



WISCONSIN FOUNDATION
AND ALUMNI ASSOCIATION
ANNUAL REPORT



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‘
THE PRICE
OF LIGHT
IS LESS
THAN THE
COST OF
DARKNESS.
’

A. C. NIELSEN SR. 1918

HIGHLIGHTS

04

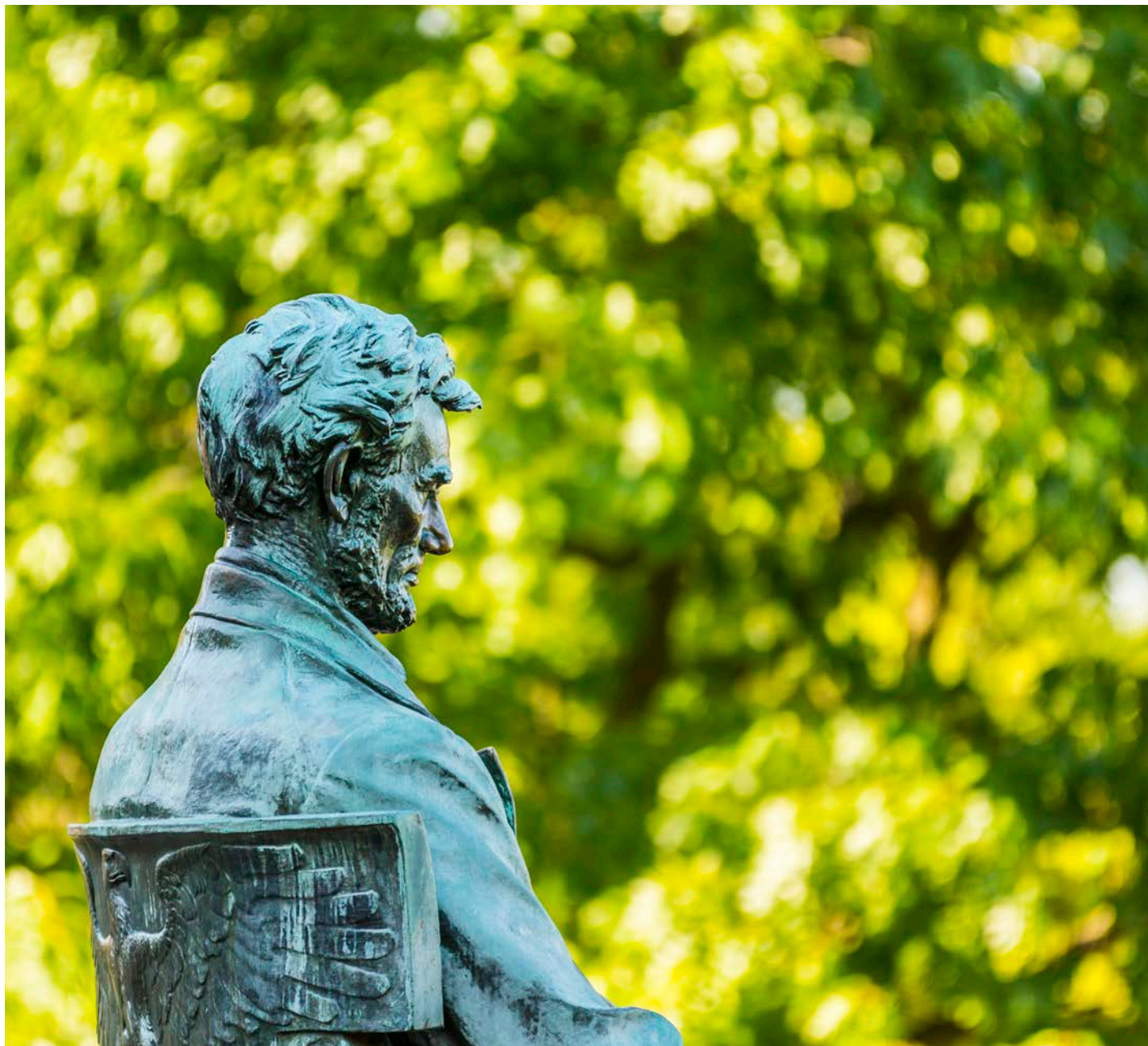
CHANCELLOR BLANK

Rebecca Blank shares her vision and priorities.

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FINANCES

As the All Ways Forward campaign progresses, WFAA works to steward the financial gifts made by alumni and other friends of the university.





CHANCELLOR
BLANK AND BUCKY
GREET STUDENTS
DURING THE
CHANCELLOR'S
CONVOCATION AT
THE KOHL CENTER.

FROM THE CHANCELLOR

DEAR FRIENDS,

Thank you for your ongoing support for UW–Madison — with gifts, with advice, and with involvement. Alumni and friends are increasingly important to the life of the university, and I'm grateful for our engaged community of Badgers.

It has been a very exciting year for our university, and especially for our student body:

- In 2017, UW–Madison received a record-breaking 35,614 applications for 6,600 spots.
- Our freshman class is the largest in UW–Madison history.
- Seventeen percent of freshmen and 28 percent of transfer students are first-generation college students.
- The retention rate for the overall student population is 95 percent, and it's even a little bit higher for students from targeted minority populations.
- Time to graduation is at an all-time low.
- The university graduated a record number of doctoral students in 2017 and ranks third in the nation in PhDs conferred.

One of my highest priorities is expanding need-based aid, and we're trying to be innovative in reaching out to low- and moderate-income families. Thanks to alumni and donors, we have created 1,000 new scholarships over the last four years — support that will help to bring the cost of a UW–Madison education within reach for more of our students. These undergraduate and graduate students are not only the main beneficiaries of UW–Madison's work; they're also our future. As alumni, they'll help Wisconsin, the nation, and the world address challenges we can't imagine today.

UW–Madison continues to be among the world's leading universities, and our success is due in no small part to alumni, donors, and friends who make the UW one of their priorities. *Thank you.*

On, Wisconsin!

