MARQUETTE UNIVERSITY

BE THE DIFFERENCE.

ANNUAL REPORT FY2022

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Marquette University is a Catholic, Jesuit university located near the heart of downtown Milwaukee, Wisconsin, that offers a comprehensive range of majors in 11 nationally and internationally recognized colleges and schools.

A Marquette education offers students a virtually unlimited number of paths and destinations, and prepares them for the world by asking them to think critically about it. Along the way, we ask one thing of every student:

BE THE DIFFERENCE.

It's not just a tagline — it's what Marquette University asks of its community. It's what our students, faculty and staff aspire to do every day.

Dr. Michael R. Lovell
President
Marquette University

"As I look at the latest chapter in our history, I am inspired by the innovation, strategic partnerships and heart that have illuminated Marquette's bright future."

A MESSAGE FROM

Dr. Michael R. Lovell,
President

The Marquette University story spans more than 140 years and contains chapters with familiar themes: trials and triumph, stability and change. As I look at the latest chapter in our history, I am inspired by the innovation, strategic partnerships and heart that have illuminated Marquette's bright future.

Marquette students have found new ways to Be the Difference in each other's lives as they pursue meaningful social initiatives — from donating meals to collecting books and clothing for each other. Their support for one another embodies the spirit of the Jesuit tenet of *cura personalis* — care for the whole person — and that has transformed our campus to emerge stronger and more inclusive than ever before.

Our faculty and staff have likewise displayed a moving commitment to our students' education and well-being while significantly advancing our university's research initiatives and vibrant curriculum. Their efforts earned Marquette a rank of 12th in the nation for undergraduate teaching by *U.S. News and World Report*. Our research and development expenditures were the highest in university history for the third year in a row.

Together we have celebrated our Catholic, Jesuit foundation; supported our Milwaukee neighbors; experienced the generosity of the alumni and friends who believe in our mission; and, as a diverse community, reflected on and worked to reshape our climate for all. The innovative spaces emerging across our campus — O'Brien Hall, the Lemonis Center for Student Success, our Wellness + Recreation facility, and our new home for Marquette Nursing — are befitting the world-class education and experiences that our faculty and staff provide to our students every day.

This is an important chapter in Marquette's history, and we are blessed to have strong momentum carrying our story forward.

A MESSAGE FROM

Joel Pogodzinski,
Executive Vice President and
Chief Operating Officer

At Marquette University, I could not be prouder of the great work our faculty and staff have done to advance our mission and vision as we all emerge on the other side of the pandemic.

Our community has come together in many ways, with perhaps the greatest being to provide the cocurricular, high-touch Marquette experience our students so richly deserve. It shows in many ways. We experienced robust enrollment — with strong faculty and student diversity with our incoming fall 2022 class.

Marquette's momentum does not stop there. Our generous alumni and friends have demonstrated their firm belief in Marquette's future through gracious philanthropy. We have now raised nearly $600 million toward the $750 million goal in our ambitious Time To Rise campaign, the largest in the university's history.

I am further heartened by Marquette's investment in itself. Through prudent fiscal management, efficient operations and delivering on strategic initiatives, we have had the great fortune of moving forward in significant ways on our strategic plan, Beyond Boundaries, as well as on several capital projects outlined in our Campus Master Plan — many of which you can read about in the coming pages of this annual report.

Please enjoy learning more about the Marquette story. It's a story I enjoy living every day. We look forward to sharing much more with you soon.

Joel Pogodzinski
Executive Vice President and
Chief Operating Officer

"Our community has come together in many ways, with perhaps the greatest being to provide the cocurricular, high-touch Marquette experience our students so richly deserve."

COLLEGES AND SCHOOLS

Helen Way Klingler College of Arts and Sciences

College of Business Administration

J. William and Mary Diederich College of Communication

College of Education

Opus College of Engineering

College of Health Sciences

College of Nursing

School of Dentistry

Graduate School

Graduate School of Management

Law School

ACADEMICS

Undergraduate programs:

78 majors and 83 minors and pre-professional programs in dentistry, law and medicine

Postgraduate programs:

more than 75 doctoral and master's degree programs,

more than 20 graduate certificate programs, and professional degrees in dentistry and law

#6 in the country

for job placement 10 years after graduation

ZIPPIA, U.S. DEPARTMENT OF EDUCATION DATA

TOP 100 UNIVERSITY

U.S. NEWS & WORLD REPORT

TOP 20

Most Innovative University

AS RANKED BY *U.S. NEWS & WORLD REPORT*

Best Value

PRINCETON REVIEW

Best Midwestern

PRINCETON REVIEW

Green College

PRINCETON REVIEW

A+ School for B Students

U.S. NEWS & WORLD REPORT

#12 in Best Internships for Private Schools

PRINCETON REVIEW

#12 in Best Undergraduate Teaching

U.S. NEWS & WORLD REPORT

#16 in Community Service Engagement

PRINCETON REVIEW

#52 Most Trusted University Brand

MORNING CONSULT

70% increase

in R&D expenditures over the last 7 years

1 in 5

undergraduates participate in faculty research

51 Men's Basketball Postseason Appearances

Top 10 among all Division I programs

Our men's basketball team shares home arena with 2021 NBA Champion Milwaukee Bucks

16 NCAA Division I Teams

that compete in the Big East Conference

30 "FASTER MASTER'S" PROGRAMS

to earn an undergraduate and graduate degree in 5 years

7,500

undergraduate students

3,600

graduate and professional students

1,250

faculty*

*Fall 2021

THE ONLY

Private Law School | Dental School

IN WISCONSIN

3,200 students

have spent a semester in Washington, D.C., at **The Les Aspin Center for Government,** interning in nearly 100 congressional offices, numerous executive agencies and diverse interest groups

28%

of all students are people of color

1 in 5

full-time faculty are people of color

22%

of undergraduate students are first-generation college students

13:1

student-to-faculty ratio*

*Fall 2021

100+

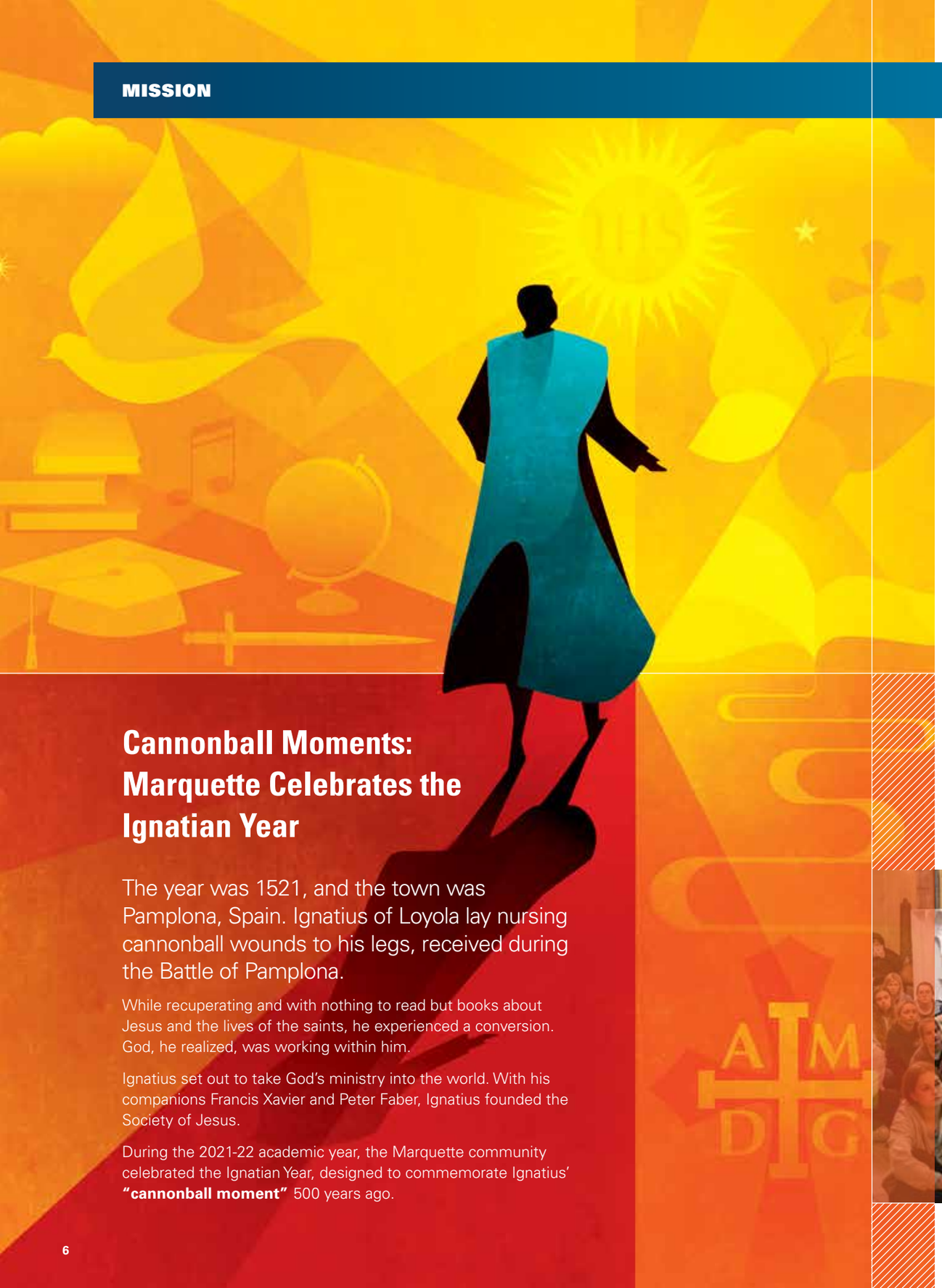
study abroad destinations

16 worship spaces

including the 15th century **St. Joan of Arc Chapel**

30+ Catholic Masses

celebrated each month



Cannonball Moments: Marquette Celebrates the Ignatian Year

The year was 1521, and the town was Pamplona, Spain. Ignatius of Loyola lay nursing cannonball wounds to his legs, received during the Battle of Pamplona.

