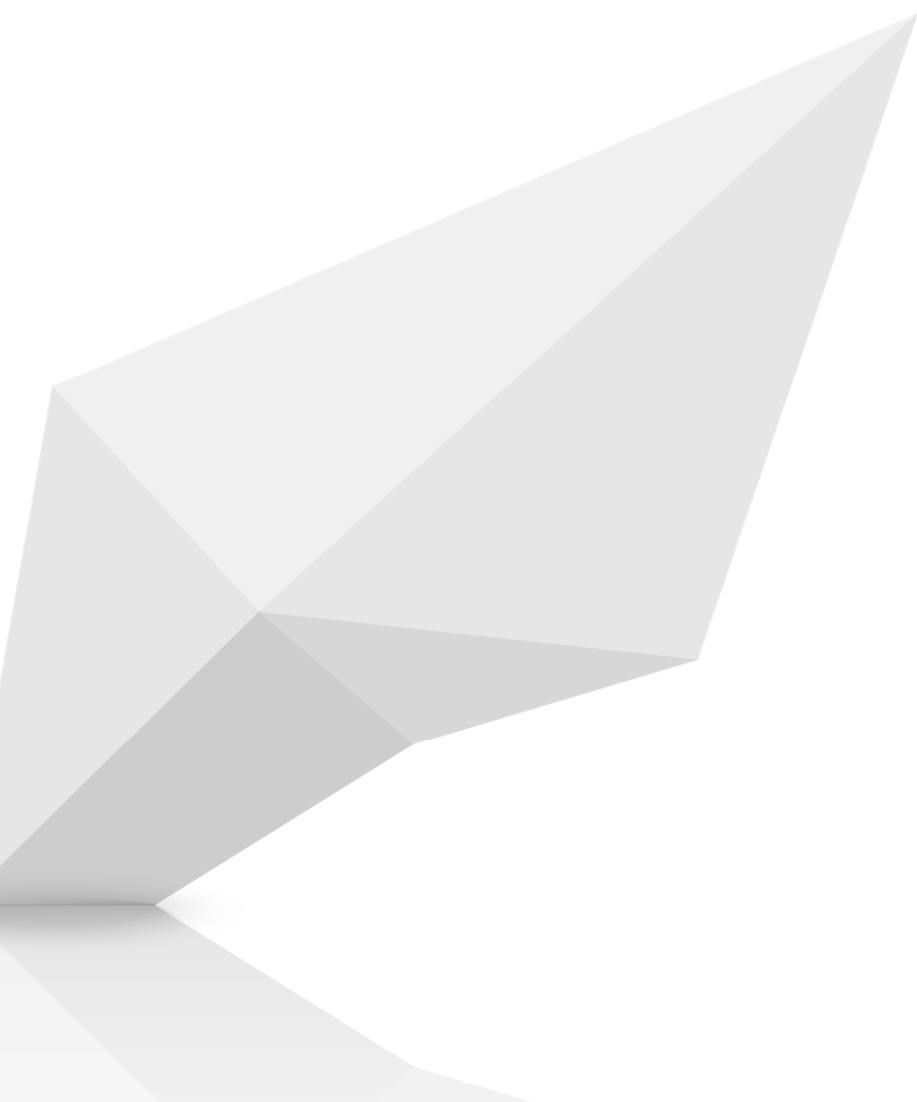


The UWM Foundation, Inc. and Affiliates

Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2023 and 2022



WIPFLI

Independent Auditor's Report

Board of Directors
The UWM Foundation, Inc. and Affiliates
Milwaukee, Wisconsin

Opinion

We have audited the accompanying consolidated financial statements (the "financial statements") of The UWM Foundation, Inc. and Affiliates (the "Foundation"), a nonprofit organization, which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of The UWM Foundation, Inc. and Affiliates as of June 30, 2023 and 2022, and the changes in its net assets for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The UWM Foundation, Inc. and Affiliates and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The UWM Foundation, Inc. and Affiliates's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The UWM Foundation, Inc. and Affiliates's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The UWM Foundation, Inc. and Affiliates's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information appearing on pages 37 through 40, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Wipfli LLP

Milwaukee, Wisconsin
December 7, 2023

The UWM Foundation, Inc. and Affiliates

Consolidated Statements of Financial Position

June 30, 2023 and 2022

Assets	2023	2022
Current assets:		
Cash and cash equivalents	\$ 1,768,089	\$1,810,921
Accrued investment income	531,806	410,011
Accounts receivable - Net	624,677	491,334
Promises to give, current portion - Net	6,309,190	4,464,631
Prepaid expenses and other	139,759	40,175
Total current assets	9,373,521	7,217,072
Investments	225,515,412	209,322,436
Property and equipment - Net	51,450,823	53,500,390
Other assets:		
Restricted cash and cash equivalents	3,853,539	3,720,742
Cash surrender value of life insurance	1,054,305	1,052,099
Split interest contributions receivable from charitable remainder trusts	108,909	86,470
Promises to give, less current portion - Net	5,191,216	7,727,651
Total other assets	10,207,969	12,586,962
TOTAL ASSETS	\$ 296,547,725	\$ 282,626,860

The UWM Foundation, Inc. and Affiliates

Consolidated Statements of Financial Position (Continued)

June 30, 2023 and 2022

Liabilities and Net Assets	2023	2022
Current liabilities:		
Current maturities of note payable	\$ 2,059,478	\$ 1,981,836
Due to the University of Wisconsin-Milwaukee	4,324,583	2,805,340
Amounts payable under fiscal agent responsibilities	120,034	127,000
Accounts payable	204,292	149,007
Accrued interest payable	603,190	619,209
Deferred revenue	1,451,948	191,948
Accrued liabilities	776,589	869,109
Total current liabilities	9,540,114	6,743,449
Long-term liabilities:		
Note payable, less current maturities - Net	71,874,430	73,904,130
Deferred revenue	1,821,836	2,215,907
Total long-term liabilities	73,696,266	76,120,037
Total liabilities	83,236,380	82,863,486
Net assets (deficit) :		
Without donor restrictions	(7,024,991)	(7,695,581)
With donor restrictions	220,336,336	207,458,955
Total net assets	213,311,345	199,763,374
TOTAL LIABILITIES AND NET ASSETS	\$ 296,547,725	\$ 282,626,860

See accompanying notes to consolidated financial statements.

The UWM Foundation, Inc. and Affiliates

Consolidated Statements of Activities

Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions and grants	\$ 1,735,777	\$ 23,225,982	\$ 24,961,759
Contributions of nonfinancial assets	3,858,888	-	3,858,888
Rental income	5,504,554	-	5,504,554
Investment income	2,024,015	14,740,780	16,764,795
Other income	50,779	-	50,779
Net assets released from restrictions	25,089,381	(25,089,381)	-
Total support and revenue	38,263,394	12,877,381	51,140,775
Expenses:			
Program:			
Distributions to the University of Wisconsin-Milwaukee:			
Student financial aid	5,375,024	-	5,375,024
Teaching and departmental programs	7,564,134	-	7,564,134
Community service	31,828	-	31,828
Research	967,804	-	967,804
Special projects	8,574,296	-	8,574,296
Total distributions	22,513,086	-	22,513,086
Other program expenses	8,463,252	-	8,463,252
Total program expenses	30,976,338	-	30,976,338
Supporting services:			
General administration	1,705,523	-	1,705,523
Direct fundraising	1,052,055	-	1,052,055
Development services received from personnel of the University of Wisconsin-Milwaukee	3,858,888	-	3,858,888
Total distributions and expenses	37,592,804	-	37,592,804
Change in net assets	670,590	12,877,381	13,547,971
Net assets at beginning of year	(7,695,581)	207,458,955	199,763,374
Net assets (deficit) at end of year	\$ (7,024,991)	\$ 220,336,336	\$ 213,311,345

See accompanying notes to consolidated financial statements.