Rebecca Blank

Rebecca Blank
Chancellor, University of Wisconsin–Madison

FROM THE CEO

GREETINGS!

This report marks the end of the third year since the UW Foundation and the Wisconsin Alumni Association (WAA) merged to form the Wisconsin Foundation and Alumni Association (WFAA). During this time, we have continued to better align our development work and our alumni engagement work to serve our donors and friends more effectively.

We are driven by our conviction that this public research university is vital to Wisconsin and the world. Public research universities provide students with a gateway to life-changing careers, and the research conducted on university campuses addresses major social, economic, and environmental challenges. Private support has helped the UW remain a strong and vibrant institution despite shifting revenue streams. Consider these points:

- UW–Madison is important to the nation’s economic health: *Money* magazine ranked the UW in the top 10 for producing Fortune 500 CEOs.
- UW–Madison is important to our *literal* health: the UW Hospital and Clinics see 30,000 patients a year.
- UW–Madison research helps develop important forms of technology: Professor Gurindar Sohi’s lab invented a computer circuit that is vital to smartphones and tablets.
- A UW–Madison education helps shape our culture: the novel *Fates and Furies* by author Lauren Groff MFA’06 was a finalist for the National Book Award.

These achievements don’t happen without the generosity of donors and the involvement of alumni. In these pages, you’ll read about some of the important ways that WFAA unites alumni and friends to further the UW’s impact. With your help, the All Ways Forward comprehensive campaign roared past another milestone, completing the Nicholas Match, which brought in \$100 million for endowed scholarship funds. And we launched new engagement initiatives, including the long-awaited opening of Alumni Park, which features new ways to see the impacts that UW alumni have made around the world.

These are exciting times to be a Badger, and together, we’ll keep the university moving All Ways Forward.

On, Wisconsin!



Michael M. Knetter
President and CEO, Wisconsin Foundation and Alumni Association



“WE ARE DRIVEN BY OUR
CONVICTION THAT THIS
PUBLIC RESEARCH UNIVERSITY
IS VITAL TO WISCONSIN AND
THE WORLD.”
— CEO MIKE KNETTER



In 2016–17, WFAA’s engagement efforts prepared for a major change.

The most significant event in engagement was the retirement of Paula Bonner MS’78, who stepped down as head of the alumni association at the end of June 2017 after leading WAA since 2000. Bonner’s tenure included many of WAA’s signature achievements: the launch of Grandparents University®, the expansion of alumni-learning programs, a renewed focus on critical geographic areas for alumni engagement, a celebration of WAA’s 150th anniversary, the creation of Alumni Park, and the merger with the UW Foundation, which created WFAA.

In the months between stepping down and her official retirement at the end of October, Bonner and her many legacies were celebrated around campus. Her efforts live on in the staff that she cultivated and nurtured for more than a decade and a half.

Sarah Schutt was named Bonner’s successor as WFAA’s chief alumni officer and executive director of WAA. Associated with WAA since 2001, Schutt has worked closely with Bonner and with WFAA leadership.

“Sarah is already recognized across the Big Ten and among other alumni leaders around the country for her leadership of signature alumni-learning and engagement programs such as Grandparents University, as well as relaunching alumni career networking,” Bonner told *On Wisconsin* magazine. “She is the perfect fit for this role at this time in our history.”

ENGAGEMENT

SIGNIFICANT DIGITS

—
**ENGAGEMENT
IN 2016-17**
BY THE NUMBERS

3,917

SCOOPS OF ICE CREAM
SERVED AT PROJECT 72 EVENTS

123

ALUMNI FEATURED IN
ALUMNI PARK EXHIBITS

1,267

**ATTENDEES AT ALUMNI PARK'S
OPENING NIGHT**
ON OCTOBER 6, 2017

14,000

**VISITORS TO ALUMNI PARK
AND ONE ALUMNI PLACE**
IN OCTOBER AND NOVEMBER, 2017

2,500

POUNDS OF METAL AND GLASS
IN *WELL RED*, THE STATUE OF
BUCKY IN ALUMNI PARK

42

YEARS THAT PAULA BONNER
HAS BEEN PART OF
UW-MADISON'S CAMPUS

(from her arrival at the Department of Athletics in
1976 through her retirement from WFAA in 2017)

***Did you know** that Alumni Park doesn't just feature UW alumni — it was also made possible by them? More than 4,000 Badgers, representing all 50 states and 18 countries, contributed to the construction of the park.*

PARK PLACED

With lighting elements that shine like beacons, Alumni Park draws media attention like moths to a flame.

"I'm so glad to be a Badger," said one appreciative visitor walking through Alumni Park on opening night.

After a party that inspired praise for the park's design and look, those seven words summed up its deeper purposes: to celebrate UW accomplishments and inspire Badgers' pride.

Braving a persistent drizzle, more than 2,600 alumni, donors, faculty, students, staff, and community members stepped out into Alumni Park during the first three days it was open to the public. Exploring installations from the fountain on Langdon Street to the Bucky statue (shown on this report's cover and titled *Well Red*) on the lakeshore, guests saw the results of the work that Paula Bonner MS'78, WFAA staffers, and a host of volunteers had put in for more than half a decade — work that broke into a sprint during the 2016–17 year.

Alumni Park officially opened on the evening of October 6, 2017, but WFAA had spent many months beforehand preparing for a month of celebrations. The opening was followed by a retirement party for Bonner, the inaugural Homecoming Block Party after the traditional parade, and events held in conjunction with the completion of Memorial Union's multiyear renovation.

In addition, WFAA's digital and communications staff worked to create alumnipark.com, an interactive website that shares the stories of the 123 alumni who are featured in the physical park — and encourages visitors to share even more alumni stories of their own. Multiple media outlets covered the event on television and in print.

All told, Alumni Park generated at least 57 media mentions for WFAA in October 2017, garnering more than 10 million impressions.