While recuperating and with nothing to read but books about Jesus and the lives of the saints, he experienced a conversion. God, he realized, was working within him.

Ignatius set out to take God's ministry into the world. With his companions Francis Xavier and Peter Faber, Ignatius founded the Society of Jesus.

During the 2021-22 academic year, the Marquette community celebrated the Ignatian Year, designed to commemorate Ignatius' **"cannonball moment"** 500 years ago.

The Ignatian Year called all members of the global Ignatian family to reflection and renewal and to a deeper integration of the Ignatian spiritual heritage into all Jesuit-sponsored works.

To celebrate the Ignatian Year and continuously expand faith-based programs at Marquette, the Office of Mission and Ministry launched several new initiatives and hired Rev. Jim Pribek, S.J., to serve as assistant vice president of mission and ministry.

In addition to his mission and ministry work, Father Pribek teaches in the Department of English, seeking to build a deeper connection between his office and faculty colleagues, including through the Marquette Colleagues Program and the Ignatian Colleagues Program.

"I would like to help people find something of a spiritual home in Ignatian spirituality," Father Pribek says. "This turns colleagues into friends and co-laborers for good, with God and each other. It can sustain and bless us in these very challenging times."

Annually, to center these challenging times and spur contemplative action, Marquette hosts Mission Week, which invites students, faculty and staff to listen to inspirational speakers, participate in service, pray, worship, reflect and take time for silence each day. The 2022 theme was "Open to Possibility."

IGNATIAN YEAR EVENTS

A JOYFUL CELEBRATION

The entire campus community was invited to open a week of possibility with Mass celebrated with Marquette students. All were welcome to participate via a livestream from Church of the Gesu.

PAUSE – PRAY – POSSIBILITY

The iconic and newly renovated St. Joan of Arc Chapel was host to an open house-style gathering designed to center the campus community through prayer, quiet reflection and dreaming of possibility when one is open to it. Participants were treated to hot chocolate and community outside the chapel.

DAILY EXAMEN

Each day of Mission Week, key Marquette leaders led the campus in praying one of St. Ignatius' most enduring prayers, the Examen. During this time of possibility, individuals had the opportunity to spend a thankful reflection period with God to review their day.

GLOBAL JESUIT EXHIBIT

Though St. Ignatius was a son of Spain, the Jesuits have ministries worldwide. During the week, the campus community was invited to visit an exhibit with interviews of Jesuits, featuring those from other countries and U.S. Jesuits who have participated in global ministries. Each day, visitors were treated to lunch from a country where the Jesuits minister, including Peru, India and Ireland.

DISCERNMENT LAB

To know how to move forward, we need to know why and how we got where we are. During this Open to Possibility discernment lab, Marquette graduate student Serina Jamison led participants in creating a discernment map, meant to visually represent the decisions individuals have made that brought them to where they are and the people, places and things that informed those decisions.

SOUP WITH SUBSTANCE

Inspired by the roundtable discussions of Peter Maurin and the Catholic Worker Movement, Soup with Substance is a beloved Marquette tradition that focuses on a social justice issue discussed over a simple meal of soup and bread. Featured during Mission Week was Nancy Yarbrough, founder and executive director of Fresh Start Learning Inc., which conducts street outreach programs, survivor groups, and education and training about sex trafficking.

VISION BOARDING

The 2022 national theme for Black History Month — held each February — was health and wellness. In a four-part series that started during Mission Week, the university celebrated the contributions to the campus by Black students, faculty and staff. Led by Dominik Primus, "the Encouragement Catalyst," the Marquette community had an opportunity to help envision the possibilities for a year of well-being.

Undergraduate, graduate enrollment on the rise

Undergraduate enrollment is a strategic priority during Marquette's 2021-22 academic year, and thanks to a mission-based, personalized approach to working with students and families, the university in spring 2022 anticipated one of its largest first-year fall classes in recent years.

Marquette's Class of 2026 welcomed 1,977 first-year, full-time students to campus, representing a 19.6% year-to-date increase over 2021.

Dr. John Baworowsky, vice president for enrollment management, attributes the success to Marquette's holistic, all-in approach that leverages the expertise of faculty, staff and students.

Among the many outreach efforts noted by Baworowsky, the undergraduate admissions team held recruitment dinners and receptions in 26 cities; welcomed to campus more than 4,600 admitted student visitors, an 86% increase over the previous year; and hosted a record 652 students at Admitted Student Day events.

Staff in Marquette's Educational Opportunity and Urban Scholars programs partnered with the admissions office to attract and enroll students of color, and academic advisers participated in the university's summer orientation and registration program, SPARK.

"From our first interaction with prospective students and their families until we celebrate them at Commencement, we keep students at the center of all we do," Baworowsky said. "All of us at Marquette are here for one reason: We are committed to student success and supporting students inside and outside the classroom. It's a privilege to do this work."

Dr. Douglas Woods, vice provost for graduate and professional studies and dean of the Graduate School, shared a similar success story, noting that Graduate School enrollment is up 36% over the past five years. Two particularly successful programs have been the direct entry master's in nursing and master's in clinical mental health.

"Programming continues to deepen and expand in support of emerging leadership, as well as relevant community and social justice issues, particularly focused on diversity, equity and inclusion," Woods said.

True to the university's Catholic, Jesuit mission and heritage, first-generation undergraduate students make up more than 23% of the incoming class, and 181 students hail from Jesuit high schools, the most in recent years.

These first years joined Marquette's most diverse student body in the university's history, as 30% of the 1,977 incoming first years and 28% of the student population overall are students of color. At the graduate level, the population of 2022 was once again the most diverse in Marquette's history: students of color represent 23% and women represent 61% of enrolled graduate and professional students.

Overall strategic program growth includes a gradual undergraduate class increase, a new master's program in health care systems leadership, and a shift online for the doctoral program to increase accessibility for working nurses.

WE PLANT THE SEEDS THAT ONE DAY WILL GROW.

St. Óscar Romero

STRATEGIC REAL ESTATE TRANSACTION

The university sold an 11-acre parcel it purchased in 2014 and 2015 to a team of developers that plans to develop the area into a vibrant sports and entertainment district. The land, located adjacent to the highly visible Marquette Interchange, will play a pivotal role in linking downtown Milwaukee, the Menomonee Valley, the Near West Side and Marquette.

As Marquette considered potential buyers for the parcel, it was important that any development add value and economic growth to the community, in alignment with the *Beyond Boundaries* themes of Social Responsibility Through Community Engagement and Sustainability of Valuable Resources.

Plans for the comprehensive district include the development of a stadium, which will be home to a professional soccer club; an indoor concert venue; a full-service hotel; multifamily residential housing; retail; and food and beverage elements. The stadium also will be the home competition field for the Marquette men's and women's soccer and lacrosse teams. All will continue to practice at Valley Fields on Marquette's campus.

HIGH MARKS FOR SUSTAINABILITY Long respected for being a responsible steward of resources, Marquette was named to the 2022 *Princeton Review Guide to Green Colleges*, noted in particular for an interdisciplinary minor in environmental ethics in the Klingler College of Arts and Sciences and water courses offered by Marquette Law School, among other initiatives. Additionally, Marquette received a bronze rating for its sustainability achievements from the Association for the Advancement of Sustainability in Higher Education.

In March, the Board of Trustees approved an updated investment policy for the university endowment with new socially responsible investing and sustainability language that strictly prohibits direct investments in public securities whose primary business is the exploration or extraction of fossil fuels. The university's current investment portfolio does not include any direct public investments in fossil fuels.

GOING *BEYOND BOUNDARIES*

Through a visionary strategic plan that sets in motion a clear strategy for the future and an ambitious campus master plan that serves as a road map for capital projects, Marquette University is poised to go *Beyond Boundaries.*

marquette.edu/strategic-planning

THEMES

- Pursuit of Academic Excellence for Human Well-being
- Research in Action
- A Culture of Inclusion
- Social Responsibility through Community Engagement
- Formation of Hearts and Minds
- Sustainability of Valuable Resources

Transforming student health, wellness and recreation services

Throughout his tenure, President Michael R. Lovell has challenged university leaders to think differently about how Marquette fosters a culture of wellness on campus, setting forth a vision that positions recreation, fitness, clinical services and mental health services under one roof.

University leaders are pursuing a more holistic approach to ensuring that students have access to the multifaceted support they may need, announcing in March 2022 that Marquette plans to integrate campus fitness and recreation facilities with the Counseling Center and Marquette University Medical Clinic. What will result is the new Wellness + Recreation facility that brings together these student-centric services in one place.

The announcement came just months after an anonymous alumni couple launched a $10 million giving challenge to transform the university's student health, wellness and recreation services.

"We aspire to be among the healthiest campuses in the world, and that starts with cultivating the mind, body and spirit of our students and our community," President Lovell said.

Located on the site of the existing Helfaer Tennis Stadium and Recreation Center, the reimagined facility will include significantly updated facades and added windows, with a newly constructed three-story wellness tower that will sit in the core of the space. Though all interior building systems will be replaced, using an existing building footprint and some of its structures supports sustainability and fiscal responsibility.

Each year, Marquette sees more than 212,000 student, faculty and staff visits to its recreation facilities, with 13,000 attendees participating in group fitness classes. Since 2012, unique client contacts and the percentage of the Marquette student population seen at the Counseling Center also have steadily increased.