The UWM Foundation, Inc. and Affiliates

Consolidated Statements of Activities (Continued)

Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions and grants	\$ 1,025,059	\$ 29,543,403	\$ 30,568,462
Contributions of nonfinancial assets	4,217,989	-	4,217,989
Rental income	5,568,119	-	5,568,119
Loss on sale or disposal of property and equipment	(2,983,350)	-	(2,983,350)
Investment loss	(7,880,659)	(19,949,554)	(27,830,213)
Other income	197,564	-	197,564
Contributions from reincorporation of UWM Alumni Association	2,963,575	-	2,963,575
Net assets released from restrictions	22,793,287	(22,793,287)	-
Total support and revenue	25,901,584	(13,199,438)	12,702,146
Expenses:			
Program:			
Distributions to the University of Wisconsin-Milwaukee:			
Student financial aid	4,764,100	-	4,764,100
Teaching and departmental programs	5,706,350	-	5,706,350
Community service	15,945	-	15,945
Research	912,615	-	912,615
Special projects	8,471,923	-	8,471,923
Total distributions	19,870,933	-	19,870,933
Other program expenses	8,455,416	-	8,455,416
Total program expenses	28,326,349	-	28,326,349
Supporting services:			
General administration	2,300,497	-	2,300,497
Direct fundraising	1,208,288	-	1,208,288
Development services received from personnel of the University of Wisconsin-Milwaukee	3,369,384	-	3,369,384
Total distributions and expenses	35,204,518	-	35,204,518
Excess (deficiency) of support and revenue over distributions and expenses	(9,302,934)	(13,199,438)	(22,502,372)
Other Expense - Distributions of assets related to transfer of controlling interest in Innovation Campus Owner's Association	(2,395,085)	-	(2,395,085)
Change in net assets	(11,698,019)	(13,199,438)	(24,897,457)
Net assets at beginning of year	4,002,438	220,658,393	224,660,831
Net assets at end of year	\$ (7,695,581)	\$ 207,458,955	\$ 199,763,374

See accompanying notes to consolidated financial statements.

The UWM Foundation, Inc. and Affiliates

Statements of Funtional Expenses

Year Ended June 30, 2023

	Program				Supporting Services				
	The UWM Foundation, Inc.	The UWM Real Estate Foundation, Inc.	The UWM Research Foundation, Inc.	The UWM Alumni Association, Inc.	Total	General Administrative	Direct Fundraising	Development Services	Total
Grants/Assistance to organizations	\$ -	\$ 686,491	\$ 211,411	\$ -	\$ 897,902	\$ -	\$ -	\$ -	\$ 897,902
Salaries and wages	209,986	181,179	603,454	-	994,619	629,959	-	2,730,047	4,354,625
Payroll taxes and fringe benefits	148,568	72,471	100,517	-	321,556	489,304	-	1,122,041	1,932,901
Distributions	22,513,086	-	-	-	22,513,086	-	-	-	22,513,086
Legal, accounting, and other professional fees	6,910	-	46,972	127,553	181,435	40,216	-	-	221,651
Advertising and promotion	-	-	9,213	25,238	34,451	82,934	-	-	117,385
Office expenses	3,944	24,645	12,774	35,890	77,253	19,121	-	-	96,374
Information technology	-	-	36,038	-	36,038	19,116	-	-	55,154
Occupancy	34,700	352,928	14,920	13,973	416,521	107,276	-	6,800	530,597
Travel	-	-	6,139	171	6,310	2,992	-	-	9,302
Conferences, conventions, meetings	7,483	-	6,033	64,225	77,741	61,503	-	-	139,244
Interest	-	2,966,924	-	-	2,966,924	-	-	-	2,966,924
Depreciation and amortization	8,161	2,362,961	2,908	-	2,374,030	24,482	-	-	2,398,511
Insurance	6,704	15,130	12,284	-	34,118	20,111	-	-	54,229
All other expense	-	8,664	19,018	16,672	44,354	208,510	1,052,055	-	1,304,919
Totals	\$ 22,939,542	\$ 6,671,393	\$ 1,081,681	\$ 283,722	\$ 30,976,338	\$ 1,705,523	\$ 1,052,055	\$ 3,858,888	\$ 37,592,804

See accompanying notes to consolidated financial statements.

The UWM Foundation, Inc. and Affiliates

Statements of Funtional Expenses

Year Ended June 30, 2022

	Program				Supporting Services				
	The UWM Foundation, Inc.	The UWM Real Estate Foundation, Inc.	The UWM Research Foundation, Inc.	The UWM Alumni Association, Inc.	Total	General Administrative	Direct Fundraising	Development Services	Total
Grants/Assistance to organizations	\$ -	\$ -	\$ 393,378	\$ -	\$ 393,378	\$ -	\$ -	\$ -	\$ 393,378
Salaries and wages	196,890	186,345	638,379	240,139	1,261,753	946,919	19,981	2,445,369	4,674,022
Payroll taxes and fringe benefits	127,557	74,538	130,576	112,099	444,770	566,856	1,529	893,614	1,906,769
Distributions	19,870,933	-	-	-	19,870,933	-	-	-	19,870,933
Legal, accounting, and other professional fees	13,409	24,622	62,178	-	100,209	135,225	42,097	-	277,531
Advertising and promotion	-	-	12,671	21,916	34,587	61,338	-	-	95,925
Office expenses	5,571	20,432	15,195	4,606	45,804	19,762	-	-	65,566
Information technology	-	-	32,013	-	32,013	19,599	-	-	51,612
Occupancy	36,700	451,415	14,915	-	503,030	123,279	-	6,800	633,109
Travel	-	-	1,064	613	1,677	227	-	-	1,904
Conferences, conventions, meetings	315	-	4,290	60,187	64,792	39,791	-	-	104,583
Interest	-	3,042,241	-	-	3,042,241	-	-	-	3,042,241
Depreciation and amortization	8,503	2,417,676	2,510	-	2,428,689	33,215	-	-	2,461,904
Insurance	5,112	15,346	12,284	-	32,742	15,334	-	-	48,076
All other expense	-	16,885	17,252	35,594	69,731	338,952	1,144,681	23,601	1,576,965
Totals	\$ 20,264,990	\$ 6,249,500	\$ 1,336,705	\$ 475,154	\$ 28,326,349	\$ 2,300,497	\$ 1,208,288	\$ 3,369,384	\$ 35,204,518

See accompanying notes to consolidated financial statements.

The UWM Foundation, Inc. and Affiliates

Consolidated Statements of Cash Flows

Years Ended June 30, 2023 and 2022

	2023	2022
Increase (decrease) in cash and cash equivalents and restricted cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$ 13,547,971	\$ (24,897,457)
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,398,511	2,461,904
Net realized and unrealized (gain) loss on investments	(11,442,806)	31,309,422
Donation of investments received	-	(1,122,797)
Change in value of split interest agreement	(22,439)	(16,783)
Amortization of debt issuance costs	29,780	29,780
Contributions restricted for long-term investment	(1,035,619)	(670,974)
Loss on sale or disposal of property and equipment	-	2,983,350
Contributions from reincorporation of UWM Alumni Association	-	(2,753,735)
Distributions of assets related to transfer of controlling interest in Innovation Campus Owner's Association	-	2,366,586
Changes in operating assets and liabilities, exclusive of net assets acquired from UWM Alumni Association:		
Accrued investment income	(121,795)	(115,671)
Accounts receivable	(133,343)	(295,260)
Promises to give	2,042,309	5,396,328
Unamortized discount on promises to give	17,000	(160,000)
Allowance on promises to give	702,605	409,894
Prepaid expenses and other	(99,584)	70,541
Due to/from the University of Wisconsin-Milwaukee	1,519,243	(1,239,148)
Deferred revenue	865,929	362,419
Refundable Advance - SBA Paycheck Protection Program	-	(68,018)
Accounts payable and accrued expenses	(60,220)	290,823
Net cash provided by operating activities	8,207,542	14,341,204
Cash flows from investing activities:		
Purchases of property and equipment	(348,944)	(23,685)
Proceeds from sale of property and equipment	-	5,082,500
Increase in cash surrender value of life insurance	(2,206)	(28,776)
Purchases of investments	(30,633,030)	(43,224,945)
Proceeds from sales of investments	25,882,860	23,697,023
Net cash used in investing activities	(5,101,320)	(14,497,883)

The UWM Foundation, Inc. and Affiliates

Consolidated Statements of Cash Flows (Continued)

Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from financing activities:		
Proceeds from contributions for endowment to be held in perpetuity	\$ (1,034,419)	\$ (675,974)
Repayment on bonds and notes payable	(1,981,838)	(1,907,122)
Net cash used in financing activities	(3,016,257)	(2,583,096)
Net (decrease) increase in cash and cash equivalents and restricted cash and cash equivalents	89,965	(2,739,775)
Cash and cash equivalents and restricted cash and cash equivalents at beginning of year	5,531,663	8,271,438
Cash and cash equivalents and restricted cash and cash equivalents at end of year	\$ 5,621,628	\$ 5,531,663
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 2,953,173	\$ 3,099,776
Cash and cash equivalents	\$ 1,768,089	\$ 1,810,921
Restricted cash and cash equivalents	3,853,539	3,720,742
Total cash and cash equivalents and restricted cash and cash equivalents	\$ 5,621,628	\$ 5,531,663
Supplemental Disclosure of Cash Flow Information:		
Noncash contribution revenue - See Note 20	\$ -	\$ 2,983,350
Noncash distribution expense - See Note 5	\$ -	\$ 2,366,586

See accompanying notes to consolidated financial statements.

