



UWM FOUNDATION  
**ANNUAL REPORT**  
**2021**

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*Vice Chair*

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*Treasurer*

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*Secretary*

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## EX-OFFICIO DIRECTORS

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David H. Gilbert

Curtis A. Stang



Dear Friends,

I am pleased to present the 2021 Annual Report, which provides details on the financial health of the UWM Foundation and our ever-upward trending trajectory. The University of Wisconsin-Milwaukee is an integral part of this community, and we are honored to play an important role in supporting this great institution.

As my term as chair of the UWM Foundation Board of Directors comes to a close, I want to thank all of the dedicated members of the board for their support during my term as chair. Your hard work and dedication has made a tangible difference for the students, faculty and staff at UWM. We can all be proud of the progress we have made over the course of the last year.

Despite the challenges of operating in the COVID environment, the university raised nearly \$24 million. Although that is down from previous years, I'm pleased to report that giving toward student success (scholarships and emergency grants foremost among these initiatives) increased by \$1 million to \$16.1 million. Notable among the contributions to student success is a \$2 million gift from UWM alumnus and Microsoft CEO Satya Nadella and his wife, Anu Nadella.

Another milestone reached this year was the completion of the integration of the UWM Alumni Association as an affiliate of the UWM Foundation. We now have a unified process for electing directors. The business operations of the association are fully incorporated into the foundation's accounting systems, and we have set up an endowment at the foundation to help support the Alumni Association in perpetuity. Most importantly, however, this brings the organizations closer together to work on topics, such as advocacy, in ways that will be much more effective than in the past.

Finally, as we are at the close of another successful year at UWM, I want to thank all our supporters for their continued generosity toward our wonderful institution. Whether you contributed financially or volunteered your time, you are making a difference at UWM. Thank you for supporting the UWM community!

Sincerely,

A handwritten signature in black ink that reads "Lawrence J. Schnuck".

Lawrence J. Schnuck, AIA ('78, '86)

Chair

UWM Foundation Board of Directors

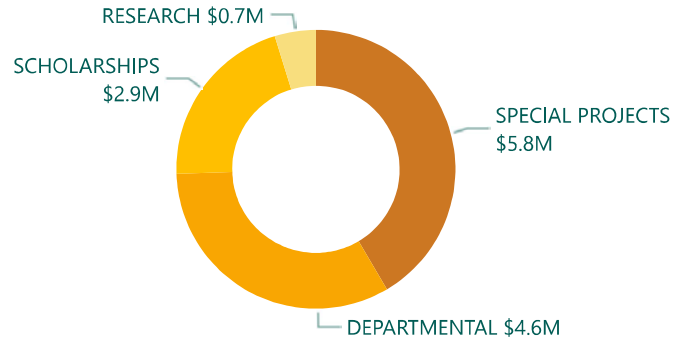


UWM Foundation, Inc.  
1440 E. North Ave.  
Milwaukee, WI 53202

# 2021 SUPPORT TO CAMPUS

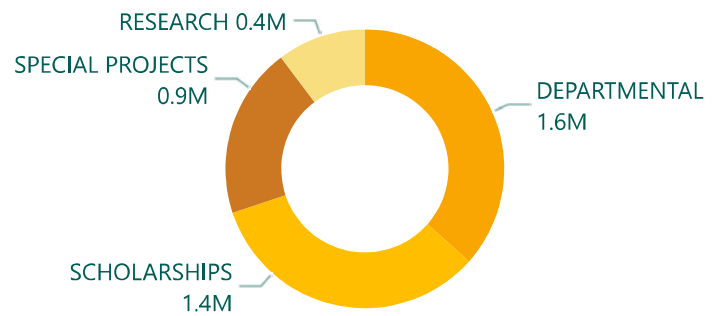
TOTAL DOLLARS  
DISTRIBUTED FROM  
CURRENT USE IN 2021

**\$14.0M**



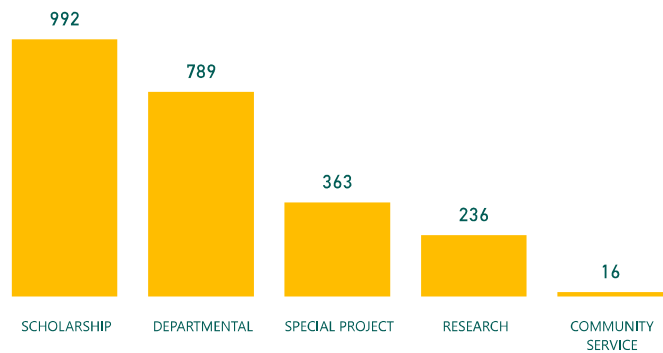
TOTAL DOLLARS ALLOCATED  
FOR SPENDING FROM  
ENDOWMENT IN 2021