"The guiding principle shaping our vision for health and wellness is the Jesuit tenet of *cura personalis*, or care for the whole person," said Dr. Xavier Cole, vice president for student affairs. "We can take a big step forward by further emphasizing healthy behaviors and reducing barriers for academic success."

Nowhere in the facility will that be more apparent than in the wellness tower, which recently received a major boost—the Board of Trustees in fall 2022 announced that it would name the tower's third and fourth floors in honor of President Michael R. Lovell and Amy Lovell, "in recognition of their tremendous leadership to address mental health across Milwaukee and the region."

"Mike and Amy have been trailblazers when it comes to directly addressing our region's mental health issues," Board Chair Robert J. Eck said. "Together, they continue to devote countless hours of energy to reimagine a community of care and silence the stigma that too often surrounds mental illness."

The Lovell Center for Student Well-Being will contain many important, proactive services that will help Marquette students thrive, with spaces ranging from counseling to spirituality and meditation.

The goal is to complete the entire 180,000-square-foot Wellness + Recreation facility by the end of 2024, contingent on funding.

D-WADE'S RETURN TO CAMPUS INCLUDES HONORARY DEGREE, LITERACY GIFT

With more than 20,000 attendees on hand to celebrate the May 2022 graduating class, three-time NBA champion and Marquette legend Dwyane Wade delivered the Commencement address for undergraduates and received an honorary degree to honor his on- and off-court success.

Wade also made a major gift to extend his Live to Dream Summer Reading Program in the university's Ralph C. Hartman Literacy and Learning Center.

Founded in 2015 through his Wade's World Foundation, the program was renamed after his sister, Tragil Wade-Johnson, who has been actively involved since the two launched it to curb the "summer slide" in reading achievement among low-income Milwaukee schoolchildren. The Tragil Wade-Johnson Summer Reading Program will now run on the Marquette campus through 2025.

"Being able to work with kids and interact with them at an impressionable age is the best," Wade said. "I was able to use basketball as a tool, but not everyone will have that chance."

Participating students receive 90 minutes of targeted reading instruction each day, plus writing or integrated science and literacy instruction. In the initial years of the summer program, all 131 second- and third-grade students maintained or increased their reading level.

BACKPACK PROGRAM WORKS TO END FOOD INSECURITY STIGMA

One out of every five Marquette students has at some point faced food insecurity. That's according to eye-opening data gathered by the university in 2018.

Aiming to offer food and supplies, as well as work to destigmatize food insecurity, Marquette's Backpack Program is a free and confidential service for any student who is having difficulty accessing affordable, nutritious food and other essential household items.

Christine Little, manager of campus food recovery and assistance, oversees the program.

"This issue, while big by the reported numbers, is in many ways silent or invisible," she says. "Food insecurity has been linked to college dropout rates, so by removing the stress of where to get healthy food, we are supporting not only student health and well-being, but also graduation and future success."

The food and other resources come from donations made by organizations across Milwaukee, including Feeding America and Gordon Food Services. All of the program's support, Little says, is indicative of Marquette's commitment to establish meaningful connections and create a community of women and men for and with others.

Creating a clear path for student success

Persistence, access and success. They're more than buzzwords. They're foundational to the modern-day higher education student experience.

In February, alumnus Marcus Lemonis enhanced Marquette's ability to deliver on all of them. With his wife, Bobbi, he announced a $15 million gift to create the Lemonis Center for Student Success.

The Lemonis Center will provide wraparound services for students across all majors, academic abilities and backgrounds to enrich and expand student opportunities — a primary objective in the university's $750 million Time to Rise fundraising campaign. Lemonis, a 1995 alumnus of the Klingler College of Arts and Sciences, is chairman and CEO of Camping World, as well as the star of HGTV's *The Renovator* and CNBC's *The Profit*.

"It is always important for Bobbi and me to create a clear path to success for every individual, no matter where they are from or what they are studying," Lemonis said. "As an alumnus who got the most out of my experience, it was paramount for me to highlight the things that worked and to strengthen the things that could get better."

The center, housed in Memorial Library, will connect students with a network of advisers, mentors and resources from the time they arrive on campus until they graduate. In addition, it will feature innovative technology and groundbreaking research to support students as they develop the skills and resilience to overcome challenges that can range from lack of connection and mental health crises to academic or financial setbacks.

As part of his donation, Lemonis also announced a $5 million challenge to inspire others to join him in Marquette's Student Success Initiative, which ranges from advising to internships, career counseling, high-impact learning, first-generation initiatives, peer mentoring and pre-orientation opportunities.

Said Provost and Executive Vice President for Academic Affairs Kimo Ah Yun: "Our Student Success Initiative is shining a light on ways to substantially improve retention and graduation rates. We now have an opportunity to take a lead role in significantly lowering student debt by reducing the time it takes students to graduate. The support services housed in the Lemonis Center will elevate those initiatives."

GO FORTH AND SET THE WORLD ON FIRE.

St. Ignatius of Loyola

FORWARD-LOOKING BUSINESS PROGRAMS LAUNCHED Always aiming to deliver ethical, pragmatic and applied learning experiences that drive value for students, the College of Business Administration launched two groundbreaking initiatives: the Real Estate Asset Program and the Center for Professional Selling.

The Real Estate Asset Program, known as REAP, is a real-world investment program in commercial real estate — the first classroom-based, student-run program for undergraduates of its kind in the nation. The first cohort began in spring 2022 and had the opportunity to work with a committee of seasoned professionals and a starting fund of $1 million to invest in national real estate deals.

The Center for Professional Selling will accelerate job readiness for Marquette graduates. A sales education allows graduates to "ramp up" 50 percent faster than non-sales educated peers, and sales graduates average 2.8 job offers before graduation and report a career satisfaction rate of more than 77 percent.

Marquette's center offers three specialized courses in professional selling: professional selling, sales management and advanced professional selling. Marquette is the first Catholic, Jesuit university to develop such a center, becoming one of just more than 60 member schools in the University Sales Center Alliance.

RECORD YEAR FOR RESEARCH — AGAIN For the third consecutive year, President Michael R. Lovell announced that Marquette had a record-breaking research year, with $13.9 million in federally funded research and development expenditures in 2021. The university has seen an unprecedented 70% increase in federally funded research expenditures in the past seven years.

Of note, three faculty members received a National Science Foundation CAREER Grant: Dr. Somesh Roy, assistant professor of mechanical engineering; Dr. Karen Andeen, associate professor of physics; and Dr. Satish Puri, assistant professor of computer science. Three NSF CAREER awards in one year is a Marquette record.

- Roy is seeking to create a framework that will model soot emission from combustion engines, leading to cleaner combustion systems.
- Andeen is focusing her research on high-energy cosmic rays, including their composition and origin. Her team has been working to develop new telescopes that can operate at the South Pole.
- Puri is investigating the use of high-performance computing to speed up data-intensive and computer-intensive operations in the domain of geographic information systems.

HUMANITIES, COMMUNICATION FACULTY MEMBERS RECEIVE FULBRIGHTS

Three faculty members received the prestigious Fulbright Scholar award to conduct research and teaching opportunities overseas.

Dr. Laura Matthew, associate professor of history in the Klingler College of Arts and Sciences, will spend her Fulbright time in Guatemala, where she will continue work on a book-length manuscript, "Those Who Survived: Trade and Mobility on Mesoamerica's Mar del Sur."

Dr. Jessica Rich, associate professor of political science in the Klingler College of Arts and Sciences, will conduct research in Brazil on when and how social movements matter for sustaining policy change, specifically how they hold governments accountable for maintaining policies that address the needs of marginalized groups.

Dr. James Pokrywczynski, associate professor of strategic communication in the Diederich College of Communication, will continue his sports marketing research on name, image and likeness rights opportunities.

Student-athletes demonstrate meaning of #LovellStrong

"I've always said that what makes Marquette special is its people. And time and time again, I've seen the Marquette community step up for others. Marquette is at its best when people are in a time of need. It's been humbling for me personally to be on the receiving end of that for the last year."

President Lovell

If you were anywhere on campus in the past year, you saw and heard this often — on social media, on sticky notes, on banners and in videos: #LovellStrong.

This swell of support followed the announcement by President Michael R. Lovell in early September 2021 that he had been diagnosed with sarcoma, a rare form of cancer. At that time, he told the campus community he was "healthy, strong and ready to fearlessly take on this fight."

And take it on he did, not missing a day of work, even during grueling rounds of radiation and chemotherapy, up until his last treatment in February.

With the Marquette Athletics Department serving as the chief booster, President Lovell was surrounded daily by reminders of how much he means to the campus community, noting the "gifts, kind words, prayers, novenas, rosaries and Masses" for his health and healing.

In mid-October, the women's soccer, men's tennis, men's and women's cross country, volleyball, men's soccer and men's lacrosse teams all wore gold uniforms during their competitions. Gold is the primary color used to raise awareness for sarcoma, and it was important for the student-athletes to show President Lovell that they stood in solidarity with him and those affected by cancer.

In January, the men's and women's basketball teams wore gold uniforms in conjunction with the National Association of Basketball Coaches' annual Coaches vs. Cancer Suits and Sneakers Week.

"Within athletics — our student-athletes, coaches and staff — we have all felt Dr. Lovell's incredible support for us on a daily basis," Vice President and Director of Athletics Bill Scholl said. "This is simply another way to let him and his family know that they have our support."

Other meaningful tokens that were created with care for President Lovell included a flag signed by the men's golf team with passages of Scripture; balloons from the women's basketball team that, once popped, revealed inspiring messages; impromptu videos from the women's and men's lacrosse team; and more.