But the park is, ultimately, not about an opening night or even an opening month. It aims to be a campus destination for decades — and, through the years, to make visitors say, "I'm so glad to be a Badger."

Above: Alumni Park opened on October 6, 2017. This photo shows the view from Langdon Street looking north toward Lake Mendota. Right: The park offers a green space in which Badgers past, present, and future can explore the UW's importance and enjoy campus beauty. Learn more at alumnipark.com.





"IT'S A QUICK, WEEKLY DOSE OF NOSTALGIA. I'M ADDICTED."

— RICHARD HESS PhD'71

Did you know that two UW alumni magazine editors later won Pulitzer Prizes? Frederick Jackson Turner 1884, MA1888, won for history in 1933, and Louis Lochner 1909 won for correspondence in 1939. In total, UW alumni and faculty have won 38 Pulitzers, from Zona Gale 1895, ML1899 in 1921 to Matthew Desmond MS'04, PhD'10 in 2017.

A LEG UP

WFAA hatched a new publication that's making alumni see pink.

Launched in September 2016, the *Flamingle* is WFAA's weekly e-newsletter created just for UW-Madison alumni and friends. It takes the place of the former *Badger Voice*, a monthly mailing that was declining in readership and interest. The goal of the *Flamingle* is pure engagement: letting alumni know what's happening on and around campus, tapping into nostalgia, and interacting in new, clever ways.

Each week, the team at *Flamingle* HQ builds the issue that will be sent on Friday morning. The *Flamingle* first gives readers the latest installment of its column Ask Abe, which looks into campus quirks, traditions, and history. *Flamingle* HQ also curates a handful of the week's top stories about campus and the surrounding community — from the lighthearted to the academic to the serious to the controversial. Each issue concludes with the publication's most popular section: an interactive component that takes the form of a poll, trivia test, or UW personality quiz such as Which Game Day Tradition Are You? In short, the *Flamingle* lets its readers revel in everything they love about the UW.

So why call it the *Flamingle*? Excellent question! On the morning of September 4, 1979, students trudging up Bascom Hill to their first classes of the fall semester wiped the sleep from their eyes to see the entire hill turned pink. The Pail and Shovel Party, led by legendary jokesters Jim Mallon '79 and Leon Varjian MSx'83, "planted" 1,008 plastic pink flamingos on the Bascom lawn as a victory stunt after winning the student-government elections. The flamingo prank did more than give UW-Madison a reputation of "inspired goofiness": it also solidified the bird as a campus and Madison icon. In 2009, the plastic pink flamingo became the official city bird.

WFAA believes in helping all alumni stay tapped into the inspired goofiness of UW-Madison. Will you be one of the 40,000-some alumni who *flamingle* with us?

Find Flamingle stories and quizzes at uwalumni.com/flamingle.

"I like to hear and see what is going on at the campus where I do not get very often."

— KENNETH BECKER '49

"With a first cup of coffee, the *Flamingle* is the highlight of my Friday morning. Such a great way to stay in touch with life on campus! Thanks!"

— ANNE GRUNDSTROM
NERENZ PhD'79

"I read the *Flamingle* at work on Friday mornings as a way to distract [myself] from work-related emails. The *Flamingle* is never disappointing, always informative and amusing. It is one email I look forward to weekly."

— RHONDA LARSON
SAGER '99, MA'01

"I love the Friday *Flamingle*. It's a quick way for me to keep up with what's happening at the UW even though I now live out of state. Thanks!"

— JENNIFER GIEBINK '06

"Love the emails! My college friends and I always have an email discussion on topics we didn't know about!"

— AMANDA REBELLO '13

Did you know that 24,016 of UW–Madison’s current students come from Wisconsin? That includes 61 percent of the undergrads. A total of 160,430 alumni live in Wisconsin. That means that one out of every 36 state residents holds a UW–Madison degree.

THANK YOU, 72

—
This year’s Project 72 campaign took a simple approach: to say thank you to Wisconsin for its continued support of the university.

The U.S. exports 1.7 billion bushels of soybeans each year to countries all over the world, and about one-third of those bushels make their journey through the Panama Canal. But without Edward Schildhauer 1897, there would be no Panama Canal. And without Wisconsin’s Calumet County — whose population roughly equals the current enrollment at UW–Madison — there would be no Edward Schildhauer.

Growing up in New Holstein, Wisconsin, Schildhauer learned early on that he had an engineer’s mind, so he moved to Madison and enrolled at the UW. After graduating from the College of Engineering, he worked for Chicago’s Commonwealth Edison until he resigned to join an exciting new project: the Panama Canal. Schildhauer designed several of its most important features, including the locks that enable ships to climb over the Panamanian isthmus, which links the Atlantic and Pacific; and the locomotives that pull vessels across.

This is just one of 72 stories that WFAA published this year to show how influential the state of Wisconsin’s support of UW–Madison is.

In 2016, WFAA launched the first iteration of Project 72, which used billboards, online stories, and a book to highlight UW–Madison’s partnerships with and connections to each of Wisconsin’s 72 counties. But for year two, Project 72 changed its focus.

Certain aspects of 2016’s Project 72 campaign were carried over: billboards went up in every county that had billboard space (64 of 72), and WFAA’s team of coordinators, writers, and editors researched and wrote another set of original stories. This year saw a broadened scope of subjects that includes archival subjects, living alumni, and businesses.

WFAA also asked itself a question: what would you do if someone gave you more than \$400 million every year? The answer is simple: you’d say **thank you!** In the 2017 state budget, the state of Wisconsin set aside \$436 million for

UW–Madison. Not only does the state government support the university through funding, but Wisconsinites from Hayward to Kenosha also support the UW by sending some of their brightest minds to study here.

This year’s Project 72 campaign — Thank You, 72 — was all about gratitude. For the past 169 years, the state’s 72 counties have populated campus with thinkers, athletes, builders, scientists, leaders, reformers, writers, scholars, engineers, and heroes. It is the people of Wisconsin and the accomplishments of these remarkable individuals that have given the university its reputation as a world-class institution. For that, WFAA offers the Badger State’s citizens its deepest thanks.