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Activities

The UWM Foundation, Inc. (the "UWM Foundation") is a nonstock, nonprofit organization incorporated under the laws of the State of Wisconsin to aid the University of Wisconsin-Milwaukee (the "University") by soliciting, for the benefit of the University, gifts of real property, personal property, or both, from individuals, associations, corporations or other entities and to hold, administer, use, or distribute the same in the advancement of the scientific, literary, and educational purposes of the University.

The UWM Real Estate Foundation, Inc. (the "Real Estate Foundation") is a nonstock, nonprofit organization incorporated under the laws of the State of Wisconsin whose sole member is the UWM Foundation. The Real Estate Foundation is operated, supervised, and controlled by the UWM Foundation to accept, acquire, lease, hold, develop, operate, manage, sell, transfer, and otherwise deal in real estate for use and enjoyment by, in furtherance of the purposes of, and for the exclusive benefit of, The UWM Foundation and the University.

The UWM Research Foundation, Inc. (the "Research Foundation") is a nonstock, nonprofit organization incorporated under the laws of the State of Wisconsin whose sole member is the UWM Foundation. The primary purpose of the Research Foundation is to support research and innovation at the University by providing funding for scholarships and grants and by engaging in corporate partnering activities.

UWM Innovation Park, LLC ("Innovation Park") is a for-profit limited liability company created under the laws of the State of Wisconsin whose sole member is the Real Estate Foundation. Innovation Park was formed to acquire, develop, and manage specific property in Milwaukee County. The accounts of Innovation Park have been consolidated into the accounts of the Real Estate Foundation. All intercompany accounts and transactions have been eliminated in the consolidation.

Cambridge Commons, LLC is a nonprofit limited liability company created under the laws of the State of Wisconsin whose sole member is the Real Estate Foundation. Cambridge Commons, LLC was formed to acquire, develop, and manage specific property in Milwaukee County. The accounts of Cambridge Commons, LLC have been consolidated into the accounts of the Real Estate Foundation. All intercompany accounts and transactions have been eliminated in the consolidation.

Innovation Campus Owners Association, Inc. ("ICOA") is a for-profit C-Corporation incorporated under the laws of the State of Wisconsin to serve as an association of owners for UWM Innovation Campus, a development located in the City of Wauwatosa, Wisconsin. Prior to April 2022, the Real Estate Foundation was the controlling member of ICOA and therefore the accounts of ICOA have been consolidated into the accounts of the Real Estate Foundation for the year then ended. In April 2022, the Real Estate Foundation sold the land previously owned and are no longer the controlling member of the entity. Activity prior to the sale is consolidated into the accounts of the Real Estate Foundation for the year ended June 30, 2022.

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Nature of Activities (Continued)

Effective July 1, 2021, UWM Foundation reincorporated the the assets, liabilities, and operations of the University of Wisconsin-Milwaukee Alumni Association, Inc. (the "Alumni Association") and is the sole member of the new organization. The Alumni Association is a nonstock, nonprofit organization incorporated under the laws of the State of Wisconsin whose sole member is the UWM Foundation. The purpose of the Alumni Association is to sponsor activities for alumni and keep alumni informed of the University's activities.

Principles of Consolidation

The consolidated financial statements include the accounts of the UWM Foundation, the Real Estate Foundation, the Research Foundation, Innovation Park, Cambridge Commons, LLC, Innovation Campus Owners Association, Inc., and the Alumni Association (collectively referred to as the "Foundation"). All intercompany accounts and transactions have been eliminated in the consolidation.

Accounting Pronouncement Adopted

ASU No. 2016-02, Leases (Topic 842)

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). ASU 2016-02 is intended to improve financial reporting of leasing transactions by requiring entities that lease assets to recognize assets and liabilities for the rights and obligations created by leases on the statement of financial position. This accounting update also requires additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases. The Foundation adopted this guidance for the year ended June 30, 2023. The Foundation has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Foundation accounted for its existing operating leases as operating leases, without reassessing (a) whether the contracts contain a lease under ASC Topic 842, (b) whether the classification of the leases would be different in accordance with ASC Topic 842, or (c) whether any unamortized initial direct costs before transition adjustments (as of July 1, 2022) would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. Similarly, the Foundation did not reassess service contracts evaluated for lease treatment under ASC 840 for embedded leases under ASC 842.

As a result of the adoption of the new lease accounting guidance, the Foundation did not recognize a ROU asset or lease liability as of July 1, 2022.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Classification of Net Assets

Net assets, revenues, gains, and losses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated from net assets without donor restrictions, funds to be held for certain purposes.

Net Assets With Donor Restrictions - Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the results of reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Cash and Cash Equivalents

The Foundation considers all short-term investments purchased with an original maturity of three months or less to be cash or cash equivalents, excluding amounts whose use is restricted or held as short-term investments in the Foundation's investment portfolio.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consist of amounts held in separate accounts under the terms of the note agreement and were set aside to fund necessary maintenance and repairs for the Real Estate Foundation. Amounts that are required for obligations classified as current liabilities are reported as current assets. The restricted cash and cash equivalents balance at June 30, 2023 and 2022 was \$3,853,539 and \$3,720,742, respectively.

Accounts Receivable

Accounts receivable are generally uncollateralized amounts due for dormitory room rentals to students. Payments of accounts receivable are allocated to the specific invoices identified on the student's remittance advice or, if unspecified, are applied to the earliest unpaid invoices. Management individually reviews all past due accounts receivable balances and estimates the portion, if any, of the balance that will not be collected. The carrying amount of accounts receivable is reduced by allowances that reflect management's estimate of uncollectible amounts. Those allowances were \$12,896 and \$12,896 as of June 30, 2023 and 2022, respectively.

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Promises to Give

Promises to give are recorded as receivables in the year pledged. Promises to give whose eventual uses are restricted by donors are recorded as increases in net assets with donor restrictions. Promises to give without donor restrictions to be collected in future periods are also recorded as an increase to net assets with donor restrictions, and reclassified to net assets without donor restrictions when received. Management individually reviews all past due promises to give and estimates the portion, if any, of the balance that will not be collected. The carrying amount of the promises to give are reduced by allowances which reflect management's estimate of uncollectible amounts.

Property and Equipment

Property and equipment are recorded at cost and capitalized. The cost of these items, are charged to expense as depreciation computed on the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from 5 to 15 years for furniture and equipment and 10 to 40 years for buildings and improvements. The Foundation capitalizes interest during the construction period of major capital additions.

Property acquired with grant funds is owned by the Foundation while used in the programs for which it was purchased or in other future authorized programs. However, the funding source has a reversionary interest in assets purchased with grant funds. The disposition, as well as the ownership of any proceeds there from, is subject to funding source regulations.

Gifts of long-lived assets such as land, buildings, or equipment are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

The Foundation reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset and its fair value are less than the carrying amount of that asset. The Foundation has not recognized any impairment of long lived assets during 2023 and 2022.

Cash Surrender Value of Life Insurance

Life insurance policies for which the Foundation is the beneficiary are reported at the cash surrender value of the policy. Changes in the cash surrender value are reported as investment income (loss) under the support and revenue category in net assets with donor restrictions.