LOVE IS SHOWN MORE IN DEEDS THAN IN WORDS.

St. Ignatius of Loyola

"A TRUE BLESSING": SMARTS' GIFT FOR EMERGENCY EXPENSES Shaka Smart, head coach of the men's basketball program, and his wife, Maya, made a major gift to help students at Marquette cover emergency expenses. The gift, which President Lovell called "a true blessing," will help support students who experience unanticipated loss or travel emergencies, as well as food and safety needs. The fund will mirror the university's Bridge to the Future Fund, which has provided immediate support to hundreds of students experiencing financial strain.

"We want to be a part of something much, much larger, and we want others to join us," Shaka Smart said. "That's what sports are all about. That's what coaching is all about — trying to get our guys to be part of something much bigger than themselves."

The Smarts underscored the importance of honoring Marquette's tradition and those who have made a major impact, noting that their gift will launch an endowed Student Success Fund in honor of Bo and Candy Ellis. Bo starred on Marquette's 1977 national championship basketball team. The Ellises have raised significant scholarship funds since the sudden death of their daughter, Nicole, a 2000 alumna.

TOP HONORS FOR TENNIS' POPOVIC, GOLF'S EICHHORN Natalija Popovic was named the 2021-22 Big East Player of the Year for women's tennis, and Hunter Eichhorn was named Big East Player of the Year for men's golf.

Popovic, who was also a unanimous selection to the All-Big East Team, is the first Marquette women's tennis player to be named the league's top athlete since the program joined the conference in 2005-06.

A native of Cacak, Serbia, Popovic graduated from Marquette in 2022 with an undergraduate degree in public relations and a master's degree in communication. She finished with 125 career singles and doubles wins, including playing in the top doubles spot for two seasons. She made the Big East All-Academic Team four times.

Eichhorn was named Big East Player of the Year for the third time in his career — the only player in league history to do so.

A native of Carney, Michigan, Eichhorn carded par-or-better rounds in 25 of 32 rounds during the 2022 season and set a Marquette record with an 11-under 61 in the final round of the Puerto Rico Classic in February. Among his accolades, he was the 2019 Wisconsin state amateur champion and 2021 Wisconsin state amateur runner-up. He also received a 2021-22 Big East Sport Excellence Award, which recognizes academic and athletic achievement and community service.

NEW COMPETITION HOMES FOR LACROSSE, SOCCER

Coming soon: a new space to call home for the Marquette men's and women's soccer and men's and women's lacrosse teams when they host fellow Big East opponents for competition.

This comes after the university sold an 11-acre parcel near the Marquette Interchange. The buyers plan to develop the area into a vibrant sports and entertainment district that includes an 8,000-seat stadium, which will be home to a professional soccer club in addition to home matches for Marquette lacrosse and soccer. The teams will continue to practice at the university's Valley Fields facility.

See expanded story on page 9.

Reflecting on, acknowledging Marquette's deep connection to Native peoples

In recognition of the long history of Native peoples and nations that lived on and stewarded the land and water where Marquette resides, the university culminated a yearslong conversation with key stakeholders with a land and water acknowledgment and a new university seal.

The written and oral versions of the land and water acknowledgment celebrate the unbroken connection Native peoples and nations have to their traditional territories and can be read aloud at the beginning of any event hosted on Marquette's campus.

The work was stewarded by Indigenous student leadership and allied faculty and staff, including Native American Student Association co-advisers Jacqueline Schram, director of public affairs and special assistant for Native American affairs, and Dr. Jodi Melamed, associate professor of English. Marquette's Council on Native American Affairs was consulted during the development and review process.

Formed by President Michael R. Lovell in early 2020, the university seal committee aimed to update the seal to reflect Marquette's history, tradition and Catholic, Jesuit mission, as well as more accurately depict the role of the Indigenous nations that guided Father Marquette on his journey. Milwaukee-based Oneida artist Kristelle M. Ulrich contributed to the creative design of the updated university seal.

The new seal includes three parts encircled by an outer ring with the Marquette name, its founding year and the Jesuit motto *Ad majorem Dei gloriam*, "For the greater glory of God." The interior upper half honors Marquette's Catholic, Jesuit tradition and values. The interior lower half acknowledges the university's location among the lands and waterways of the area's Indigenous nations.

Said Rev. Greg O'Meara, S.J., rector of the Marquette Jesuit Community, the seal "helps us remember that all journeys in our lives rely on the help of companions. It is thus a fitting metaphor for the educational mission of Marquette."

Additionally, the university announced a comprehensive partnership with Lac Courte Oreilles Ojibwe College in Hayward, Wisconsin, a nonprofit tribal college that has served Native students for 40 years. LCOOC graduates will be able to seamlessly transfer to Marquette to continue their education in select colleges.

The Eck Family Foundation will endow a scholarship for one LCOOC student each year. Robert J. Eck, Arts '80, is chair of the Marquette Board of Trustees, and his wife, Kim Eck, Comm '13, is a volunteer ambassador and leader of the Marquette Mentors program.

MORE ON THE SEAL AT
marquette.edu/seal

LOVE IS SHOWN MORE IN DEEDS THAN IN WORDS.

St. Ignatius of Loyola

A HISTORIC MILESTONE With a historic 2021 first-year class, Marquette's undergraduate enrollment includes 15.4 percent of students who identify as Hispanic/Latinx and has received "Emerging Hispanic-Serving Institution" federal status. This is a significant step in the university's commitment to becoming a fully designated Hispanic-Serving Institution (HSI).

Schools with emerging status designation feature an undergraduate body of 15 to 24.9 percent students who identify as Hispanic or Latinx. Schools with full status designation have an undergraduate population that is at least 25 percent Hispanic. When it announced its commitment to becoming an HSI in 2016, Marquette's undergraduate Hispanic/Latinx student enrollment was 9.7 percent.

"This commitment has driven our approach to equity and inclusion efforts and touches every facet of campus life," said Jacki Black, director of Hispanic initiatives and diversity and inclusion educational programming. "Marquette is striving to build our capacity to serve underrepresented students well, not only in terms of producing positive outcomes, such as graduation rates, but also ensuring that students have culturally affirming experiences during their time on campus."

Marquette has invested significant resources in financial aid and scholarships, providing Hispanic students with $33 million in financial aid during the 2020-21 academic year.

EXPANDED OPPORTUNITIES FOR URBAN SCHOLARS Since the first cohort started classes in fall 2007, the university's Urban Scholars program has supported up to five new full-tuition scholarships annually for high-achieving, low-income students. The program boasts a graduation rate of over 90 percent, and more than 40 percent of its students have led or founded student organizations.

In summer 2020, as racial injustice protests nationwide led to talks with Black student leaders about changes at Marquette, President Michael R. Lovell committed to expanding the Urban Scholars program. By fall 2021, Marquette was funding tuition for 45 new Urban Scholars, 34 of whom were from Milwaukee. In addition, increased financial support from donors provides a number of room and board scholarships.

Marquette has found that as more scholars live on campus and get involved, the share of those who emerge as campus leaders and find success after graduation will rise.

And Marquette's Urban Scholars have done more than simply being present. Since 2007, more than 20% of the scholars have completed individual research with a faculty mentor. More than 40% have founded or served on student organization executive boards. Urban Scholars have studied abroad in South America, Europe, Asia and Africa, while also participating in the Les Aspin Center for Government and various service projects nationwide.

MARQUETTE JOINS ANCHOR COLLABORATIVE

Marquette is part of a newly launched seven-member collaborative keenly focused on boosting hiring and corporate spending in Milwaukee's lowest-income ZIP codes. Pledging to hire more people of color and spend more dollars with minority-owned businesses, the Milwaukee Anchor Collaborative comprises major health care and educational institutions.

The collaborative's anchor institutions will seek to fill multiple high-demand, mid-skill positions — from phlebotomists and medical assistants to facilities maintenance workers and administrative assistants. The anchors also are joining forces to purchase services and supplies, ranging from janitorial and mechanical to medical equipment repair and IT.

YOU HAVE GIVEN ALL TO ME. TO YOU, LORD, I RETURN IT.

St. Ignatius of Loyola

Successful Bridge to Business program forges ahead

"We see great value in an engineering program that provides a solid technical background supplemented with broader business knowledge."

Todd Adams
Chairman and CEO of Zurn Elkay Water Solutions

Building upon more than six years of success, Marquette expanded its Bridge to Business program in 2022, with the key addition of Zurn Elkay Water Solutions as a sponsor.

Bridge to Business for Engineers is a six-day noncredit program that gives early career engineers the business fundamentals they need to be successful. The curriculum focuses on the key touchpoints between engineers and other organizational functions and was designed in partnership with Marquette's Opus College of Engineering and corporate partners. Participants experience a mix of classroom and applied learning opportunities that equip them with the knowledge and skills they need to effectively lead in their functional roles and across the enterprise.

"Bridge to Business represents an excellent example of the productive partnership between engineering and business to advance Marquette's vision of innovation and collaboration," said Dr. Kevin Walsh, P.E., director of executive education and instructor of practice in the College of Business Administration. Walsh helped lead the program's development.

Said Todd Adams, chairman and CEO of Zurn Elkay: "We see great value in an engineering program that provides a solid technical background supplemented with broader business knowledge."

Adams, who is vice chairman of Marquette's Board of Trustees, joined the company, formerly Rexnord Corp., in 2004.

Past Bridge to Business participants have lauded the program for helping them understand how engineering fits into their company's strategic business imperatives and providing insight into finance, supply chain and marketing topics that drive projects at the engineering level.

Corporate partnerships advance technology transfer

Technology transfer can generally be thought of as a sort-of handover of knowledge and discoveries from the university environment to the public through publications, students entering the workforce, and relationships with industry and community partners.