To further thank the citizens of Wisconsin, WFAA refurbished a 1957 International Harvester Metro Van to turn it into a #ThankYou72 ice cream truck. Throughout the summer and fall of 2017, the truck toured the state to deliver ice cream: a special flavor called A Swirled of Thanks. Above, WFAA’s Julia Kinsey ’14 serves ice cream out of the truck. Read more Project 72 stories at thankyou72.org.



Did you know that the melody for “On, Wisconsin” is used as a school song for about 2,500 institutions around the country? One of these is Hawthorne (California) High School — alma mater of four of the Beach Boys, who included the tune in “Be True to Your School” in 1963.

SWINGTOWN

Homecoming revs up with a new Block Party.

“Come on and dance,” suggest the lyrics of one of Steve Miller x’67’s hit singles. And inspired by the tune, WFAA offered the same invitation to alumni and friends at the end of the 2017 Homecoming parade, when a new event, the Homecoming Block Party, provided musicless dancing and more — including a benefit concert featuring Miller.

Though the Block Party took place on October 20, 2017, it was the result of many months of preparation. Buoyed by unseasonably mild weather (the high temperature hit 76 degrees) and an advertising blitz that promoted it to alumni and Madisonians, the event attracted people in large numbers. The parade followed its traditional path, marching down State Street to campus, leading participants to the Block Party, which took place in Alumni Park, One Alumni Place, and Memorial Union.

The event featured a silent disco (in which participants wore headphones and danced to tunes only they could hear), a fireworks show over Lake Mendota (the first Homecoming pyrotechnic display since 2009), a cooking demonstration by Madison chef Jonny Hunter ’05, MPA’11, and a fish fry dinner in Memorial Union.

That night, WFAA estimates that:

- 11,500 people watched the parade, and
- 3,000 of them continued to Alumni Park for the Block Party;
- 619 people went into One Alumni Place, where Hunter held his demonstration, and
- 457 went to the fish fry in Tripp Commons.



Toward the end of the night, on the other side of the Union Terrace, the Steve Miller Band performed in the Wisconsin Union Theater’s Shannon Hall. Attendees at the sold-out show didn’t just get down to “Swingtown.” They also helped to raise scholarship funds for UW–Madison students. Proceeds went to aid the Chancellor’s Scholarship Fund, and the concert raised nearly \$750,000 in ticket sales and donations.

Left: Fireworks explode over Lake Mendota. Above: Children play in Alumni Park during the new Block Party event on the Friday night of Homecoming weekend. Discover this year’s Homecoming plans at uwalumni.com/homecoming.

DEVELOPMENT

In the second year since the public launch of UW–Madison’s All Ways Forward comprehensive campaign, WFAA passed major milestones on its road to the goal of raising \$3.2 billion in total donations. The second major matching gift — the Nicholas Match for student support — was completed in 2017, adding \$100 million. Total gifts and pledges topped the \$2 billion mark in the summer of 2017.

Private support is increasingly vital to the UW’s health, and that trend is unlikely to change. The WFAA endowment grew to \$2.7 billion by June 2017, and between July 2016 and June 2017, WFAA transferred more than \$253 million to the university. Private gifts and grants now make up about 17 percent of UW–Madison’s budget, making them the third-largest share of the university’s revenue.

Of course, what matters most is the effect that these gifts have on campus. Philanthropy helps maintain the UW’s unique identity and standard of excellence. UW–Madison is the least expensive of the top 25 American universities, and in 2017, 40 of its graduate programs were ranked in the top 10 nationally. The impact of the UW’s research continues to grow: this year the UW ranked sixth among universities in the number of patents acquired.

This section of the report highlights some of the ways that philanthropy continues to move the UW forward: funds that support cancer patients, build the student experience, aid the veterinary hospital, promote the arts, and much more.

WFAA continues to help UW–Madison to pursue the four priorities that Chancellor Rebecca Blank laid out at the start of the campaign: faculty support, student support, the educational experience, and research and innovation.

We know that the University of Wisconsin matters to you, and we greatly appreciate the generosity that Badgers have shown in helping the UW capitalize on the opportunities that define the future.

Thank you for helping to keep UW–Madison moving All Ways Forward.



SIGNIFICANT DIGITS

**DEVELOPMENT
IN 2016-17
BY THE NUMBERS**

74,904

MILES TRAVELED by the six students who make up the inaugural King-Morgridge Scholars program, from their home countries to campus. Funded by a \$36 million gift from Bob and Dottie King and John '55 and Tashia '55 Morgridge, the program brings six students to UW-Madison from developing countries. The 2017 cohort came from African nations.

5,102

TOTAL NUMBER OF ENDOWED FUNDS UNDER MANAGEMENT AT WFAA AS OF JUNE 30, 2017

Some 132 of them were new scholarship funds created through the Nicholas Match.

169,981

TOTAL NUMBER OF DONORS WHO HAVE TAKEN PART IN THE CAMPAIGN AS OF SUMMER 2017

96,392

INDIVIDUAL GIFTS MADE DURING THE 2016-17 FISCAL YEAR

\$338 M

GIFTS MADE DURING THE 2016-17 FISCAL YEAR

\$2.1 B

PROGRESS TOWARD THE ALL WAYS FORWARD CAMPAIGN GOAL OF \$3.2 BILLION AS OF JUNE 30, 2017

***Did you know** that the UW's first swimming pool was located in the Red Gym and was just 20 feet by 80 feet? The Nick will feature an Olympic-sized pool, which is good, as the UW has produced 13 Olympic swimmers and divers, including two who competed at the Rio Games in 2016.*

NICK NAMED

A gift from the Nicholas family helps replace the SERF with the Nicholas Recreation Center.

In the contest to attract and retain the best students, people often overlook the competitive advantage provided by, well, competition. One of the things that students increasingly look for in a campus is an up-to-date athletics environment with sufficient facilities to serve the campus population.