**\$4.3M**



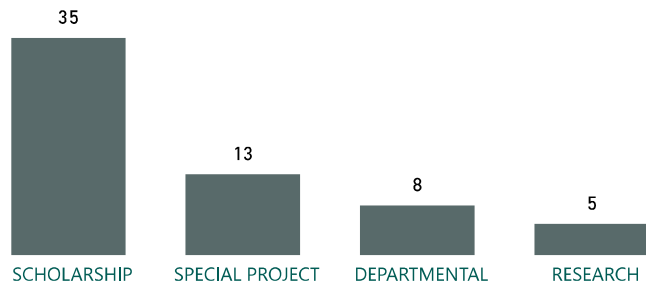
ALL FUNDS IN 2021

**2,396**



NEW FUNDS ADDED IN 2021

**61**



# MESSAGE FROM THE TREASURER

**William B. Coleman**

Fiscal Year 2021 was another strong year for the UWM Foundation. After a precipitous decline at the outset of the pandemic in the third quarter of Fiscal Year 2020, our net assets grew to \$225 million this year, an increase of nearly 20%. Our support to campus remained at \$19 million. After accounting for reduced teaching and research activity, the result is a net increase on a per program basis.

We remained undaunted managing through the challenges of operating in a COVID environment. Despite a 10% reduction in our operating budget as a hedge against the unforeseen, we processed more than 15,000 gifts, more than ever before. We also added 61 new funds to our portfolio in support of new programs.

In Fiscal Years 2020 and 2021, we secured two federal Paycheck Protection Program loans of \$333,000 each. The first loan was forgiven in full this year, and we will work toward forgiveness of the second loan in Fiscal 2022.

The Finance Committee oversaw the completion of our enterprise risk management (ERM) exercise this year and created an ERM Charter to address these issues going forward. We approved the staff analysis ranking the top 16 risk factors facing the organization and their recommendation to focus on developing a plan to address the top four in FY 2022.

In conclusion, I am pleased to once again report that the UWM Foundation's financial position continues to be strong. We deeply appreciate the continued support of our generous donors who have continued to make contributions even during these uncertain times and the hard work of the dedicated staff that makes this all possible.

Please visit the foundation's website at [uwm.foundation](http://uwm.foundation), where we post a comprehensive list of financial data, including complete audited financial statements, 990 tax returns, annual investment return summaries and other financial information.



William B. Coleman is president of Coleman & Williams Ltd, a CPA and professional services firm he founded in 1990. He has numerous years in the accounting, audit and consulting professions. Coleman & Williams Ltd provides audit and accounting services to federal, state and local governments, as well as nonprofits, employee benefit plans and commercial entities. As president, Bill Coleman oversees the administration and operation of the firm. He is also a member of the Association of International Certified Professional Accountants, American Institute of CPAs, Wisconsin Institute of CPAs, Iowa Society of CPAs, Government Finance Officers Association, International Foundation of Employee Benefits, the National Association of Black Accountants, Inc., and the Association of Government Accountants.

# The UWM Foundation, Inc. and Affiliates

## Consolidated Statements of Financial Position

June 30, 2021 and 2020

Assets	2021	2020
Current assets:		
Cash and cash equivalents	\$ 4,552,512	\$ 2,132,606
Accrued investment income	294,340	374,768
Accounts receivable - Net	165,026	138,796
Grant receivable	-	600,000
Promises to give, current portion - Net	11,043,886	10,490,877
Prepaid expenses and other	109,007	163,428
<b>Total current assets</b>	<b>16,164,771</b>	<b>13,900,475</b>
<b>Investments</b>	<b>217,134,458</b>	<b>177,015,249</b>
<b>Property and equipment - Net</b>	<b>66,371,045</b>	<b>68,894,253</b>
Other assets:		
Restricted cash and cash equivalents	3,718,926	3,685,475
Cash surrender value of life insurance	1,023,323	1,011,869
Split interest contributions receivable from charitable remainder trusts	69,687	41,098
Promises to give, less current portion - Net	5,447,670	9,878,839
<b>Total other assets</b>	<b>10,259,606</b>	<b>14,617,281</b>
<b>TOTAL ASSETS</b>	<b>\$ 309,929,880</b>	<b>\$ 274,427,258</b>