At Marquette, technology transfer refers to the responsible licensing of university technology to third parties and the formation of new companies for the benefit of society.

Take, for example, the work led by researcher Dr. Chung Hoon Lee, associate professor of electrical and computer engineering, who holds six patents for sensing technology. However, he points out, his innovative solutions haven't always matched market demand.

Seeing an opportunity to bolster that connection, Lee began working with the Water Equipment and Policy Center in 2009, an Industry-University Cooperative Research Center that's part of a National Science Foundation program. It's designed to bring researchers from participating universities together with corporations in need of solutions.

For Lee and other researchers, involvement has been a boon. With feedback from partners, he developed a unique waterborne lead sensor that continuously monitors water for heavy metal contaminants without ever coming into contact with it, limiting corrosion and the sensor failures that result. The technology was so appealing to the water industry that it sparked a licensing agreement that Marquette's Office of University Relations negotiated with five WEP-member companies: A.O. Smith, Badger Meter, Pentair, Watts Water Technologies and GE Appliances, a Haier Co.

"Having five companies interested in licensing a new technology is very rare. … It shows that this is a relevant technology with broad applicability," said Dr. Daniel Zitomer, chair and professor of civil, construction and environmental engineering and the Marquette site director of the WEP Center.

Work continues at the center, with researchers from Marquette and elsewhere responding to global water challenges identified by industry members with proposals for technological solutions. It also fosters workforce development and industry networking and provides scientific data that supports policies for water resource management.

"It's clear that Milwaukee's liquid gifts to the world are more than beer," Zitomer says.

We are Marquette. And it's time to rise.

GIVE MARQUETTE DAY

Held in March, the fifth annual Give Marquette Day reached new heights in the number of donors and funds raised, thanks to the support of the Marquette community. More than 5,000 donors from all 50 states and more than 10 countries contributed $4 million – the most successful 24-hour giving day yet. The Give Marquette challenge digital content shared via social media by donors and advocates generated nearly 10,000 clicks, a testament to the power of the Marquette family, no matter the graduation year or time zone.

One thing is clear: The Marquette community is always ready to rise for others.

Launched publicly in April 2021, *Time to Rise: The Marquette Promise to Be The Difference* — the most ambitious campaign in Marquette's 140-year history — gained significant momentum last year, with donor support totaling more than $117 million. The funds came from more than 21,000 contributors, nearly 4,700 of whom donated for the first time, and a record number of undergraduates making a gift.

This brings the total campaign dollars given by Marquette alumni, friends, students, faculty and staff through June 30, 2022, to more than $588 million toward a $750 million goal.

"Our generous supporters are strengthening our tradition of excellence and helping to write the next chapters in the story of Marquette," said Vice President for University Advancement Tim McMahon. "*Time to Rise* is a campaign for everyone, and it is creating a Marquette culture of giving for generations."

The campaign objectives are fourfold: enriching and expanding student opportunities, supporting teacher-scholars, fostering university-wide innovation and continuing to transform Marquette's campus environment.

Of note, the campaign has generated more than $240 million in scholarship funds, a top priority. Additionally, the St. Joan of Arc Chapel, the spiritual centerpiece of campus, reopened in November after an extensive donor-supported restoration that was designed to preserve its distinctive architecture for generations to come. At the end of 2022, the new home for Marquette Business and innovation leadership programs will open, signifying the largest fully donor-funded project in university history.

President Michael R. Lovell highlights the leadership of national campaign co-chairs Chuck, Eng '89, and Karen, Eng '90, Swoboda and Dr. Scott, Arts '77, Dent '82, and Mary Ellen, Arts '78, Stanek, saying they "have embodied servant leadership while spearheading our volunteer efforts." The national campaign co-chairs direct Marquette's worldwide network of campaign committee leaders.

President Lovell added: "Our close-knit community has risen to every challenge. Together, we are building a culture where Marquette alumni, parents and friends proudly give back as women and men for and with others."

$5 MILLION GIFT ESTABLISHES ANDREW CENTER FOR RESTORATIVE JUSTICE In the past two decades, Marquette has built a substantial program in restorative justice, focused on challenging issues such as human trafficking, bullying and racial inequities.

Now, that work will have an official home: the Andrew Center for Restorative Justice at Marquette Law School. Alumni couple Louis, Law '66, and Suzanne Bouquet, Sp '66, Andrew have committed $5 million to establish the center.

This commitment advances the work of Trustee Janine P. Geske, retired distinguished professor of law and former justice of the Wisconsin Supreme Court. The Andrew Center for Restorative Justice will serve as a central hub for educating students on how to use restorative justice approaches at the local, national and international levels. It will also support faculty research and enhance the teaching of restorative justice in the community.

Suzanne Bouquet Andrew and Louis Andrew

Geske will serve as the inaugural director of the Andrew Center, facilitating its launch and search for a permanent director.

"Our hope is that the center will train law students and the legal community to better help victims and communities reclaim their sense of safety and well-being," the Andrews said.

FOTSCH FAMILY FOUNDATION GIFT TO GROW LEADERSHIP DEVELOPMENT The Fotsch family has been closely connected with Marquette for decades, with beloved matriarch Geraldine "Nana" Fotsch at the helm.

In March, President Lovell announced a major gift from the Fotsch Family Foundation that will sustain the university's efforts "to grow the next generation of Jesuit-educated leaders across the state, region and world."

To date, the Fotsch Family Foundation has given more than $14 million in gifts to the Marquette *Time to Rise* campaign. In recognition of its generosity, President Lovell said Marquette will name a newly established center for the family: the Fotsch Innovation and Engineering Leadership Development Center, or FIELD Center. It will house the E-Lead program and other innovation leadership development offerings. The directorship will be named the Nana Fotsch Director for the FIELD Center.

"I truly believe that I must share all the blessings that the Good Lord has showered on me and my entire family," Nana Fotsch said.

PHILANTHROPY BY THE NUMBERS FY2022

$117+ million
Total fundraising

21,000
Total donors

Nearly 4,700
First-time donors

Nearly $240 million
million contributed to scholarships

$175.7 million
million earmarked specifically for endowed scholarships

FOR THE GREATER GLORY OF GOD

Translation of the phrase, *Ad majórem Dei glóriam*, the Latin motto of the Society of Jesus

DELTA DENTAL FOUNDATION FUNDS ADVANCED CARE CLINIC

The Delta Dental of Wisconsin Foundation, a longtime Marquette supporter, made a gift to the School of Dentistry that will support significant technology enhancements and establishment of the Delta Dental Advanced Care Clinic. The clinic will strengthen care for individuals with special needs and enhance focused training, resulting in 151 upgraded and rebuilt high-tech operatories. Dean William Lobb, D.D.S., anticipates that the clinic will serve more than 1,200 patients annually. The Marquette School of Dentistry is Wisconsin's only dental school. Last year, 74% of its graduates stayed in Wisconsin to practice.

Management's Discussion and Analysis

The objective of management's discussion and analysis ("MD&A") is to give readers an overview of the financial position and operating activities of Marquette University for the year ended June 30, 2022, with selected comparative information for the year ended June 30, 2021. This discussion should be read in conjunction with the audited financial statements and the notes to the financial statements.

The statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The three primary statements included in this report are the Statements of Financial. Position, the Statements of Activities and the Statements of Cash Flows. Financial statement footnotes provide additional explanations for various portions of financial statements.

Marquette University

Marquette University is an independent, coeducational, not-for-profit institution of higher learning and research located in Milwaukee, Wisconsin, formally opened in 1881 and conducted under the auspices of the Society of Jesus. Through its 11 nationally and internationally recognized separate colleges and schools, the university offers a comprehensive range of bachelor's degree programs, master's degree programs, doctoral degree programs and post-baccalaureate first professional degree programs. A Marquette education offers students a virtually unlimited number of paths and destinations and prepares them for the world by asking them to think critically about it.

COVID-19

The COVID-19 pandemic resulted in prior year revenue declines due to lower student enrollment, de-densification of residence halls and a reduction in athletic revenues, as well as higher costs to take appropriate health and safety measures. These economic challenges were partially mitigated by temporary suspensions of merit increases and 403(b) employer matching contributions, decreases in leadership and basketball coach salaries, reduction of discretionary expenses, and state and federal emergency relief aid. The COVID-19 pandemic resulted in current year revenue declines due to lower student enrollment and retention levels. These economic challenges were partially mitigated by temporary suspensions of merit increases, other expense reduction actions, and state and federal emergency relief aid.

Statement of Financial Position

The statement of financial position provides information about an organization's assets, liabilities and net assets at a specific moment in time. The statement reports total assets, liabilities and net assets. Net assets are separated into two classifications: without donor restrictions and with donor restrictions. Additional information about net assets can be found in Note 1(b) of the consolidated financial statements.

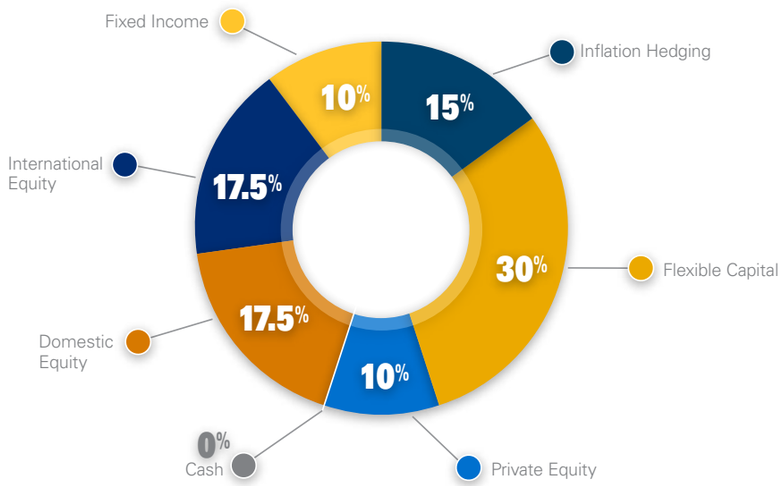
The statement of financial position, along with related footnote disclosures, has a twofold purpose. First, the statement is meant to help assess the university's ability to continue to provide services. Second, the statement is meant to provide information about liquidity, financial flexibility, ability to meet obligations, and potential needs for external financing.