Although UW–Madison is a powerhouse in varsity athletics, it has not been particularly competitive in terms of its recreational athletics options. Its newest rec-sports building — the Southeast Recreational Facility, or SERF — was 34 years old. In the 2010s, it was serving about 3,800 people a day: roughly twice as many as in the early 1980s.

“Anyone who goes into our recreational-sports and fitness facilities will immediately notice that they are old and overcrowded,” wrote Chancellor Rebecca Blank. “UW–Madison is lagging behind its peers in this area. We are behind our peers in the Big Ten conference for space devoted to fitness, with just 15,000 square feet. By contrast, the leader — Ohio State — has 49,000 square feet.”

In the fall of 2017, UW–Madison shut down the SERF to replace it with a larger, more modern structure, assisted by a \$20 million lead gift in honor of the late Albert “Ab” Nicholas ’52, MBA’55, made by his wife, Nancy ’55, and their family. The new facility will bear their name: the Nicholas Recreation Center, or “the Nick” for short.

“The main thing is that we wanted to do something that supports many students,” says Nancy Nicholas, noting that she and Ab had been strong proponents for the value of exercise in academic achievement. “We certainly believe in the importance of both physical and mental health for young people,” she says.

According to John Horn, the director of Recreational Sports, the gift includes \$15 million toward the construction of the Nick, and another \$5 million goes to the UW’s Division of Athletics to build an Olympic-sized pool at the Nick. Rec sports will share the pool with the UW’s varsity swimming team.

“Students have told us that fitness plays a vital role in their choice of schools,” Horn says. “Physical well-being is important to them. It’s not healthy to spend 100 percent of their time in the classroom.”



Above: Bucky shows off his style in the old pool at the SERF. The Nick will feature an Olympic-sized pool that will serve both the varsity swimming team and the UW’s general student population.

Left: Ab Nicholas starred on the UW varsity men’s basketball team when he was an undergraduate in the 1950s. To honor him, the Nick’s eight basketball courts will be named after Ab and his seven grandchildren.

Read about the new pool online at allwaysforward.org/pool.

Did you know that scientists at the UW's School of Veterinary Medicine are on the forefront of fighting human diseases? Their research helped create new vaccines against Ebola and influenza that are heading into human trials in 2018.

VETERINARY SUPERHEROES

Karen Walsh and Jim Berbee help the School of Veterinary Medicine meet the needs of a growing patient load.

Karen Walsh '81, MA'89 and Jim Berbee '85, MS'87, MBA'89 grew up in the company of animals, and they surround themselves with many furry friends today — two dogs and dozens of foster cats and kittens. They are truly animal lovers, and they truly love what the UW School of Veterinary Medicine (SVM) is doing to improve animal — and human — health.

But the school is in serious need of more space. Built in 1983 to see 12,000 animal patients each year, the SVM currently sees 24,000. With increasing demand, this number is projected to expand to 35,000 in the near future.

That's why Walsh and Berbee were inspired to offer a \$3 million matching gift toward the school's building campaign, Animals Need Heroes Too.

"When you learn about advances the SVM has made in cancer treatment, orthopedics, surgery, and so many other areas, you understand why people flock to bring their animals there for expert care," says Walsh, who is cochair of the Animals Need Heroes Too campaign. "And the school's research leadership is astounding. The future of human medicine is so connected to animal medicine, and here at UW-Madison we have this amazing place where it's all happening — for the benefit of everyone."

Through interdisciplinary collaborations involving the School of Medicine and Public Health, the College of Engineering, and the College of Agricultural and Life Sciences, the SVM is helping to solve critical public health issues. In fact, the school conducts more than 75 percent of the infectious-disease research on the UW-Madison campus. SVM faculty and staff have made major breakthroughs in the treatment and prevention of everything from Ebola to influenza to Zika.

Given how many lives are touched by the SVM, it's no surprise that the Animals Need Heroes Too campaign has garnered a broad base of support. The school has already raised more than \$20 million of a preliminary \$40 million goal. Campaign leaders are hoping for a \$75 million commitment from the state to round out the projected \$115 million cost of the expansion project.

SVM dean Mark Markel says, "I want to thank Karen and Jim for their incredible support of our building expansion. The ripple effect of their generosity through the BerbeeWalsh Match has inspired more than \$10 million in support for our campaign."

To the critters that receive care at the SVM and the people who care for them, Karen and Jim are definitely heroes.

Discover veterinary initiatives at allwaysforward.org/vetmed.



Did you know that the School of Music is for more than music majors? Hundreds of student musicians perform for thousands of people — including 30,000 fans who attend the Varsity Band concerts each spring.

DIG THIS MUSIC

Construction begins on the School of Music's new center.

The UW School of Music has been singing the praises of the Mead Witter Foundation since late 2015, when George Mead and his family announced that they would contribute a \$25 million legacy gift. The donation helped to complete fundraising for the school's newest facility: the Hamel Music Center. Anticipation at the newly renamed Mead Witter School of Music reached a new crescendo in 2016–17 as construction for the facility finally began.

The Witter and Mead families have a long connection to the University of Wisconsin. George Mead I 1894 met his wife, Ruth Witter 1896, on campus. Together they helped to build the Consolidated Water Power Company into a major power and papermaking enterprise. George Mead I served as a UW regent from 1928 to 1939, and the university granted him an honorary doctorate in 1950.

Though George I's grandson George Mead II is not a UW alumnus, he notes that the university has played a vital role in the state — and that education and music have always been important in the estimation of the Mead and Witter families.

"Though none of our family studied music at the UW, a fondness for music unites us," says George Mead II, chair of the Mead Witter Foundation. "Everyone needs music. It is an inspiration point for all areas of creativity and learning. This is a way to recognize the connection we've enjoyed with the UW and to project that connection into the future."