# The UWM Foundation, Inc. and Affiliates

## Consolidated Statements of Financial Position (Continued)

June 30, 2021 and 2020

Liabilities and Net Assets	2021	2020
Current liabilities:		
Current maturities of note payable	\$ 1,907,122	\$ 1,835,225
Due to the University of Wisconsin-Milwaukee	4,044,488	4,234,223
Amounts payable under fiscal agent responsibilities	127,000	127,000
Accounts payable	58,578	53,136
Accrued interest payable	634,625	649,460
Refundable advance - SBA Paycheck Protection Program	68,018	-
Deferred revenue	202,092	112,810
Accrued liabilities	556,515	506,134
<b>Total current liabilities</b>	<b>7,598,438</b>	<b>7,517,988</b>
Long-term liabilities:		
Note payable, less current maturities - Net	75,856,186	77,733,529
Refundable advance - SBA Paycheck Protection Program	-	208,835
Deferred revenue	1,814,425	969,259
<b>Total long-term liabilities</b>	<b>77,670,611</b>	<b>78,911,623</b>
<b>Total liabilities</b>	<b>85,269,049</b>	<b>86,429,611</b>
Net assets:		
Without donor restrictions	8,350,953	4,021,513
With donor restrictions	216,309,878	183,976,134
<b>Total net assets</b>	<b>224,660,831</b>	<b>187,997,647</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 309,929,880</b>	<b>\$ 274,427,258</b>

See accompanying notes to consolidated financial statements.

# The UWM Foundation, Inc. and Affiliates

## Consolidated Statements of Activities

Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions and grants	\$ 1,225,592	\$ 17,440,439	\$ 18,666,031
Contributed goods and services	2,956,458	-	2,956,458
Rental income	5,565,853	-	5,565,853
Investment income	4,908,803	35,330,827	40,239,630
Other income	195,000	-	195,000
Net assets released from restrictions	20,437,522	(20,437,522)	-
<b>Total support and revenue</b>	<b>35,289,228</b>	<b>32,333,744</b>	<b>67,622,972</b>
Expenses:			
Program:			
Distributions to the University of Wisconsin-Milwaukee:			
Student financial aid	6,097,818	-	6,097,818
Teaching and departmental programs	4,733,061	-	4,733,061
Community service	578,400	-	578,400
Research	30,323	-	30,323
Special projects	6,379,375	-	6,379,375
<b>Total distributions</b>	<b>17,818,977</b>	<b>-</b>	<b>17,818,977</b>
Other program expenses	7,985,799	-	7,985,799
<b>Total program expenses</b>	<b>25,804,776</b>	<b>-</b>	<b>25,804,776</b>
Supporting services:			
General administration	1,341,935	-	1,341,935
Direct fundraising	856,620	-	856,620
Development services received from personnel of the University of Wisconsin-Milwaukee	2,956,458	-	2,956,458
<b>Total expenses</b>	<b>30,959,789</b>	<b>-</b>	<b>30,959,789</b>
Excess of support and revenue over distributions and expenses	4,329,440	32,333,744	36,663,184
Change in net assets	4,329,440	32,333,744	36,663,184
Net assets at beginning of year	4,021,513	183,976,134	187,997,647
<b>Net assets at end of year</b>	<b>\$ 8,350,953</b>	<b>\$ 216,309,878</b>	<b>\$ 224,660,831</b>

See accompanying notes to consolidated financial statements.