Changes in cash and cash equivalents are detailed in the statement of cash flows.

Pledges receivable consists of unconditional promises to give and is recorded as contribution revenue, at fair value, in the period the promise is made by a donor. The fair value of the pledge is estimated based on anticipated future cash payments discounted using a risk-adjusted rate commensurate with the duration of the planned payments. The decrease in pledges receivable is primarily attributable to the timing of payments received on pledges for the new College of Business Administration (COBA) building.

Investments represent the largest university asset. Investments consist of long-term cash equivalents, endowment, trusts and other investments. The endowment investment objective is to preserve purchasing power, while providing a continuing and stable funding source to support the overall mission of Marquette University. To accomplish this objective, the fund seeks to generate a total return that will exceed its annual spendable amount, all expenses associated with managing the fund and eroding effects of inflation. The fund is managed on a total return basis.

To achieve this investment objective, the fund is allocated among several asset classes with a bias toward equity and equity-like investments. The fund is diversified both by and within asset classes. Diversification provides reasonable assurance that no single security or class of securities will have a disproportionate impact on the performance of the total fund. As a result, the risk level associated with the portfolio investment is reduced. The following chart displays the endowment targeted asset allocation:



The five-year Marquette endowment performance is summarized in the table below:

ENDOWMENT PERFORMANCE SUMMARY

	5-YEAR ANNUALIZED	FISCAL YEAR ENDING				
		2022	2021	2020	2019	2018
Market Value (in millions)		$865.3	$929.1	$693.7	$698.0	$668.8
Endowment	7.3%	-6.9%	33.6%	0.9%	5.3%	7.9%
Policy Index	6.0%	-8.0%	28.3%	1.6%	4.2%	7.3%
70% MSCI ACWI/30% Barclays Global Aggregate	4.9%	-15.5%	27.4%	3.1%	6.1%	7.9%

Additional information on endowments and endowment income can be found in Note 4 of the consolidated financial statements.

Net property, buildings and equipment increased primarily due to COBA building construction, Joan of Arc Chapel restoration and Lalumiere Language Hall upgrades. Additional information about property, buildings and equipment can be found in Note 1(h) of the consolidated financial statements.

Accounts payable and accrued liabilities represent payments that the university is obligated to pay in the future for which goods and services have already been delivered. The year over year decrease is primarily attributable to payments for deferred Social Security tax payments allowable under COVID-19 relief legislation and other university obligations.

The refundable federal loan grant represents federal loans payable for the Perkins, Dental, Nursing and other loans. This balance continues to decline because of the Perkins Loan Program winding down.

The university has a right of use asset of $16.0 million and an operating lease liability of $17.6 million. The operating leases are primarily for athletic arena use, clinic space, office space and vehicles that expire over the next 11 years. Additional information on leases can be found in Note 7 of the consolidated financial statements.

Notes and bonds payable decreased as result of regularly scheduled payments. On July 12, 2022, the university issued $56,590 of tax-exempt bonds. The Revenue Bonds Series 2022 debt was used to refund and redeem a portion of the Revenue Bonds Series 2012 debt. By refinancing capital expenses at lower interest rates, this tax-exempt financing enables the university to advance its educational mission and commitment to access and affordability through more efficient financial operations. Additional information about notes and bonds payable can be found in Note 8 of the consolidated financial statements.

Statement of Activities

The statement of activities is the university's operating statement. It reflects financial transactions from the beginning to the end of the fiscal year that result in increases or decreases in net assets. The statement of activities reflects changes for both types of net assets, without donor restrictions and with donor restrictions.

The statement of activities, along with the related footnote disclosures, is intended to provide the reader with information that will evaluate the not-for-profit organization's performance during the fiscal year; assess the university's service efforts and its ability to continue to provide services; and assess how university's management has discharged their stewardship responsibilities and other aspects of their performance.

For fiscal year 2022, Marquette University's operating income was $94.6 million. Operating results in the consolidated statement of activities reflect all transactions that change net assets, except for activities associated with endowment investments and certain other nonrecurring transactions.

The fiscal year 2022 operating revenue increase over the prior year is primarily a result of ending of COVID-19 restrictions on dorm densification and fan attendance at athletic events. Lifting these restrictions resulted in room and board and athletics revenues returning to more normal levels.

Net tuition and fees of $250.9 million is a decline over the prior year. The change reflects the impact of the COVID-19 pandemic on student enrollment and retention levels.

Grant revenue includes Higher Education Emergency Relief Funding (HEERF). This funding was utilized for student aid and to recover lost revenue.

Major contributions were received to support the Lemonis Center for Student Success, the Fotsch Family Excellence in Leadership Program, the Andrew Center for Restorative Justice, and construction for the COBA building, Nursing building and Wellness + Recreation. The "Philanthropy" section details some of the large contributions received during the fiscal year.

Contribution revenue of $92.6 million reported within the statements of activities is calculated based on GAAP. As is widespread practice, University Advancement reports fundraising according to the guidelines established by the Council for Advancement and Support of Education (CASE). CASE guidelines represent the philanthropy reporting standard for colleges and universities. Under CASE guidelines, philanthropic giving totaled $117.6 million in fiscal year 2022.

A normal bridging from GAAP to CASE totals displaying customary adjustments is provided below:

(dollars in thousands)	
Per GAAP	$92.6
Accrual basis adjustment	(0.5)
Priority point gifts	3.0
Grants	8.3
Revocable planned gifts	13.8
Previous recognized conditional gifts	0.4
Per CASE	$117.6

University philanthropic efforts will continue to pursue support for our students, programs, research and capital priorities.

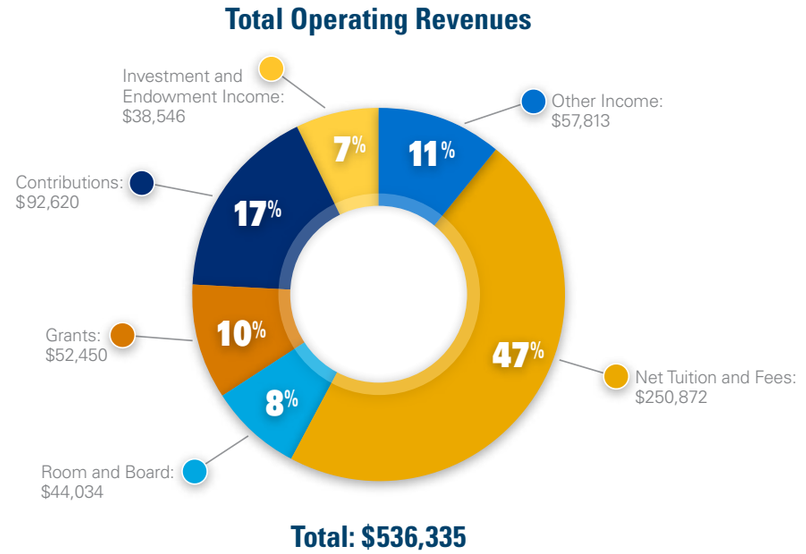
Additional information on GAAP reporting of contributions, revenue and pledges receivable is provided in Notes 1(e) and 6 of the consolidated financial statements.

Auxiliary enterprise revenue of $41.4 million represents a $5.5 million decrease from the prior year. This decrease is primarily attributable to de-densifying residence halls to follow local health authority guidance.

Other income decreased because of the COVID-19 restriction preventing fans from attending athletic events.

Endowment income used in operations of $34.8 million reflects a $4.7 million increase over the prior year.

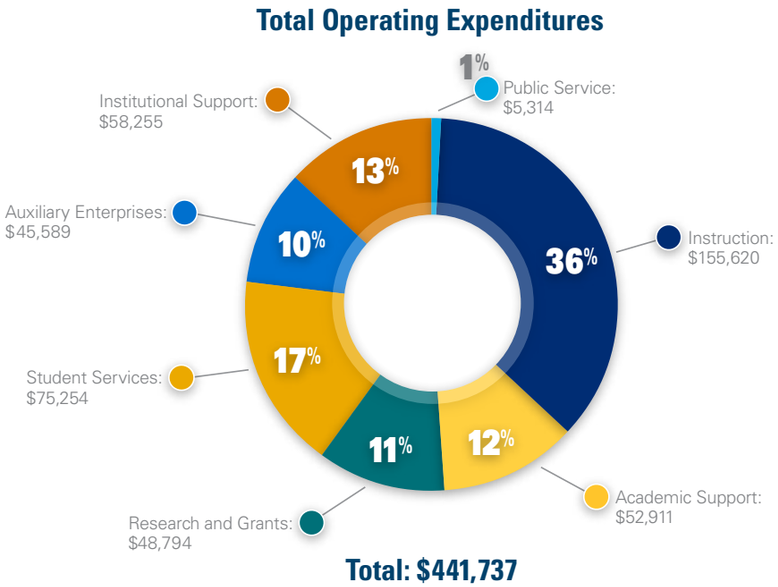
The following chart shows total operating revenues by source (dollars in thousands):



Expenditures increased by $12.2 million, or 2.8%, as a result of inflationary costs increases related to health care, utilities and food costs, partially offset by cost controls implemented to mitigate lower net tuition revenues. Prior year functional expense amounts were revised to reflect updated, commonly applied cost classifications utilized in the current year. Expenditures by function are displayed in the following table.