The Mead Witter gift offered a boost to the school's plan to create the Hamel Music Center, which had begun with a \$15 million pledge from George '80 and Pamela Hamel in 2008. That was the lead gift for what was initially proposed as a \$22 million practice and performance facility. With the Mead Witter Foundation gift, the School of Music was able to expand the project into a larger, \$55.8 million structure.

Music administrators have expressed their desire for a new facility almost from the day the school moved into the Mosse Humanities Building in 1969. Early residents found it offered musicians only cramped, wet spaces in which to practice and perform — ones where sound bled from one room to another. The new building's flexible spaces and improved acoustics will offer students and patrons a much better experience.

The Hamel Music Center will house a 670-seat Mead Witter Foundation Concert Hall as well as a 315-seat Collins Recital Hall, named for Paul Collins '58. A ceremonial groundbreaking took place in November 2016, and substantive work began in spring 2017. The facility is expected to open in the fall of 2018 — to loud applause and a standing ovation.

Right: Construction on the Mead Witter School of Music's new Hamel Music Center began in 2017. The large, wooden circle is an acoustic coffer. Above: Tyana O'Connor '16 performs for Brenda Rae during an opera master class at the School of Music. Hear why George Hamel supports the UW at allways-forward.org/story/george-hamel.



Did you know that the Mohs surgery (one of the most common treatments for skin cancer) was developed by UW professor Fred Mohs '32, MD'34 in 1938? Today, the UW ranks among the nation's top 50 hospitals in nine medical specialties.

GARDING AGAINST CANCER

Earning an assist in the effort to beat cancer, WFAA helped Greg and Michelle Gard shoot for big things with the launch of Garding Against Cancer.

Wisconsin has two new star players in the fight against cancer: UW–Madison men's head basketball coach Greg Gard and his wife, Michelle.

The couple was inspired to start Garding Against Cancer to honor Greg's father, Glen Gard, who passed away in 2015 after a six-month battle with brain cancer. They decided it was fitting to focus on fighting the disease across the state of Wisconsin because Glen was so committed to helping locally first and foremost.

"With so many great resources and people right here in Wisconsin," says Michelle Gard, "it made perfect sense to us to do as much as possible with, and for, those right here at home."

Garding Against Cancer has organized a dozen events so far to raise funds to support researchers as well as cancer patients and their families. WFAA has handled marketing, promotions, and gift processing for the events. Since its beginning in December 2016, Garding Against Cancer is on track to raise \$1.5 million and has drawn more than 1,500 participants.

The organization held its first signature fundraiser in May 2017 at the Kohl Center, and more than 600 attendees raised more than \$1 million at that event alone. Guests enjoyed food, drink, music, and a live auction. The program included remarks from Ohio University basketball coach and former Badger assistant coach Saul Phillips and his wife, Nicole — herself a breast-cancer survivor. Proving that he will go to great lengths to support his cause, Coach Gard even channeled his inner Garth Brooks and sang "I've Got Friends in Low Places" at the country-and-western-themed event.

Many of the funds went to help researchers and patients at UW–Madison's Carbone Cancer Center. Garding Against Cancer has also held local fundraisers around the state, including a 5K run in the Wisconsin Dells and a business luncheon and family fun night at UW–Stout. The money raised at local events stays in those communities, and Garding Against Cancer also provides them with additional funding.

"We have such a great platform here in Madison to be able to help, with the Carbone Cancer Center and the university and the hospital system," Greg Gard said in an interview after the Kohl Center event. "It's really a great partnership all the way around, and the people have been unbelievable — it's really been overwhelming just in five months what the support has been. ... I think the sky's the limit as to what we can do."

UW men's basketball coach Greg Gard and his wife, Michelle, flank Bucky during the inaugural Garding Against Cancer signature event in May 2017. Learn about Garding Against Cancer's latest project, Bucky on Parade, at uwalumni.com/news/bucky-on-parade.





FINANCES

WFAA engages alumni and donors to advance the mission of the University of Wisconsin–Madison. In the preceding pages, you’ve seen the work that WFAA does to generate support among alumni and friends, both by inspiring involvement and by soliciting financial gifts. We also invest those gifts in an effort to provide maximum return at reasonable risk to help ensure that your donations can aid the UW well into the future.

In the following pages, you’ll see a financial snapshot of WFAA’s performance from July 1, 2016, through June 30, 2017. We are past the halfway point in the All Ways Forward comprehensive campaign, and WFAA has grown the endowment from less than \$2.0 billion to \$2.7 billion between January 2013 and June 2017, while distributing approximately \$1.1 billion to the university over that time.

In fiscal 2017, WFAA brought in some \$338 million, with expenses of \$53 million, meaning the cost of raising a dollar remains around 15 cents, even though expenses reflect a broader mission following the merger of the UW Foundation and WAA. Payments to the university reached \$253 million this year. By the end of this campaign, private gifts will come close to the annual level of state support.

Fiscal 2017 was a good year for investments, and though returns change from year to year, WFAA is well positioned for growth. We take our role as a fiduciary seriously, and we are committed to transparency and efficiency. We aim to lower investment costs to increase returns for the university.

UW–Madison’s alumni and friends help to ensure that this remains a world-class university for generations to come. You do this by making gifts both large and small, by advocating for the university in Wisconsin and nationally, by mentoring students and fellow grads, and in many other ways. *Thank you for your ongoing support.*

