCE

ANNUALIZED RESULTS AS OF JUNE 30, 2024

Net of external manager fees	1 year	14.7%
	3 years	3.8%
	5 years	8.2%
	10 years	6.6%

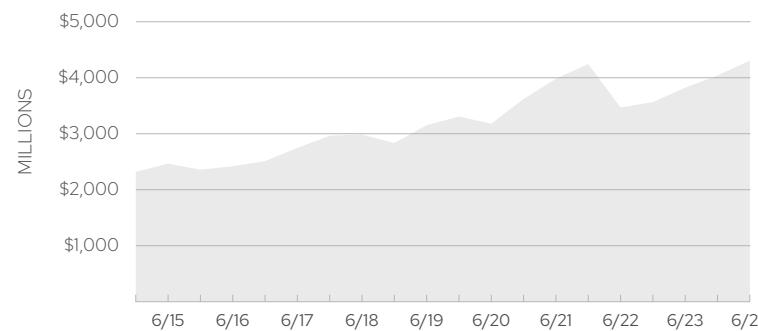
ASSET ALLOCATION

AS OF JUNE 30, 2024



NET ASSET VALUE 2015-24

ASSETS AS OF 6/30/2024: \$4,304,808,522



Planning Your Estate and Supporting the University

Thousands of our alumni and friends use a gift planning mindset: 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 accomplish multiple objectives.

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 2,600 individuals.

REALIZED PLANNED GIFTS

JULY 2024 TO JUNE 2025

Life-Income Gifts	
Charitable remainder trusts	\$192,785
Charitable gift annuities	\$ 258,565
Pooled income funds	\$69,499
Bequests	24,563,598
Financial Accounts	
Life insurance	\$77,990
Retirement plan assets	\$6,807,883
Other	\$1,048,108

NEW PLANNED GIFT COMMITMENTS CONFIRMED

JULY 2024 TO JUNE 2025

Life-Income Gifts	
Charitable remainder trusts	\$3,001,914
Charitable gift annuities	\$2,075,313
Bequests	\$76,776,597
Financial Accounts	
Life insurance	\$100,000
Retirement plan assets	\$10,638,358
Other	\$1,050,000