# The UWM Foundation, Inc. and Affiliates

## Consolidated Statements of Activities (Continued)

Year Ended June 30, 2020

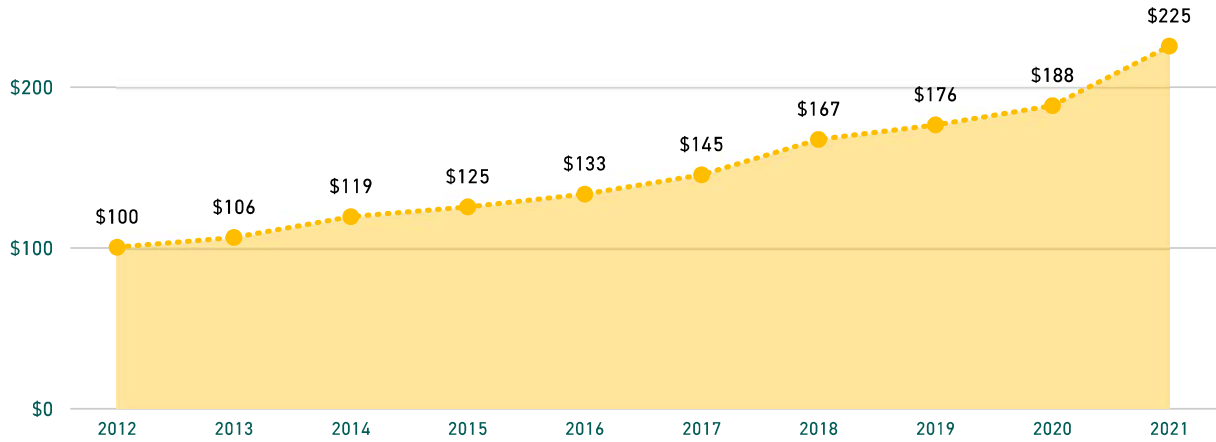
	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions and grants	\$ 985,698	\$ 27,244,364	\$ 28,230,062
Contributed goods and services	3,154,278	-	3,154,278
Rental income	5,585,204	-	5,585,204
Investment income	2,539,285	4,125,264	6,664,549
Other income	140,000	-	140,000
Net assets released from restrictions	20,310,295	(20,310,295)	-
<b>Total support and revenue</b>	<b>32,714,760</b>	<b>11,059,333</b>	<b>43,774,093</b>
Expenses:			
Program:			
Distributions to the University of Wisconsin-Milwaukee:			
Student financial aid	4,255,884	-	4,255,884
Teaching and departmental programs	6,886,340	-	6,886,340
Community service	11,161	-	11,161
Research	754,143	-	754,143
Special projects	6,181,940	-	6,181,940
<b>Total distributions</b>	<b>18,089,468</b>	<b>-</b>	<b>18,089,468</b>
Other program expenses	8,126,911	-	8,126,911
<b>Total program expenses</b>	<b>26,216,379</b>	<b>-</b>	<b>26,216,379</b>
Supporting services:			
General administration	1,238,382	-	1,238,382
Direct fundraising	737,852	-	737,852
Development services received from personnel of the University of Wisconsin-Milwaukee	3,154,278	-	3,154,278
<b>Total expenses</b>	<b>31,346,891</b>	<b>-</b>	<b>31,346,891</b>
Excess of support and revenue over distributions and expenses	1,367,869	11,059,333	12,427,202
Change in net assets	1,367,869	11,059,333	12,427,202
Net assets at beginning of year	2,653,644	172,916,801	175,570,445
<b>Net assets at end of year</b>	<b>\$ 4,021,513</b>	<b>\$ 183,976,134</b>	<b>\$ 187,997,647</b>

See accompanying notes to consolidated financial statements.