STATEMENT OF FINANCIAL POSITION

ASSETS	JUNE 30 2017	JUNE 30 2016
Cash and cash equivalents	105,043,144	112,953,979
Income and redemption receivables	15,304,453	20,860,964
Prepaid expenses	2,209,309	1,522,672
Pledges receivable, net	131,720,292	179,734,301
Investments	3,653,235,317	3,177,038,023
Property and equipment, net	20,201,517	21,076,955
Real estate	2,889,362	2,606,109
Notes receivable	1,026,113	1,289,038
Other assets	3,707,056	3,945,717
TOTAL ASSETS	\$3,935,336,563	\$3,521,027,758
LIABILITIES		
Accounts payable	2,918,308	4,098,923
Pending investment purchases payable	55,001,392	27,506,426
Accrued expenses and other payables	6,952,922	5,872,504
Deferred revenue	1,609,194	380,938
Deferred compensation	2,475,638	2,280,625
Notes payable	-	2,742,708
Liability under split-interest agreements	45,048,021	43,700,837
Funds due to other organizations	293,701,763	237,259,071
TOTAL LIABILITIES	\$407,707,238	\$323,842,032
NET ASSETS		
Unrestricted	122,490,421	85,081,476
Temporarily restricted	1,745,855,111	1,524,329,521
Permanently restricted	1,659,283,793	1,587,774,729
TOTAL NET ASSETS	\$3,527,629,325	\$3,197,185,726
TOTAL LIABILITIES AND NET ASSETS	\$3,935,336,563	\$3,521,027,758

STATEMENT OF ACTIVITIES

REVENUES, GAINS, AND OTHER SUPPORT	2017 (7/16-6/17)	2016 (1/16-6/16)
Contributions	338,449,963	151,643,056
Interest and dividend income	33,582,155	13,597,414
Net investment gains	290,973,860	40,745,632
Other income	7,129,328	2,756,020
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	\$670,135,306	\$208,742,122
EXPENSES		
Payments to or for the University of Wisconsin	253,168,819	159,341,607
Administrative and investment expenses	86,522,888	28,937,203
TOTAL EXPENSES	\$339,691,707	\$188,278,810
NET ASSETS		
Increase in net assets	330,443,599	20,463,312
Net assets at beginning of year	3,197,185,726	3,176,722,414
NET ASSETS AT END OF YEAR	\$3,527,629,325	\$3,197,185,726

EXPENSES

The Wisconsin Foundation and Alumni Association staff and board of directors strongly believe that expense management is a top priority in achieving good stewardship. Like any charitable organization, WFAA measures its ratio of administrative expenses to contributions to demonstrate that it is stewarding the resources entrusted to it. The figures below show WFAA's administrative expenses compared to new gifts and pledges for the past four and one-half years. Administrative expenses — excluding investment expenses — are compared to contributions to reflect the cost of raising a dollar. Total administrative expenses include investment expenses incurred by WFAA's investment activity. These expenses are paid directly from individual investment funds.

Over the period from January 1, 2013, to June 30, 2017, WFAA's average cost of raising a dollar has been 11 percent, below the national average (which is about 20 percent). This annual report covers the 12-month period from July 1, 2016, to June 30, 2017. Please note that the previous period covered only six months — an adjustment that reflects WFAA's change of fiscal year.

Wisconsin Foundation and Alumni Association
Administrative Expenses *(as a percentage of contributions)*

	ADMINISTRATIVE EXPENSES (EXCLUDING INVESTMENT EXPENSES)	TOTAL CONTRIBUTIONS	ADMINISTRATIVE EXPENSES (EXCLUDING INVESTMENT EXPENSES) AS % OF CONTRIBUTIONS
2017	52,610,648	338,449,963	15.5%
2016 (6 MONTHS)	23,460,452	151,643,056	15.5%
2015	47,820,325	543,596,612	8.8%
2014	35,037,282	380,492,270	9.2%
2013	25,316,044	266,855,030	9.5%
TOTAL	\$184,244,751	\$1,681,036,931	11.0%

Total Administrative and
Investment Expenses

	2017 (7/16-6/17)	2016 (1/16-6/16)
Salaries	22,371,038	10,686,002
Employee taxes, benefits	6,326,357	2,933,352
Contract labor, consulting	2,346,700	1,340,790
Meetings & events	2,020,964	1,777,399
Unfulfilled pledges	6,976,791	591,023
Supplies & equipment	2,893,389	1,548,814
Depreciation	2,080,659	1,038,507
Marketing	3,393,838	903,037
Facilities	1,190,525	592,852
Utilities	201,339	105,564
Professional services	659,346	380,329
Travel & entertainment	1,061,190	659,188
Insurance	593,886	225,406
Administration, other	711,366	414,943
Taxes	(216,740)	263,246
ADMINISTRATIVE EXPENSES	\$52,610,648	\$23,460,452
INVESTMENT-RELATED EXPENSES	\$10,819,771	\$4,921,473
AGENCY FUND TRANSFERS	\$23,092,469	\$555,278
TOTAL	\$86,522,888	\$28,937,203

Payments to or for the
University of Wisconsin

	2017 (7/16-6/17)	2016 (1/16-6/16)
Ag. & Life Sciences	9,952,692	2,810,078
Arts Institute	109,874	53,261
Athletics	31,503,034	24,754,181
Business	24,116,174	21,067,086
Chancellor Designated	14,364,107	6,450,078
Continuing Studies	254,274	133,797
Education	6,083,606	2,054,249
Engineering	15,936,619	5,548,487
Human Ecology	1,665,902	628,074
International Studies	1,114,435	96,320
Law School	3,148,568	1,098,220
Letters & Science	25,665,326	12,071,631
Libraries	1,084,439	253,150
Medicine & Public Health	94,739,230	41,746,292
Nelson Institute	645,428	496,896
Nursing	3,827,474	652,660
Pharmacy	914,356	1,304,994
Recreational Sports	120,899	47,917
Research, Graduate Ed.	2,071,527	1,405,050
Student Services	262,209	46,164
UW Hospital & Clinics	2,891,310	7,710,252
Veterinary Medicine	4,154,512	1,701,546
Wisconsin Union	1,030,120	18,580,474
Other UW-Madison	6,028,765	2,066,903
Non-UW-Madison	1,483,939	6,563,847
TOTAL PAYMENTS	\$253,168,819	\$159,341,607