	FY22	FY21	INCREASE/ (DECREASE)
Instruction	155.6	151.5	4.1
Academic support and libraries	52.9	52.0	0.9
Research and grants	48.8	44.9	3.9
Student services	75.3	78.0	(2.7)
Auxiliary enterprises	45.6	43.0	2.6
Institutional support	58.2	55.0	3.2
Public service	5.3	5.1	0.2
Total	441.7	429.5	12.2

The following chart shows total operating expense by function (dollars in thousands):



Additional information on expenses is provided in Note 14 of the consolidated financial statements.

Statement of Cash Flows

The statement of cash flows provides information about cash receipts and cash payments of the university during the fiscal year. This statement also provides insight into university investing and financing activities.

The statement of cash flows shows how changes in balance sheet accounts and income affect cash and cash equivalents. It breaks down the analysis into operating, investing and financing activities. The cash flow statement explains the flow of cash in and out of the university. The statement is intended to provide information about the university's liquidity and solvency. The statement also provides information for evaluating changes in assets, liabilities and equity, while indicating the amount, timing and probability of future cash flows.

Cash and cash equivalents at fiscal year-end total $117.4 million. Cash equivalents with original maturities of three months or less are classified as cash and cash equivalents.

Net cash used in operations of $19.8 million in fiscal year 2022 compared to net cash provided of $40.1 million in fiscal year 2021 was primarily due to fluctuations in asset and liabilities.

Net cash used in investing activities is a result of the university investing in the campus master plan through construction projects related to academic programming.

Net cash provided from financing activities was a positive $75.8 million due primarily to generous donor contributions for capital projects and long-term endowments.

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022 and 2021 | With Independent Auditors' Report Thereon

KPMG LLP
Suite 1050
833 East Michigan Street
Milwaukee, WI 53202-5337

September 8, 2022

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinion

We have audited the consolidated financial statements of Marquette University (the University), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2022 and 2021, and the results of its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the University 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 Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 consolidated 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 University'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University'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.

KPMG LLP

Consolidated Statements of Financial Position

JUNE 30, 2022 AND 2021

(Dollars in thousands)

	2022	2021
ASSETS		
Cash and cash equivalents	$117,434	111,265
Pledges receivable, net	75,146	88,732
Student accounts and loans receivable, net	47,064	43,511
Investments	1,037,512	1,071,998
Other assets	10,565	8,591
Right of use assets—operating leases, net	16,059	16,574
Property, buildings, and equipment, net	635,440	626,527
TOTAL ASSETS	**$1,939,220**	**$1,967,198**
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued liabilities	$74,088	$88,246
Deferred revenue and deposits	41,379	48,813
Refundable federal loan grants	28,204	32,191
Lease obligation—operating	17,640	17,994
Notes and bonds payable, net	353,468	364,338
TOTAL LIABILITIES	**514,779**	**551,582**
NET ASSETS:		
Without donor restrictions	$401,593	431,877
With donor restrictions	1,022,848	983,739
TOTAL NET ASSETS	**1,424,441**	**1,415,616**
TOTAL LIABILITIES AND NET ASSETS	**$1,939,220**	**$1,967,198**

See accompanying notes to consolidated financial statements.

Consolidated Statement of Activities

YEAR ENDED JUNE 30, 2022

(Dollars in thousands)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
OPERATING REVENUES:			
Student tuition and fees, net	$250,872	—	250,872
Government and private grants	52,450	—	52,450
Contributions	6,051	86,569	92,620
Auxiliary enterprises	51,844	—	51,844
Sales by educational departments	10,541	—	10,541
Investment income	1,481	471	1,952
Endowment income used in operations	7,321	31,225	38,546
Other income	37,510	—	37,510
Net assets released from restrictions	36,411	(36,411)	—
TOTAL OPERATING REVENUES	**454,481**	**81,854**	**536,335**
OPERATING EXPENSES:			
Instruction	155,620	—	155,620
Academic support and libraries	52,911	—	52,911
Research and grants	48,794	—	48,794
Student services	75,254	—	75,254
Auxiliary enterprises	45,589	—	45,589
Institutional support	58,255	—	58,255
Public services	5,314	—	5,314
TOTAL OPERATING EXPENSES	**441,737**	**—**	**441,737**
OPERATING INCOME	**12,744**	**81,854**	**94,598**
NONOPERATING ACTIVITIES:			
Endowment loss in excess of amounts designated for current operations, net	(37,945)	(39,963)	(77,908)
Other, net	(5,083)	(2,782)	(7,865)
TOTAL NONOPERATING ACTIVITIES, NET	**(43,028)**	**(42,745)**	**(85,773)**
CHANGE IN NET ASSETS	**(30,284)**	**39,109**	**8,825**
Net assets, beginning of year	431,877	983,739	1,415,616
Net assets, end of year	$401,593	1,022,848	1,424,441

See accompanying notes to consolidated financial statements.

Consolidated Statement of Activities

YEAR ENDED JUNE 30, 2021

(Dollars in thousands)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
OPERATING REVENUES:			
Student tuition and fees, net	$272,268	—	272,268
Government and private grants	47,520	—	47,520
Contributions	6,199	104,564	110,763
Auxiliary enterprises	41,380	—	41,380
Sales by educational departments	10,286	—	10,286
Investment income	1,374	1,291	2,665
Endowment income used in operations	6,800	28,043	34,843
Other income	15,993	—	15,993
Net assets released from restrictions	31,753	(31,753)	—
TOTAL OPERATING REVENUES	**433,573**	**102,145**	**535,718**
OPERATING EXPENSES:			
Instruction	151,459	—	151,459
Academic support and libraries	52,052	—	52,052
Research and grants	44,914	—	44,914
Student services	77,977	—	77,977
Auxiliary enterprises	42,968	—	42,968
Institutional support	55,019	—	55,019
Public services	5,135	—	5,135
TOTAL OPERATING EXPENSES	**429,524**	**—**	**429,524**
OPERATING INCOME	**4,049**	**102,145**	**106,194**
NONOPERATING ACTIVITIES:			
Endowment gain in excess of amounts Designated for current operations, net	26,842	153,495	180,337
Other, net	(6,850)	(7,515)	(14,365)
TOTAL NONOPERATING ACTIVITIES, NET	**19,992**	**145,980**	**165,972**
CHANGE IN NET ASSETS	**24,041**	**248,125**	**272,166**
Net assets, beginning of year	407,836	735,614	1,143,450
Net assets, end of year	$431,877	983,739	1,415,616

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

YEARS ENDED JUNE 30, 2022 AND 2021

(Dollars in thousands)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$8,825	272,166
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	39,142	39,468
Discount amortization	(1,554)	(1,556)
Net realized and unrealized loss (gain) on investments	39,314	(216,027)
Bad debt expense	2,002	3,945
Contributions for major capital projects including gifts in kind	(43,196)	(26,644)
Contributions restricted for long-term endowments	(34,953)	(28,748)
Endowment income used in operations from net assets to be maintained permanently	(173)	(269)
Loss (gain) on sale of property, buildings, and equipment	61	3,543
Reduction in carrying amount of right to use assets	161	1,420
Changes in assets and liabilities:		
Student accounts and loans receivable	(7,445)	(2,728)
Pledges receivable	1,269	(28,406)
Other assets, net	(1,974)	(198)
Accounts payables and other liabilities	(13,891)	22,023
Deferred revenue and deposits	(7,434)	2,156
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	**(19,846)**	**40,145**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, buildings, and equipment	(56,209)	(27,936)
Proceeds from sale of property, buildings, and equipment	7,826	5
Student loans repayments	5,028	6,326
Student loans issued	(1,611)	(3,449)
Purchase of investments	(240,292)	(357,676)
Proceeds from the sale of investments	235,464	204,016
NET CASH USED IN INVESTING ACTIVITIES	**(49,794)**	**(178,714)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions received for major capital projects	43,196	26,620
Proceeds from contributions restricted for long-term endowments	45,743	24,218
Endowment income used in operations from net assets to be maintained permanently	173	269
Decrease in refundable federal loan grants	(3,987)	(3,551)
Repayment of notes and bonds payable	(9,316)	(8,946)
NET CASH PROVIDED BY FINANCING ACTIVITIES	**75,809**	**38,610**
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	**6,169**	**(99,959)**
Cash, cash equivalents and restricted cash, beginning of year	111,265	211,224
Cash, cash equivalents and restricted cash, end of year	117,434	111,265
Supplemental disclosure of cash flow information		
Cash paid for interest	$14,381	$13,943
Change in construction payables	(1)	708
Capital gifts in kind	—	24

See accompanying notes to consolidated financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) ORGANIZATION

Marquette University (the university) is an independent, coeducational, not-for-profit institution of higher learning and research located in Milwaukee, Wisconsin, formally opened in 1881 and conducted under the auspices of the Society of Jesus. The university provides education and training services, primarily for students enrolled in undergraduate, graduate, and professional degree programs and performs research, training and other services under grants, contracts and other agreements with sponsoring organizations, including both government agencies and private enterprises.

The consolidated financial statements include Flora Real Properties LLC (Flora). Flora is fully controlled by the university through 100% ownership. Flora operates commercial real estate activities in the university campus area.

(B) BASIS OF PRESENTATION

The consolidated financial statements of the university have been prepared in conformity with U.S. generally accepted accounting principles (GAAP). The accompanying consolidated financial statements present information regarding the university's financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

(i) Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions.