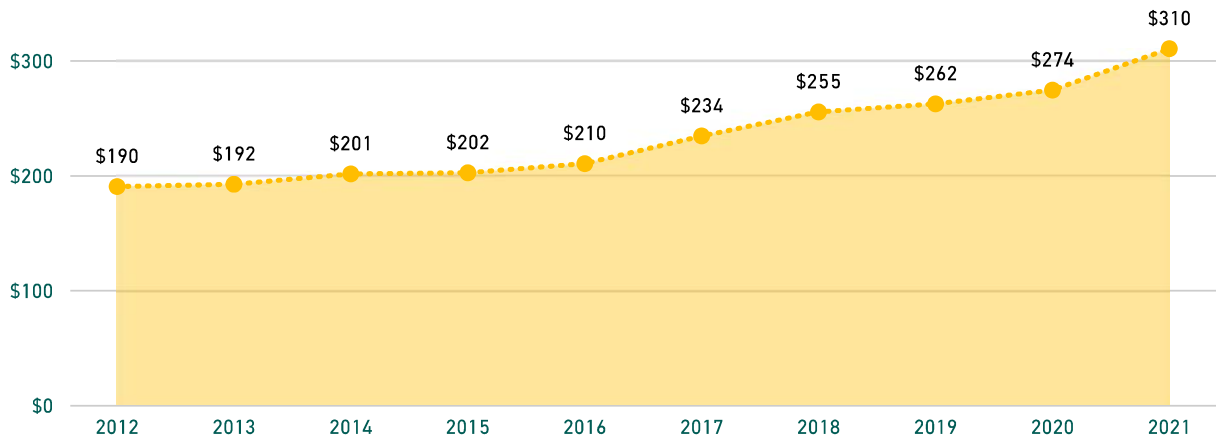


# GROWTH OVER LAST 10 YEARS

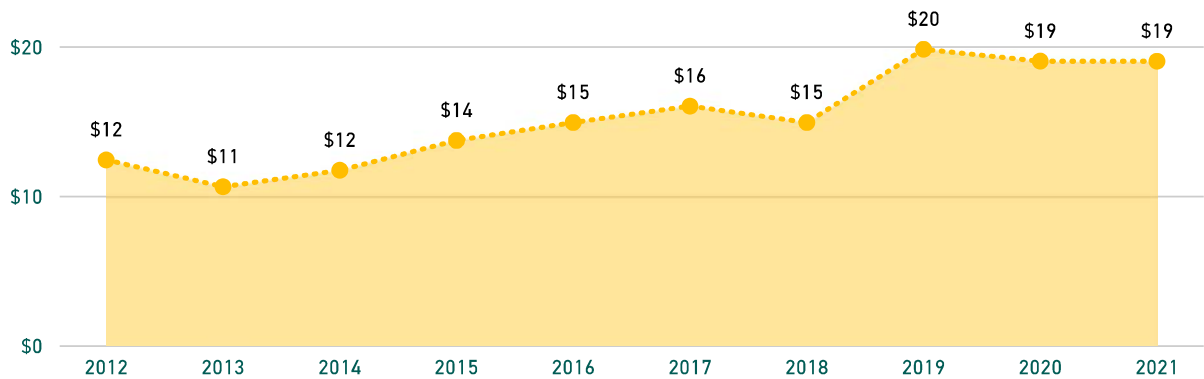
## NET ASSETS (in millions)



## TOTAL ASSETS (in millions)



## CAMPUS EXPENDITURES (in millions)



# MESSAGE FROM INVESTMENT COMMITTEE CHAIR

**Robert Bukowski**

In as much as the downturn in the markets in the third quarter of Fiscal Year 2020 skewed our one-year returns in a negative sense, the market rebound is largely responsible for the extraordinary one-year return this year. At nearly 31%, we outpaced many of our peers. However, more importantly, our 10-year return, which is a better benchmark for our long-term time horizon, increased by 40 basis points to 9.7%. The main story for FY 2021 is that strong markets and increased attention to rapidly changing conditions by the committee benefited the portfolio this year.

The primary investment objective of the foundation is to provide a real rate of return over inflation sufficient to support UWM's broad education mission in perpetuity. It is particularly important to grow the assets in real terms to enable the foundation to sustain the purchasing power of spending on programs and administration without eroding the real value of the principal corpus. The endowment spending is allocated across three broad categories – student success, research excellence and community engagement.

The foundation's assets are actively invested to achieve capital growth through the appreciation of securities held through the accumulation and reinvestment of dividend and interest income. The committee meets quarterly to assess market conditions, review returns against the predetermined benchmarks, evaluate the portfolio's asset allocation and make adjustments within the parameters defined by the board-approved investment policy.

Historically, the endowment's investments have outperformed the average investment returns for university foundations as reported by the National Association of College and University Business Officers. I would like to thank all the members of the Investment Committee for the extra time they devoted to our enhanced meeting schedule during these extraordinary times, and for their continued contributions of expertise for the benefit of the university.



Robert Bukowski is the managing director and founder of Alpha Investment Consulting Group, LLC. Alpha was founded in 1989 and provides fee-based investment consulting services to institutional clients. He has been actively involved in the financial services business for over 30 years, acting as an expert witness, technical expert, business manager, business owner and fiduciary.