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Split Interest Agreements with Donors

The Foundation's split interest agreements with donors consist of irrevocable charitable remainder trusts for which the Foundation is the remainder beneficiary. Contribution revenue and a related contribution receivable is recognized at the date the trusts are established at an amount equal to the present value of the Foundation's remainder interest in the trust. The contribution receivable is adjusted during the term of the trust for changes in the estimated future benefits, and such changes are included as donor restricted revenue and support, as applicable. The split interest agreements are discounted at a rate of 6%.

Investments

Investments are measured at fair value in the consolidated statements of financial position. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in without donor restricted revenue and support unless the income or loss is restricted by donor or law. Investment income is shown net of investment fees.

The Foundation's investments are held in bank-administered trust funds. Management has granted the investment managers discretionary authority over investment decisions based on the Foundation's investment policy.

Allocation of Investment Income

Investments of the various funds are commingled for investment purposes and are available as needed to support the approved program expenditures of the respective fund categories. Investment income is allocated to certain restricted funds based on the adjusted balance determined on a market value basis of each component fund. Investment management and custody fees are charged against investment income allocated to both net assets with and without donor restriction.

The Foundation allocated a spending rate of 4.00% for 2023 and 2022, respectively, to certain endowment funds based upon a three-year average investment balance determined on a fair value basis. An endowment fund is created when a donor requires that their gift be invested in perpetuity. The gift is held in net assets with donor restrictions. If the traditional yield (interest and dividends) is not adequate to support the spending rate, the balance is allocated from realized and unrealized gains on the investments and excess earnings from prior years. The spending rate is subject to investment performance and periodic review by the Foundation's board of directors.

Investment income, including realized and unrealized net gains and losses, on investments of endowment and similar funds are reported as one of the following:

- As increases in net assets with donor restrictions held in perpetuity if the terms of the gift or the Foundation's interpretation of relevant state law requires that they be added to the principal of a permanent endowment.
- As increases in net assets with donor restrictions subject to appropriation or spending policy.

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

The Foundation measures the fair value of its financial instruments using a three-tier hierarchy, which prioritizes the inputs used in estimating fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Revenue Recognition

Revenues for rent, under research agreements with third parties are recognized in the period earned. The Real Estate Foundation has received rental payments in advance from the University which are recognized on the straight-line basis over the term of the lease. Funds received but not earned as of June 30, 2023 and 2022, totaling \$608,784 and \$727,855, respectively, have been classified as deferred revenue on the consolidated statements of financial position. Revenues will be recognized in future periods as it is earned.

Advertising revenue related to the naming rights of facilities is recognized over the period of time noted in the advertising contract as performance obligations are met. The Foundation considers the performance obligation to be allowing the customer to display their name on facilities as noted in the contract. Rates for the advertising is determined through negotiation between the Foundation and the customer. Funds received related to advertising revenue but not earned as of June 30, 2023 and 2022, totaling \$2,665,000 and \$1,680,000 respectively, have been classified as deferred revenue on the consolidated statements of financial position.

Contributions

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Contributions (Continued)

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Gifts of long-lived assets such as land, buildings, or equipment are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Donated services are recognized as contributions, at the donor's estimated fair value, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

The University employs certain personnel who are involved in development activities from which both the University and the Foundation benefit. The Foundation recognized \$3,858,888 and \$4,217,989 of development, program, and general and administrative activities and supplies received from the University for the years ended June 30, 2023 and 2022, respectively, and has reported these donated goods and services as contributions of nonfinancial assets in the accompanying statements of activities.

ASC 842 Lessor Accounting

At inception or on modification of a contract that contains a lease component, the Foundation allocates the consideration in the contract to each lease component on the basis of their relative standalone prices. When the Foundation acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Foundation makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Foundation considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Foundation allocates the consideration in the contract.

The Foundation leases out its investment property consisting of its owned commercial properties. All leases are classified as operating leases from a lessor perspective. The Foundation recognizes income for its noncancelable operating leases under rental income on the statement of activities.

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Amounts Payable Under Fiscal Agent Responsibilities

In 2008, the Board of Regents of the University of Wisconsin System (the “UW System”), on behalf of the University, accepted a restricted pledge from the Daniel M. Soref Charitable Trust of \$1,731,740 to establish the Daniel M. Soref Learning Commons. The UWM Foundation is serving as the receiving and disbursing fiscal agent for the UW System. Outstanding amounts due under this arrangement totaled \$120,034 at June 30, 2023 and 2022.

The Research Foundation is the fiscal agent for the Medical College of Wisconsin Healthier Wisconsin Partnership grant for the Institute for Urban Agriculture and Nutrition (“IUAN-HWPP”). The Research Foundation is the custodian of the funds and distributes these funds in accordance with the directions of IUAN-HWPP. Thus, The Research Foundation reports a liability for any undistributed funds for which it is the custodian. Outstanding amounts under this arrangement total \$0 and \$2,200 at June 30, 2023 and 2022, respectively.

The Research Foundation is the fiscal agent for the Johnson Controls UWM Research Foundation Research Assistantship grant to a doctoral student attending the University. The Research Foundation is the custodian of the funds and distributes these funds in accordance with the directions of the University’s College of Engineering and Applied Sciences. Thus, The Research Foundation reports a liability for any undistributed funds for which it is the custodian. Outstanding amounts under this arrangement total \$0 and \$4,766 at June 30, 2023 and 2022, respectively.

Administrative Fee

The Foundation assesses an administrative fee to certain funds, at a rate of 1.79% for 2023 and 2022, respectively, based on the fair value of the applicable fund. Such a fee is deducted from the individual restricted endowment fund earnings and is intended to provide for the Foundation’s operating costs and for a portion of certain development and fundraising programs. The fee is included in net assets released from restrictions. The administrative fee is reviewed annually by the Foundation’s board of directors.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs have been charged directly to functions when appropriate. Costs related to employees working in multiple functional categories have been allocated based on estimated time and effort. Occupancy costs have been allocated based on square footage.

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Tax Status

The UWM Foundation, the Research Foundation, Real Estate Foundation, and the Alumni Association, are tax-exempt corporations as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. They are also exempt from state income taxes on related income. However, income from certain activities not directly related to the corporations' tax-exempt purpose is subject to taxation on unrelated business income. In addition, the Alumni Association has been classified as an association other than a private foundation under Section 509(a)(2) of the Code.

Innovation Park, LLC and Cambridge Commons, LLC, are limited liability companies and are classified as disregarded entities under the Code.

Innovation Campus Owners Association, Inc. is taxed as a C-Corporation for federal and state income tax purposes. Management does not believe that Innovation Campus Owners Association, Inc. has any significant uncertain tax positions or unrecognized tax benefits, accordingly, they recorded no assets or liabilities related to uncertain tax positions.

The entities are required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. The Foundation has determined there are no amounts recorded as assets or liabilities related to uncertain tax positions.

Subsequent Events

Subsequent events have been evaluated through December 7, 2023, which is the date the consolidated financial statements were available to be issued.

Reclassifications

Certain amounts as previously reported in the 2022 financial statements have been reclassified to conform to the 2023 presentation. Board Designated endowments have been included in the footnote 12 Endowment disclosure. Such reclassifications have no effect on reported amounts of net assets or change in net assets.

Note 2: Promises to Give

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discount on those amounts is computed using a rate based upon the average of the U.S. Treasury bond rate and the Foundation's borrowing rate. The discount rates used were 4.4% and 3.0% for the years ended June 30, 2023 and 2022, respectively.

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 2: Promises to Give (Continued)

The promises to give are expected to be collected according to the following schedule:

<i>As of June 30,</i>	2023	2022
Less than one year	\$ 6,309,190	\$ 4,464,631
One to five years	6,475,193	8,106,689
Thereafter	619,546	804,880
Gross promises to give	13,403,929	13,376,200
Less:		
Unamortized discount	1,376,523	673,918
Allowance for uncollectible amounts	527,000	510,000
Promises to give - Net	11,500,406	12,192,282
Less - Current portion - Net	6,309,190	4,464,631
Promises to give, less current portion - Net	\$ 5,191,216	\$ 7,727,651

Of the promises to give balance, approximately 33% is due from two donors and 18% is due from one donor at June 30, 2023 and 2022, respectively.