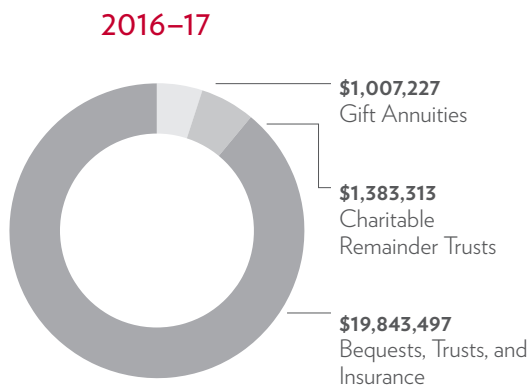
PLANNING YOUR ESTATE AND SUPPORTING THE UNIVERSITY

In increasing numbers, alumni and friends are creating legacies at the University of Wisconsin–Madison through planned gifts. Gift planning, a type of philanthropic giving, integrates charitable giving into a donor’s overall financial, tax, and estate planning to maximize benefits both for the donor and for UW–Madison. Examples of planned gifts include bequests, life-income gifts, gifts of real estate, and gifts of retirement plan assets. Planned gifts make significant funding available to the university each year, providing crucial support during this challenging fiscal period.

Donors can direct their planned gifts to accomplish many goals. Some deferred gifts are unrestricted, allowing campus leaders to fund the current needs and priorities of the university. Other planned gifts are directed to specific areas, such as schools, colleges, or departments, or to specific priorities, such as scholarships or faculty support. Some deferred gifts are intended to be used outright, while others establish permanently endowed funds. When deciding on a designation for a planned gift, donors should consider the delay inherent in planned giving: what will be of greatest benefit to the university when the gift is ultimately received?

If you are considering taking advantage of the benefits of making a planned gift, we recommend that you consult with WFAA’s Office of Gift Planning. Staff members are experienced in working with individuals, attorneys, and financial advisers. They can explain how life-income plans work, consult on the type of gift that is best suited to your needs, identify the correct legal names of campus departments and units, and provide language that will carry out your wishes.

All individuals with a planned gift in place for the university 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 information shared with us is nonbinding. Current membership includes more than 1,700 individuals.



Number of Gifts Received

JULY 2016 TO JUNE 2017

Bequests, trusts, and insurance	95
New gift annuities (including deferred)	23
Charitable remainder trusts	7

TOTAL DEFERRED GIFTS	125
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ENDOWMENT FUNDS

Endowment funds are the asset base that provides current and future revenues for the University of Wisconsin. The Wisconsin Foundation and Alumni Association staff and the investment committee of WFAA’s board of directors manage the endowment fund on a total-return basis. This allows the endowment to be invested with a long-term perspective and an emphasis on diversified, equity-related strategies.

The investment, spending, and expense-fee policies associated with our endowment are designed with the goal of enabling endowment balances to increase at the rate of inflation over the long term, after all fees and spending distributions. 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. This rate is reviewed annually by the board of directors.

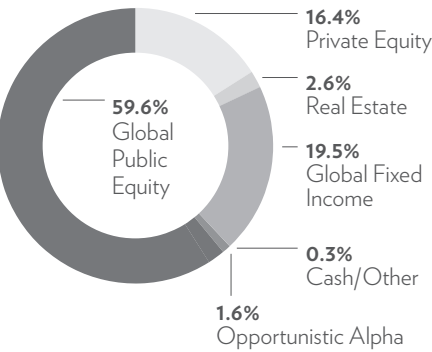
The table on this page shows the total-return figures, and the circular chart shows the asset allocation of WFAA’s endowment fund. The endowment fund asset-allocation targets have been established to promote overall portfolio diversification while providing a return necessary to meet the investment objectives.

Investment Performance* Annualized results

	6/17
1 year	14.2%
3 years	4.3%
5 years	8.4%
10 years	4.4%

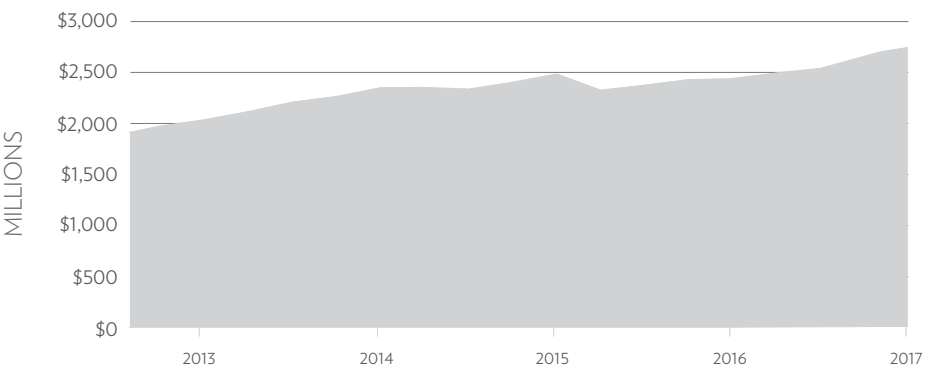
*Net of external manager fees

Asset Allocation as of June 30, 2017



Endowment Fund Assets 2013–17

\$2,746,470,216 as of June 30, 2017



The endowment fund has grown from less than \$2 billion in value on June 30, 2013, to more than \$2.7 billion as of June 30, 2017, as reflected in this graph.

THANK YOU

—
FOR SUPPORTING THE
WISCONSIN FOUNDATION AND
ALUMNI ASSOCIATION IN OUR
EFFORTS TO ADVANCE THE
MISSION OF UW-MADISON.

WE'RE PROUD OF ALL THAT
YOU HELPED US ACCOMPLISH
IN 2016-17, AND WE LOOK
FORWARD TO MAKING THE
UNIVERSITY STRONGER FOR
YEARS TO COME.

ON, WISCONSIN!

WFAA thanks these photographers for
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Wisconsin Foundation and
Alumni Association
1848 University Avenue
Madison, WI 53726-4090

supportuw.org
uwalumni.com

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Designers: Christie Evenson,
Alina Ruppel

Editorial Staff: John Allen, David Golden,
John Baron, Debbi Peterson, Paula
Apfelbach, Niki Denison, Falcia Hines,
Chelsea Schlecht, Stephanie Awe