# EXPLANATION OF TYPES OF FUNDS

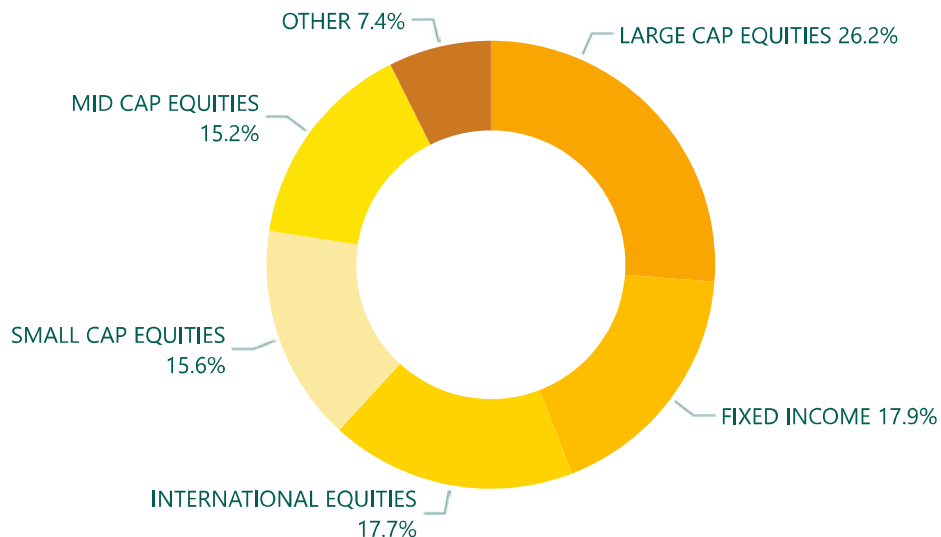
**Endowment Funds:** donor-restricted funds intended to support campus programs in perpetuity. These include the traditional endowment funds and the flexible endowment funds. Endowment funds are currently invested in the 70/30 pool and spending is subject to the annual spending allocation approved by the Investment Committee (currently 4%).

- *Traditional Endowment Funds – Only earnings less than the management fee may be spent from this account, pursuant to the board-approved spending policy. Principal may not be spent under any circumstances.*
- *Flexible Endowment Funds – Under normal circumstances, only earnings less than the management fee may be spent from this account. However, the Memorandum of Agreement allows for principal to be spent under specifically outlined circumstances.*

**Intermediate Funds:** donor-restricted funds intended to support campus programs over an intermediate time horizon greater than three years. Intermediate funds are currently invested in the 50/50 and 30/70 pools. Spending is managed under the terms of the donor agreement.

**Current Use Funds:** primarily restricted funds supporting campus programs spent down over a very short-term time horizon (usually within two to three years). The foundation's unrestricted reserve is also invested in the current use fund pool, other than the amount contributed to the student investment fund. The spending fund pool is currently invested in fixed securities.

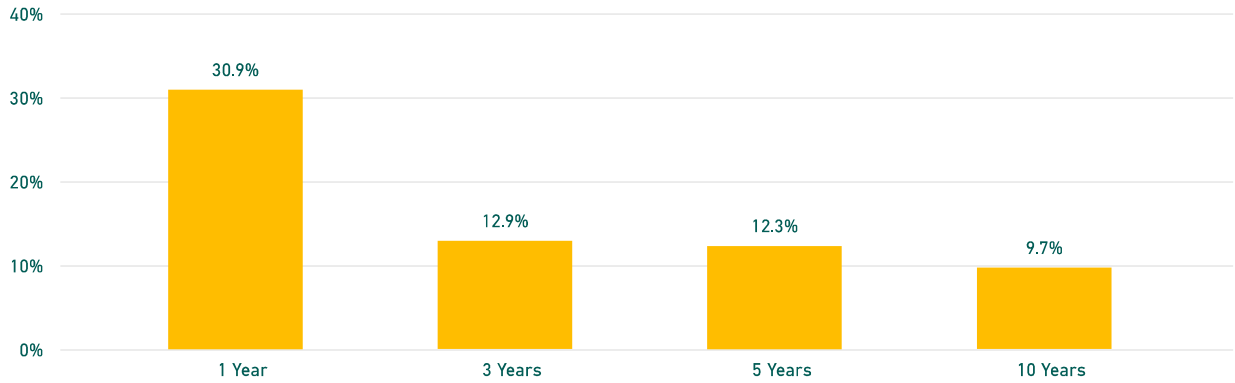
## OVERALL ASSET ALLOCATION AS OF JUNE 30, 2021