Note 3: Investments

Investments consisted of the following:

<i>As of June 30,</i>	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Money market funds	\$ 17,330,071	\$ 17,330,071	\$ 5,124,927	\$ 5,125,100
U.S. government obligations	21,490,446	20,125,268	23,463,648	23,463,648
Non-U.S. government bonds and fixed income mutual funds	45,714,990	42,674,818	55,524,243	47,726,375
Asset- and mortgaged-backed securities	35,134,843	31,505,805	25,426,143	25,426,143
Equities and equity mutual funds	62,831,881	113,879,450	69,618,895	107,581,170
Total investments	\$ 182,502,231	\$ 225,515,412	\$ 179,157,856	\$ 209,322,436

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 3: Investments (Continued)

Investment income (loss) was as follows:

<i>Years Ended June 30,</i>	2023	2022
Interest and dividends	\$ 5,581,715	\$ 3,732,996
Net realized gains on investments	(1,358,357)	3,301,905
Net unrealized gains (losses) on investments	12,801,163	(34,611,327)
Investment trustee and management fees	(259,726)	(253,787)
Total investment income (loss)	\$ 16,764,795	\$ (27,830,213)

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

Note 4: Property and Equipment

Property and equipment consisted of the following:

<i>As of June 30,</i>	2023	2022
Land and improvements	\$ 8,163,983	\$ 8,163,983
Buildings and improvements	77,475,947	77,475,947
Furniture and equipment	5,069,549	4,720,604
Total property and equipment	90,709,479	90,360,534
Less - Accumulated depreciation	(39,258,656)	(36,860,144)
Property and equipment - Net	\$ 51,450,823	\$ 53,500,390

Included in furniture and equipment as of June 30, 2023 and 2022, is \$486,741, respectively, of capitalized artwork. The artwork does not meet the criteria for classification as a collection as it is not held for public exhibition, education, or research in furtherance of public service. The artwork is not depreciated; instead it is reviewed periodically for impairment, with the carrying value of the artwork adjusted for any impairment losses. There were no impairments recorded for the years ended June 30, 2023 and 2022.

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 5: Sale of Innovation Campus Land

As noted in Note 1, for the fiscal year ended June 30, 2022, the Real Estate Foundation sold a portion of the Innovation Campus land it owned in April 2022. The land and its related capitalized development costs totaled \$7,905,512. The land was sold for \$5,031,124 and the related sale costs were \$51,376. Therefore a loss on the sale of land in the amount of \$2,823,012 was recognized by the Real Estate Foundation on the statement of activities.

As stated in Note 1, prior to the sale, the Real Estate Foundation was a controlling member of ICOA. Subsequent to the sale, the Real Estate Foundation is no longer the controlling member of ICOA and ICOA activity will therefore not be consolidated into the accounts of the Real Estate Foundation going forward from the date of sale in April of 2022. At the time of the sale, the Real Estate Foundation transferred over all assets and liabilities of ICOA to the majority owner for a total contribution expense of \$28,499 which is recognized on the consolidated statement of activities. The Real Estate Foundation also transferred the butterfly habitat located on the campus. It was reported at a net book value of \$2,366,586 on the consolidated statement of financial position at the time of the transfer. Total distributions of assets related to transfer of controlling interest of ICOA was \$2,395,085 which is included in distributions of assets related to the transfer in controlling interest of Innovation Campus Owners' Association in the consolidated statement of activities for the year ended June 30, 2022.

Note 6: Note Payable

The Foundation has the following note payable:

<i>As of June 30,</i>	2023	2022
Promissory note to Wells Fargo Bank Northwest	\$ 74,621,323	\$ 76,603,161
Less:		
Current portion	2,059,478	1,981,836
Unamortized debt issuance costs	687,415	717,195
Long-term portion	\$ 71,874,430	\$ 73,904,130

The Real Estate Foundation has a promissory note with Wells Fargo Bank Northwest. The promissory note is payable in 60 semi-annual installments of \$2,467,500 which includes interest at 3.88% and matures April 18, 2046. The promissory note is secured by mortgages on properties, a security agreement, assignment of leases and rents from properties owned by Cambridge Commons, LLC, and a lien on debt service reserve funds. Under the terms of the security agreement, Cambridge Commons, LLC will lease two student dormitory facilities to the State of Wisconsin. Semi-annual rents of \$2,470,000 are due from the State of Wisconsin Department of Administration through June of 2046 and are to be used to meet the semi-annual principal and interest payment requirements of the promissory note.

Debt issuance costs related to the issuance of long-term debt are amortized using the straight-line method over the life of the related debt. Cost of debt issuance is \$898,110 with accumulated amortization of \$210,695 and \$180,915 as of June 30, 2023 and 2022, respectively.

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 6: Note Payable (Continued)

Scheduled payments of principal on note payable at June 30, 2023, are as follows:

<i>Years Ending June 30,</i>		
2024	\$	2,059,478
2025		2,140,160
2026		2,224,004
2027		2,311,133
2028		2,401,674
Thereafter		63,484,874
Total maturities		
	\$	74,621,323

Interest expense including amortization of debt issuance costs for the years ending June 30, 2023 and 2022 was \$2,966,924 and \$3,042,241, respectively.

Note 7: Defined Contribution Retirement Plan

The Foundation has a defined contribution retirement plan covering all full-time and permanent part-time employees. The Foundation contributes an amount equal to a certain percentage of each employee's gross pay to the plan. The Foundation's contributions to the retirement plan totaled \$141,135 and \$138,299 for the years ended June 30, 2023 and 2022, respectively.

Note 8: Concentrations

The Foundation maintains depository relationships with area financial institutions that are Federal Deposit Insurance Corporation (FDIC) insured institutions. At times, deposits may exceed FDIC insurance limits. Management has not experienced any losses with these accounts and management believes the Foundation is not exposed to any significant risk on cash.

Note 9: Contributed Nonfinancial Assets

Contributed nonfinancial assets consisted of the following:

<i>Years Ended June 30,</i>		2023		2022
Utilized by administration:				
Professional services	\$	2,730,048	\$	3,041,756
Payroll taxes and fringe benefits on professional services		1,122,040		1,145,832
Supplies and other		6,800		30,401
Total contributed nonfinancial assets				
	\$	3,858,888	\$	4,217,989

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 9: Contributed Nonfinancial Assets (Continued)

Contributed services recognized comprise of the University providing professional services to the Foundation. Professional services are estimated based on current rates of personnel contributing services. Supplies are valued on the basis of wholesale value that would be received for selling similar products in the United States. No in-kind contributions were restricted by donors.

Note 10: Board Designated Net Assets

Board-designated funds have been set aside by the Board of Directors for specific purposes, but remain available to the Foundation at the discretion of the Board of Directors, and accordingly, are classified as net assets without restrictions. Board-designated funds are as follows at June 30:

<i>Years Ended June 30,</i>	2023	2022
UWM Foundation:		
Development	\$ 1,138,913	\$ 780,025
Technology Education	655,651	751,939
Customer Relationship Management	527,979	873,374
UWM Resale Estate Foundation:		
Endowment	8,363,620	7,789,790
Alumni Association:		
Endowment	2,542,938	2,357,864
Alumni Chapter Support	-	1,108
Master Urban Planning Alumni Chapter	-	8,183
Panther Varsity Club	-	390
SBLSB Alumni Chapter (Lubar)	-	87
Totals	\$ 13,229,101	\$ 12,562,760

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 11: Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following as of June 30,

	2023	2022
Subject to expenditure for specific purpose, appropriation or spending policy:		
Teaching and departmental programs	\$ 71,596,848	\$ 68,084,777
Research	18,673,373	18,197,560
Scholarship/fellowship	52,897,119	46,821,877
Community service	718,792	730,948
Special projects	53,297,295	51,506,503
Endowments:		
Perpetual in nature subject to spending policy of appropriation:		
Teaching and departmental programs	9,106,281	8,750,862
Research	158,379	158,379
Scholarship/fellowship	12,338,454	11,648,304
Community service	151,349	133,849
Special projects	1,398,446	1,425,896
Total net assets with donor restrictions	\$ 220,336,336	\$ 207,458,955

Net assets released from donor restrictions were as follows as of June 30,

	2023	2022
Teaching and departmental programs	\$ 5,375,024	\$ 4,764,100
Research	243,239	391,005
Scholarship/fellowship	7,564,134	5,706,350
Community service	967,804	912,615
Special projects	8,574,296	8,471,923
Foundation fees	2,364,884	2,547,294
Total net assets released from donor restrictions	\$ 25,089,381	\$ 22,793,287

Note 12: Endowments

The Foundation's endowments consist of various funds established to benefit the Foundation for a variety of purposes. Donor-restricted net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 12: Endowments (Continued)

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the Wisconsin state legislature, as requiring the Foundation to preserve the fair value of the donor's original gift, as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of the donor's gifts to the permanent endowment, (b) the original value of a donor's subsequent gifts to the permanent restricted endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The donor restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the various funds, (b) the purposes of the donor-restricted endowment funds, (c) general economic conditions, (d) the possible effect of inflation and deflation, (e) the expected total return from income and the appreciation of investments, (f) other resources of the Foundation, and (g) the Foundation's investment policies.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to preserve the purchasing power of the endowment assets. Under the Foundation's investment policy, as approved by the Board of Directors, the endowment assets are invested in a manner to protect principal, grow the aggregate portfolio value in excess of the rate of inflation and achieve an effective annual rate of return that is equal to or greater than the designated benchmarks for the various types of investment vehicles, and to ensure that any risk assumed is commensurate with the given investment vehicle and the Foundation's objectives.

To achieve its investment goals, the Foundation targets an asset allocation that will achieve a balanced return of current income and long-term growth of principal while exercising risk control. The Foundation's asset allocations include a blend of equity and debt securities and cash equivalents.

Board-Designated Endowments

The Board of Directors has set aside certain net assets without donor restrictions for endowment purposes. As these amounts are not restricted by the donor, but are restricted only by Board policy, the amounts have been classified as net assets without donor restrictions. The Board may designate additional amounts from time to time to be added to the endowment.

Donor-Restricted Endowments

The Foundation has received several gifts in which the donors have stipulated that the gift be invested and maintained permanently to generate annual income for fulfilling the Foundation's mission. The donor-restricted endowment investments are maintained in bank-administered trust funds and the Foundation has granted the investment managers discretionary authority over investment decisions based on the Foundation's investment policy. For endowment funds with no spending instructions, the Foundation determines the income available for distribution using the total return method. Distributions are made annually, which are approximately 4.00% of the average market value of the related endowment investments over a three year period.

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 12: Endowments (Continued)

Flexible Endowments

The Foundation has received gifts in which the donors have stipulated that the gift be invested, however, the Foundation is permitted to spend the corpus of the gift. Investment earnings on the flexible endowments will be allocated directly to the corpus since the annual distributions, determined by the Board of Directors, will be distributed regardless of the amount of investment earnings. In effect this could reduce the corpus value below the original contribution, however, the expectation is that accumulated investment earnings in the long-term will exceed distributions so the original contribution would not be depleted.

Endowment net assets consisted of the following:

<i>As of June 30, 2023</i>	Without Donor Restrictions	With Donor Restrictions			Total
		Accumulated Earnings	Perpetual in Nature	Flexible	
Donor-designated endowment funds	\$ -	\$ 10,286,066	\$ 23,152,909	\$ 106,443,068	\$ 139,882,043
Board-designated endowment funds	10,906,558	-	-	-	10,906,558
Total endowment net assets	\$ 10,906,558	\$ 10,286,066	\$ 23,152,909	\$ 106,443,068	\$ 150,788,601

<i>As of June 30, 2022</i>	Without Donor Restrictions	With Donor Restrictions			Total
		Accumulated Earnings	Perpetual in Nature	Flexible	
Donor-designated endowment funds	\$ -	\$ 9,071,676	\$ 22,117,290	\$ 96,984,517	\$ 128,173,483
Board-designated endowment funds	10,147,654	-	-	-	10,147,654
Totals	\$ 10,147,654	\$ 9,071,676	\$ 22,117,290	\$ 96,984,517	\$ 138,321,137

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 12: Endowments (Continued)

Changes in the endowment net assets were as follows:

	Without Donor Restrictions	With Donor Restrictions			Total
		Accumulated Earnings	Perpetual in Nature	Flexible	
Endowments at July 1, 2021	\$ 13,250,558	\$ 17,997,607	\$ 21,446,316	\$ 105,441,671	\$ 158,136,152
Contributions	2,611,642	91,587	670,974	6,550,147	9,924,350
Interest and dividend income	263,289	411,842	-	1,592,767	2,267,898
Net depreciation	(2,191,030)	(8,254,556)	-	(13,254,662)	(23,700,248)
Changes in donor restrictions	-	(167,737)	-	98,477	(69,260)
Appropriation for expenditures	(3,786,805)	(1,007,067)	-	(3,443,883)	(8,237,755)
Endowments at June 30, 2022	10,147,654	9,071,676	22,117,290	96,984,517	138,321,137
Contributions	-	111,352	1,035,619	5,043,208	6,190,179
Interest and dividend income	403,457	744,967	-	2,556,254	3,704,678
Net appreciation	916,357	1,692,046	-	5,806,028	8,414,431
Changes in donor restrictions	-	(73,362)	-	438,494	365,132
Appropriation for expenditures	(560,910)	(1,260,613)	-	(4,385,433)	(6,206,956)
Endowments at June 30, 2023	\$ 10,906,558	\$ 10,286,066	\$ 23,152,909	\$ 106,443,068	\$ 150,788,601

Net assets with donor restrictions to be held in endowments, excluding flexible endowments, are comprised of the following:

<i>As of June 30,</i>	2023	2022
Investments	\$ 33,308,566	\$ 31,082,196
Promises to give	21,500	20,300
Split interest agreements	108,909	86,470
Net assets with donor restrictions to be held in endowments	\$ 33,438,975	\$ 31,188,966

Note 13: Contingent Fee Arrangement

The Research Foundation and a law firm entered into an alternative fee arrangement. The Research Foundation will receive a 10% discount on legal services provided by the law firm. The law firm will receive a percentage of revenue derived from licensing and technology ventures started prior to January 1, 2015.

At June 30, 2023 and 2022, a liability for future payments was not recognized as payments to the law firm are contingent on receiving future cash flows from successful ventures.

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 14: Fair Value Measurements

Following is a description of the valuation methodology used for each asset and liability measured at fair value on a recurring basis:

- Money market funds are measured using \$1 as the net asset value ("NAV")
- State, municipal, domestic and foreign bonds are valued using quotes from pricing vendors based on recent trading activity and other observable market data.
- Fixed income and equity mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held are deemed to be actively traded.
- Asset- and mortgage-backed securities and U.S. Treasury bonds and notes are valued using quotes from pricing vendor based on recent trading activity and other observable market data.
- Common and preferred stock and exchange traded funds are valued at the closing price reported on the active market on which the individual securities are traded.
- Limited partnership interests are valued based on estimates and valuations provided by investment managers, which use pricing models and other unobservable inputs to value the investments.
- Privately held stock is valued using a discounted cash flow method.
- Promises to give are valued at the present value of estimated future cash flows.
- Split interest agreements are valued based on the market value of the underlying assets, consisting mainly of equity securities and fixed income securities which are valued based on quoted market prices.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 14: Fair Value Measurements (Continued)

Information regarding assets measured at fair value on a recurring basis is as follows:

<i>As of June 30, 2023</i>	<u>Fair Value Measurements Using</u>			<u>Total Assets</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>at Fair Value</u>
Investments:				
Money market funds	\$ -	\$ 17,330,071	\$ -	\$ 17,330,071
Fixed income mutual funds				
Short-term bond funds	64,744	-	-	64,744
Intermediate-term bond funds	7,970,941	-	-	7,970,941
Fixed income securities				
Asset- and mortgage-backed securities	-	31,505,805	-	31,505,805
U.S. Treasury bonds and notes	-	20,125,268	-	20,125,268
Domestic corporate bonds	-	27,491,376	-	27,491,376
Foreign bonds	-	7,147,758	-	7,147,758
Equity mutual funds:				
Foreign large blend funds	26,155,451	-	-	26,155,451
Small-cap blend funds	24,054,520	-	-	24,054,520
Mid-cap blend funds	25,030,504	-	-	25,030,504
Large blend funds	35,807,007	-	-	35,807,007
Diversified emerging markets	10,390	-	-	10,390
Exchange-traded funds	775,002	-	-	775,002
Common and preferred stocks	1,896,351	-	-	1,896,351
Privately held stock	-	-	43,401	43,401
Limited partnership interests	-	-	106,823	106,823
Total investments	121,764,910	103,600,278	150,224	225,515,412
Promises to give	-	11,500,406	-	11,500,406
Split interest contributions receivable from charitable remainder trusts	-	-	108,909	108,909
Total assets at fair value	\$ 121,764,910	\$ 115,100,684	\$ 259,133	\$ 237,124,727