# INVESTMENT PERFORMANCE

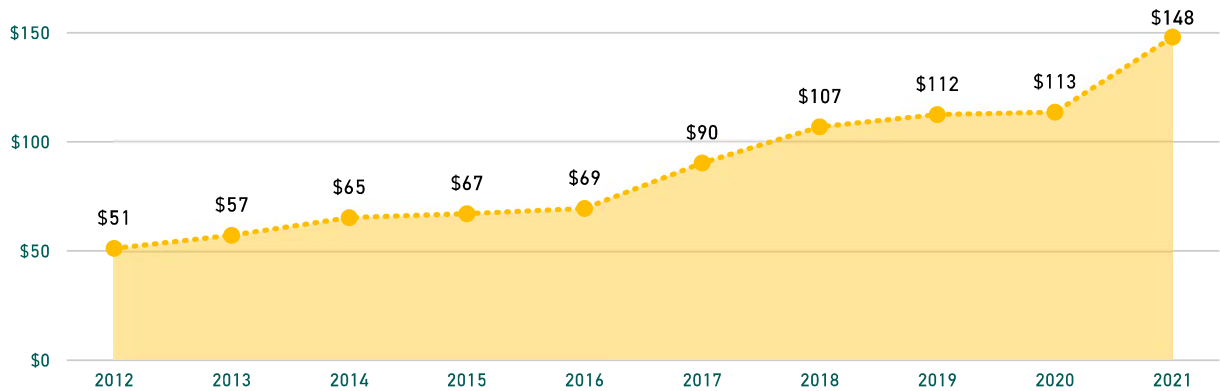
## INVESTMENT PERFORMANCE\*

Annualized for periods ending June 30, 2021

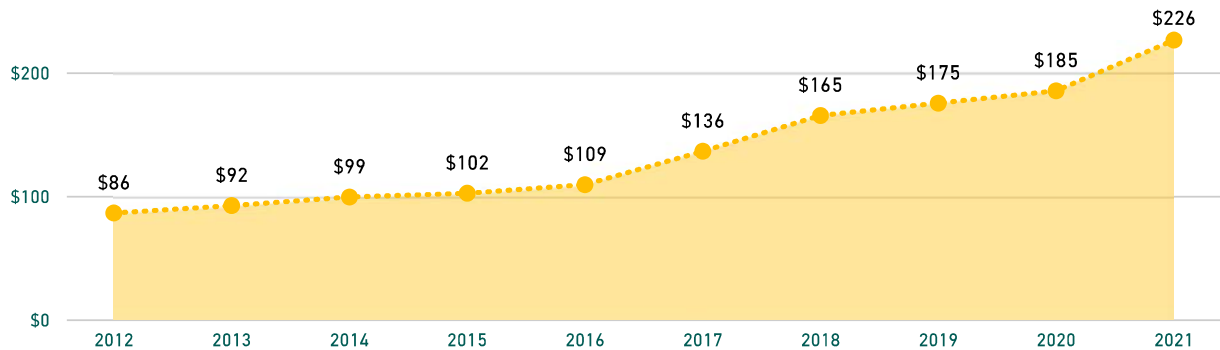


\* Net of external manager fees

## ENDOWMENT PORTFOLIO (in millions)



## TOTAL INVESTMENT PORTFOLIO (in millions)





# UWM PROFILE

## Academics

- 13 degree-granting schools and colleges, along with the Graduate School and School of Continuing Education
- Wisconsin's only architecture school
- Wisconsin's only accredited school of public health
- The only school of higher education in North America dedicated solely to freshwater sciences
- 206 academic programs
- 2 associate programs
- 100 bachelor's programs
- 66 master's programs
- 38 doctoral programs

## Research

- Ranked in the top 5% of research universities, a category known as R1, by the Carnegie Classification of Institutions of Higher Education
- \$44.7 million in awards in fiscal year 2021
- National 2018 Campus-Wide Award for Undergraduate Research Accomplishment from the Council on Undergraduate Research

## Student Profile

- Total enrollment: 24,209
  - Milwaukee campus: 22,592
    - » 18,171 undergraduates
    - » 4,421 graduate students
  - UWM at Washington County: 387 students
  - UWM at Waukesha: 1,050 students
- Milwaukee campus
  - Students from 49 states and 72 Wisconsin counties
  - 1,023 international students from 87 countries
  - Over 1,000 veterans enrolled, more than any other Wisconsin university
  - 38% of undergraduates are first-generation college students
  - 30% are students of color

## Alumni

- 197,917 alumni
- 74% live in Wisconsin



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**[uwm.foundation](http://uwm.foundation)**