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 14: Fair Value Measurements (Continued)

<i>As of June 30, 2022</i>	Fair Value Measurements Using			Total Assets at Fair Value
	Level 1	Level 2	Level 3	
Investments:				
Money market funds	\$ -	\$ 5,125,100	\$ -	\$ 5,125,100
Fixed income mutual funds				
Short-term bond funds	57,993	-	-	57,993
Intermediate-term bond funds	7,355,030	-	-	7,355,030
Fixed income securities				
Asset- and mortgage-backed securities	-	25,426,143	-	25,426,143
U.S. Treasury bonds and notes	-	23,463,648	-	23,463,648
Domestic corporate bonds	-	32,076,114	-	32,076,114
Foreign bonds	-	8,237,238	-	8,237,238
Equity mutual funds:				
Foreign large blend funds	25,034,849	-	-	25,034,849
Small-cap blend funds	20,495,334	-	-	20,495,334
Mid-cap blend funds	20,760,296	-	-	20,760,296
Large blend funds	37,938,234	-	-	37,938,234
Diversified emerging markets	10,285	-	-	10,285
Exchange-traded funds	1,374,820	-	-	1,374,820
Common and preferred stocks	1,826,845	-	-	1,826,845
Privately held stock	-	-	43,401	43,401
Limited partnership interests	-	-	97,106	97,106
Total investments	114,853,686	94,328,243	140,507	209,322,436
Promises to give	-	12,192,282	-	12,192,282
Split interest contributions receivable from charitable remainder trusts	-	-	86,470	86,470
Total assets at fair value	\$ 114,853,686	\$ 106,520,525	\$ 226,977	\$ 221,601,188

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 14: Fair Value Measurements (Continued)

Changes in fair value of the Foundation's Level 3 assets are as follows:

	Privately Held Stock	Limited Partnership Interests	Split interests
Balance, July 1, 2021	\$ 97,049	\$ 140,505	\$ 69,687
Unrealized gain	15,069	-	16,783
Sale of stock	(68,717)	(43,399)	-
Balance, June 30, 2022	43,401	97,106	86,470
Unrealized gain	-	9,717	22,439
Sale of stock	-	-	-
Balance, June 30, 2023	\$ 43,401	\$ 106,823	\$ 108,909

Note 15: Related Parties

Program support from the Foundation to the University of \$22,513,086 and \$19,870,933 for the years ended June 30, 2023 and 2022, respectively, included \$16,016,633 and \$14,450,665, respectively, of restricted program support expenses incurred directly by the University and reimbursed by the Foundation based on the specified purpose of the related restricted funds. At June 30, 2023 and 2022, expenses incurred by the University which have not yet been reimbursed by the Foundation were \$56,759 and \$57,002, respectively. See also Note 1 Contributions for development activities received from the University.

The University rents property from the Real Estate Foundation under an operating lease ("Innovation Accelerator Building" lease). Monthly rents, including operating costs and other fees, range from \$35,279 and \$44,005 through March 2034, with an option to renew through March 2044. In November 2014, the University paid \$1,000,000 to the Real Estate Foundation in advance rent to cover build-out costs. The Real Estate Foundation is recognizing this advance rent on the straight-line basis over the term of the lease agreement. Deferred revenues under this lease total \$558,442 and \$610,390 at June 30, 2023 and 2022, respectively, and are included in deferred revenue in the accompanying consolidated statements of financial position. Total rental income under these leases was \$447,843 and \$445,672 for the years ended June 30, 2023 and 2022, respectively.

The University also rents property for student dormitories under operating leases ("Cambridge and Riverview Residence Halls" leases). Monthly rents under both leases, including operating costs and other fees, total \$4,940,000 through June 2046. Total rental income under these leases was \$4,942,248 and \$4,981,769 for the years ended June 30, 2023 and 2022, respectively.

Total rental income under related party leases was \$5,390,091 and \$5,427,441 for the years ended June 30, 2023 and 2022, respectively. See Note 16 for further details.

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 15: Related Parties (Continued)

See Note 9 for details of contributed professional services for the University to the Foundation.

Note 16: Leases

The Foundation leases office space and buildings to various organizations. Monthly rents range from \$2,494 to \$6,381. Total rental income under these leases was \$114,463 and \$114,659 for the years ended June 30, 2023 and 2022, respectively. The Foundation is recognizing office space leases on the straight-line basis over the term of the lease agreement. Deferred revenues under these leases total \$50,342 and \$117,465 at June 30, 2023 and 2022, respectively, and are included in deferred revenue in the accompanying consolidated statements of financial position.

Future minimum rental revenues under operating leases, including related party operating leases as described in Note 15, are as follows:

<i>Years Ending June 30,</i>	Cambridge and Riverview Residence Halls	Innovation Accelerator	Third Party	Total
2024	\$ 4,940,000	\$ 419,983	\$ 28,031	\$ 5,388,014
2025	4,940,000	429,693	-	5,369,693
2026	4,940,000	439,694	-	5,379,694
2027	4,940,000	449,996	-	5,389,996
2028	4,940,000	460,606	-	5,400,606
Thereafter	88,920,000	3,330,318	-	92,250,318
Totals	\$ 113,620,000	\$ 5,530,290	\$ 28,031	\$ 119,178,321

A summary of the acquisition costs and accumulated depreciation on the above properties is as follows:

<i>Years Ended June 30, 2023 and 2022</i>	2023	2022
Cambridge and Riverview Residence Halls	\$ 64,052,148	\$ 64,052,148
Innovation Accelerator	8,684,526	8,684,526
Total leased buildings cost	72,736,674	72,736,674
Less - accumulated depreciation	(35,521,236)	(33,313,091)
Totals	\$ 109,952,112	\$ 112,160,257

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 17: Liquidity and Availability of Financial Resources

The following table reflects the Foundation's financial assets as of June 30, 2023, and 2022 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions or internal board designations. The Foundation does not have a formal liquidity policy but strives to hold net liquid financial assets available to meet 90 days of general expenditures.

<i>June 30,</i>	2023	2022
Cash and cash equivalents	\$ 1,768,089	\$ 1,810,921
Accrued investment income	531,806	410,011
Accounts and grant receivable - Net	624,677	491,334
Promises to give, current portion - Net	6,309,190	4,464,631
Investments	225,515,412	209,322,436
Assets convertible to cash within twelve months	234,749,174	216,499,333
Less: Net assets with donor restrictions excluding long term assets with donor restrictions	215,145,120	199,644,833
Total financial assets available for general expenditures	\$ 19,604,054	\$ 16,854,500

Note 18: Accounts Receivable and Contract Balances

Contract assets arise when the Foundation transfers goods or services to a customer in advance of receiving consideration and the right to consideration is conditioned on something other than the passage of time. Contract assets are transferred to receivables when the right to receive consideration becomes unconditional and the Foundation is able to charge the customer. Contract liabilities represent the Foundation's obligation to transfer goods or services to a customer when consideration has already been received from the customer. When transfer of control of the related good or service occurs, contract liabilities are reclassified, and revenue is recognized. The Foundation had no contract assets as of June 30, 2023, June 30, 2022 or July 1, 2021.

As of June 30, 2023 and 2022 and July 1, 2021, the Foundation had the following contract assets, contract liabilities, and accounts receivable:

	6/30/2023	6/30/2022	7/1/2021
Contract assets	\$ -	\$ -	\$ -
Contract liabilities	\$ 2,665,000	\$ 1,680,000	\$ 1,120,000
Accounts receivable	\$ -	\$ -	\$ -

The UWM Foundation, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 19: Disaggregation of Revenues from Contracts with Customers

The following is a breakdown of the Foundation's revenue by source:

	2023	2022
Revenues recognized over time - Advertising revenue	\$ 140,000	\$ 140,000
Totals	\$ 140,000	\$ 140,000

Note 20: Reincorporation of the UWM Alumni Association

As stated in Note 1, effective July 1, 2021, the Board of Directors of the Alumni Association voted to transfer all its assets, liabilities, and operations to the Foundation. Under the terms of the transaction, no consideration was transferred. The Foundation accounted for the transaction by recognizing the underlying assets and liabilities acquired at fair value as a contribution of \$2,963,575 on the accompanying statements of activities.

Assets reincorporated and related contribution recognized for the year ended June 30, 2022, is as follows:

<i>Year Ended June 30,</i>	2022
Cash and cash equivalents	\$ 209,839
Accounts receivable - net	31,049
Investments	2,846,681
Prepaid expenses	1,709
Accounts payable	(96,784)
Deferred revenue	(28,919)
Total net assets reincorporated	\$ 2,963,575

Supplementary Information

The UWM Foundation, Inc. and Affiliates

Consolidating Statement of Financial Position

June 30, 2023

Assets	The UWM Foundation, Inc.	The UWM Real Estate Foundation, Inc.	The UWM Research Foundation, Inc.	The UWM Alumni Association, Inc.	Eliminations	Total Consolidated
Current assets:						
Cash and cash equivalents	\$ 1,510,228	\$ 103,262	\$ 118,813	\$ 35,786	\$ -	\$ 1,768,089
Accrued investment income	531,806	-	-	-	-	531,806
Accounts receivable - Net	388,184	148,878	87,615	-	-	624,677
Promises to give, current portion - Net	6,309,190	-	-	-	-	6,309,190
Prepaid expenses and other	117,572	6,127	6,007	10,053	-	139,759
Total current assets	8,856,980	258,267	212,435	45,839	-	9,373,521
Investments	225,515,412	-	-	-	-	225,515,412
Property and equipment - Net	671,424	50,771,962	7,437	-	-	51,450,823
Other assets:						
Due from affiliates	330,015	8,363,622	3,759,815	2,916,616	(15,370,068)	-
Restricted cash and cash equivalents	-	3,853,539	-	-	-	3,853,539
Cash surrender value of life insurance	1,054,305	-	-	-	-	1,054,305
Split interest contributions receivable from charitable remainder trusts	108,909	-	-	-	-	108,909
Promises to give, less current portion - Net	5,191,216	-	-	-	-	5,191,216
Note receivable	1,113,795	-	-	-	(1,113,795)	-
Total other assets	7,798,240	12,217,161	3,759,815	2,916,616	(16,483,863)	10,207,969
TOTAL ASSETS	\$ 242,842,056	\$ 63,247,390	\$ 3,979,687	\$ 2,962,455	\$ (16,483,863)	\$ 296,547,725

See Independent Auditor's Report.

The UWM Foundation, Inc. and Affiliates

Consolidating Statement of Financial Position (Continued)

June 30, 2023

Liabilities and Net Assets (Deficit)	The UWM Foundation, Inc.	The UWM Real Estate Foundation, Inc.	The UWM Research Foundation, Inc.	The UWM Alumni Association, Inc.	Eliminations	Total Consolidated
Current liabilities:						
Current maturities of note payable	\$ -	\$ 2,059,478	\$ -	\$ -	\$ -	\$ 2,059,478
Due to the University of Wisconsin-Milwaukee	4,272,823	-	51,760	-	-	4,324,583
Due from affiliates		330,015			(330,015)	-
Amounts payable under fiscal agent responsibilities	120,034	-	-	-	-	120,034
Accounts payable	69,809	3,465	97,889	33,129	-	204,292
Accrued interest payable	-	603,190	-	-	-	603,190
Deferred revenue	1,400,000	51,948	-	-	-	1,451,948
Accrued liabilities	728,981	47,456	28	124	-	776,589
Total current liabilities	6,591,647	3,095,552	149,677	33,253	(330,015)	9,540,114
Long-term liabilities:						
Due to affiliates	15,040,051	-	-	-	(15,040,051)	-
Note payable, less current maturities - Net	-	72,988,227	-	-	(1,113,797)	71,874,430
Deferred revenue	1,265,000	556,836	-	-	-	1,821,836
Total long-term liabilities	16,305,051	73,545,063	-	-	(16,153,848)	73,696,266
Total liabilities	22,896,698	76,640,615	149,677	33,253	(16,483,863)	83,236,380
Net assets (deficit):						
Without donor restrictions	1,763,098	(13,551,400)	1,834,109	2,929,202	-	(7,024,991)
With donor restrictions	218,182,260	158,175	1,995,901	-	-	220,336,336
Total net assets (deficit)	219,945,358	(13,393,225)	3,830,010	2,929,202	-	213,311,345
TOTAL LIABILITIES AND NET ASSETS	\$ 242,842,056	\$ 63,247,390	\$ 3,979,687	\$ 2,962,455	\$ (16,483,863)	\$ 296,547,725

See Independent Auditor's Report.

The UWM Foundation, Inc. and Affiliates

Consolidating Statement of Activities

Year Ended June 30, 2023

	The UWM Foundation, Inc.	The UWM Real Estate Foundation, Inc.	The UWM Research Foundation, Inc.	The UWM Alumni Association, Inc.	Eliminations	Total Consolidated
Net assets (deficit) without donor restrictions:						
Support and revenue:						
Contributions	\$ 841,209	\$ 106,242	\$ 921,601	\$ 312,725	\$ (446,000)	\$ 1,735,777
Contributed goods and services	2,973,262	-	-	885,626	-	3,858,888
Rental income	13,480	5,491,074	-	-	-	5,504,554
Investment income - Net	601,167	1,150,984	19,697	290,964	(38,797)	2,024,015
Other income	-	-	-	50,779	-	50,779
Net assets released from restrictions	24,877,970	-	211,411	-	-	25,089,381
Total support and revenue	29,307,088	6,748,300	1,152,709	1,540,094	(484,797)	38,263,394
Distributions to the University of Wisconsin-Milwaukee:						
Student financial aid	5,375,024	-	-	-	-	5,375,024
Teaching and departmental programs	7,564,134	-	-	-	-	7,564,134
Community service	31,828	-	-	-	-	31,828
Research	967,804	-	-	-	-	967,804
Special projects	8,574,296	-	-	-	-	8,574,296
Total distributions	22,513,086	-	-	-	-	22,513,086
Expenses:						
Program	426,456	6,710,190	1,081,681	283,722	(38,797)	8,463,252
General administration	1,903,244	6,476	62,250	179,553	(446,000)	1,705,523
Direct fundraising	1,052,055	-	-	-	-	1,052,055
Development services received from personnel of the University of Wisconsin-Milwaukee	2,973,262	-	-	885,626	-	3,858,888
Total expenses	6,355,017	6,716,666	1,143,931	1,348,901	(484,797)	15,079,718
Total distributions and expenses	28,868,103	6,716,666	1,143,931	1,348,901	(484,797)	37,592,804
Change in net assets without donor restrictions	438,985	31,634	8,778	191,193	-	670,590
Net assets (deficit) without donor restrictions at beginning of year	1,324,113	(13,583,034)	1,825,331	2,738,009	-	(7,695,581)
Net assets (deficit) without donor restrictions at end of year	\$ 1,763,098	\$ (13,551,400)	\$ 1,834,109	\$ 2,929,202	\$ -	\$ (7,024,991)

The UWM Foundation, Inc. and Affiliates

Consolidating Statement of Activities (Continued)

Year Ended June 30, 2023

	The UWM Foundation, Inc.	The UWM Real Estate Foundation, Inc.	The UWM Research Foundation, Inc.	The UWM Alumni Association, Inc.	Eliminations	Total Consolidated
Net assets with donor restrictions:						
Contributions	\$ 23,064,942	\$ 29,434	\$ 131,606	-	\$ -	\$ 23,225,982
Investment income	14,609,042	-	131,738	-	-	14,740,780
Net assets released from restrictions	(24,877,970)	-	(211,411)	-	-	(25,089,381)
Change in net assets with donor restrictions	12,796,014	29,434	51,933	-	-	12,877,381
Net assets with donor restrictions at beginning of year	205,386,246	128,741	1,943,968	-	-	207,458,955
Net assets with donor restrictions at end of year	\$ 218,182,260	\$ 158,175	\$ 1,995,901	\$ -	\$ -	\$ 220,336,336

See Independent Auditor's Report.