(ii) With Donor Restrictions

Net assets that are subject to donor restrictions that will be met either by actions of the university or the passage of time. Also included in this category are net assets subject to donor-imposed restrictions to be maintained permanently by the university, wherein the donor stipulates that the corpus of the gift be held in perpetuity and the income from those assets be made available for scholarships or program operations.

(C) USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses during the reporting period as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(D) CASH AND CASH EQUIVALENTS

Cash equivalents with original maturities of three months or less are classified as cash and cash equivalents, except those amounts held by investment managers, which are classified as investments. The fair value of cash equivalents is estimated to be the same as book value due to the short maturity of these instruments.

(E) PLEDGES RECEIVABLE

Unconditional promises to give are recognized initially at fair value as contribution revenue in the period a donor makes the promise. The fair value of the pledge is estimated based on anticipated future cash payments discounted using a risk-adjusted rate commensurate with the duration of the planned payments. In subsequent periods, the discount rate is unchanged. Pledges receivable are net of an allowance for uncollectible amounts. Allowance for uncollectible pledges is calculated based upon the university's past collection experience. The allowance is reassessed and adjusted as necessary.

(F) STUDENT ACCOUNTS AND LOANS RECEIVABLE, NET

At June 30, student accounts and loans receivable consisted of the following:

(dollars in thousands)

	2022	2021
Federal government loan programs	$22,855	26,198
Institutional loan programs	1,701	1,668
Student receivables	7,823	7,500
Grant receivables	15,386	7,869
Other receivables	2,556	3,649
SUBTOTAL	**50,321**	**46,884**
LESS ALLOWANCES FOR DOUBTFUL ACCOUNTS	**(3,257)**	**(3,373)**
STUDENT ACCOUNTS AND LOANS RECEIVABLE, NET	**$47,064**	**43,511**

The university records an allowance for uncollectible accounts when, in management's judgment, it is probable a portion of the receivable or loan will not be collected. Allowances for doubtful accounts are established based on prior collections. Balances are written off when they are deemed permanently uncollectible.

(G) INVESTMENTS

Investments are reported at fair value based on market quotes with unrealized gains and losses thereon included in the consolidated statements of activities. When a ready market for the investments does not exist, the net asset value is used as a practical expedient in estimating fair value, based on information provided by fund managers or general partners. The estimated values are reviewed and evaluated by the university. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed.

(H) PROPERTY, BUILDINGS, AND EQUIPMENT, NET

Property, buildings, and equipment are recorded at cost at the date of acquisition or fair value at the date of donation including, where appropriate, capitalized interest. Property and equipment under capital leases are initially valued and recorded on the present value of minimum lease payments. The university depreciates buildings, building improvements, land improvements, equipment, library contents, and eBooks over the estimated useful lives of the assets (25 to 50, 10 to 20, 10 to 20, 5 to 7, 20 and 20 years, respectively) using the straight-line method. Leasehold improvements are amortized over the shorter of the expected useful life of the asset or term of the related lease.

Property, buildings, and equipment include the following at June 30, 2022 and 2021:

(dollars in thousands)

	2022	2021
Land and improvements	$51,423	58,378
Buildings and improvements	853,897	833,676
Construction in progress	52,994	34,827
Furniture, fixtures, and equipment	174,730	170,280
Library contents	124,735	124,561
eBooks and other intangibles	31,541	27,127
Less accumulated depreciation	(653,880)	(622,322)
PROPERTY, BUILDINGS, AND EQUIPMENT, NET	**$635,440**	**626,527**

Construction in progress includes the following as of June 30, 2022 and 2021:

(dollars in thousands)

	2022	2021
College of Business Administration new building	$37,716	$7,608
New home for the College of Nursing	3,279	565
Wellness and Recreation	1,445	535
Dental clinic remodel	1,352	—
Smart classrooms	83	1,521
Animal research center renovations	—	11,185
313 N. 13th renovations	—	1,688
Lalumiere renovation	—	1,557
Other renovation and construction projects	9,119	10,168
TOTAL CONSTRUCTION IN PROGRESS	**$52,994**	**$34,827**

Long-lived assets such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

On June 17, 2022, Marquette University granted the buyer of real estate an option to put certain parcels back to the university for up to twelve months after the closing date.

Capital gifts to acquire or construct long-lived assets are recorded as a gift with donor restrictions until the related asset is placed in service, at which time the capital gift is released from net assets with donor restrictions to net assets without donor restrictions as other non-operating activity and subsequently amortized into operations over the estimated useful life of the acquired or constructed asset. This amortization, which amounted to $6,668 in fiscal year 2022 and $6,950 in fiscal year 2021, is recorded as a reclassification between non-operating and operating sections of the changes in net assets without donor restrictions in the consolidated statement of activities.

(I) REFUNDABLE FEDERAL LOAN GRANTS

The university participates in the Perkins, Health Professionals Student, Nursing Student, Nurse Faculty, ARRA-Nurse Faculty, and Loans for Disadvantaged Student federal revolving loan programs. The university holds certain amounts advanced from the federal government to facilitate these loan programs. In the event the university no longer participates, the amounts related to the program are generally refundable to the government.

(J) STUDENT TUITION AND FEES

Student tuition revenue is recognized in the fiscal year in which the academic programs are delivered. Scholarships reduce the amount of revenue recognized. The university provided student tuition discounts of $197,062 and $189,670 in 2022 and 2021, respectively. Students who withdraw may receive a full or partial refund in accordance with the university's refund policy.

Deferred tuition revenue and deposits represents payments for summer term courses conducted in July and August along with deposits for the fall academic term.

The university applies the practical expedient in Accounting Standards Codification (ASC) 606-10-50-14 and therefore does not disclose information about performance obligations that have an origination and expected duration within the fiscal year.

The following tables depict activities for student – related deferred revenue.

(dollars in thousands)

BALANCE AT JUNE 30, 2021	REVENUE RECOGNIZED	CASH RECEIVED IN ADVANCE OF PERFORMANCE	ACCOUNTS RECEIVABLE FOR SUMMER COURSES	BALANCE AT JUNE 30, 2022
$9,271	9,271	9,259	487	9,746

(dollars in thousands)

BALANCE AT JUNE 30, 2020	REVENUE RECOGNIZED	CASH RECEIVED IN ADVANCE OF PERFORMANCE	ACCOUNTS RECEIVABLE FOR SUMMER COURSES	BALANCE AT JUNE 30, 2021
$9,737	9,737	8,807	464	9,271

The balance of deferred tuition revenue at June 30, 2022, will be recognized as revenue in the year ending June 30, 2023, as services are rendered.

(K) AUXILIARY ENTERPRISES

Auxiliary enterprises include revenues and expenses of the university for room and board, parking services, commercial property rentals and gift shops.

(L) CONTRIBUTIONS

Contributions, including unconditional promises to give (pledges), are recorded as operating revenue. Gifts, excluding artwork, are recognized in the appropriate category of net assets in the period received. Contributions are recorded at their estimated fair value at the date the gift is received. Contributions receivable due beyond one year are stated at estimated net present value, net of an allowance, and recorded as net assets with donor restrictions until cash payments are received and donor restrictions are fulfilled. Allowances and revisions to previous year contributions based on donor amendments or clarifications of intent are reflected within the consolidated statements of activities as a nonoperating item. Contributions with donor-imposed conditions are not recognized unless it is reasonably expected that the conditions can be met.

(M) OPERATING INCOME

Operating results in the consolidated statement of activities reflect all transactions that change net assets without donor restrictions, except for activity associated with endowment investments and certain other nonrecurring transactions, including adjustments to allowance for uncollectible contributions, changes due to adopting new accounting guidance, and other gains and losses. In accordance with the university's endowment distribution policy as described in note 4, only the portion of total investment return distributed under this policy to meet operating needs is included in operating revenue. Operating investment income consists of dividends, interest, and realized gains and losses on unrestricted non-endowed investments.

(N) INCOME TAXES

The university is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and Section 71.26(1)(a) of the Wisconsin statutes and is generally not subject to federal and state income taxes. However, the university is subject to income taxes on any income that is derived from a trade or business regularly carried on, and not in furtherance of the purposes for which it was granted exemption.

There was no provision for income taxes due on unrelated business income and there are no uncertain tax positions considered to be material. As of June 30, 2022, the university has a federal tax credit carryforward of $2,193, which expires between fiscal years 2036 and 2041.

(O) POST-RETIREMENT BENEFITS

The university provides retired employees access to certain healthcare and life insurance benefits. University employees become eligible to access these benefits when their years of service plus age equal 70 with a minimum age of 55. Qualified retired employees under the age of 65 are eligible to participate in the university's healthcare plan. Retirees are expected to pay the full cost of their premiums, based on the claims experience associated with that defined group of retired employees. The university also pays group life insurance premiums for active or future retired employees hired prior to February 1, 1982, that provide for limited death benefits. The premiums paid are based on the group community rate associated with death claims filed for the entire population of employees and retirees participating in the program. As of June 30, 2022 and 2021, the university had post-retirement benefits payable of $4,906 and $4,869, respectively.

(P) ART COLLECTION

The university has various collections of fine arts and rare books in museums, libraries, and on loan. The university does not assign or record a value to art works and other collections received as gifts or purchased with contributions restricted for that purpose. Valuations for some collections are updated periodically, and as such, the total of all fine arts may vary with appraisals and / or auction prices. Accordingly, the values of fine art and other collections have been excluded from the consolidated statements of financial position. Proceeds, if any, deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes. The art and other collections are subject to a requirement that proceeds from their sales be used to acquire other items for the collections. Fine arts are included in insurance coverage for the university property and a separate policy is also secured for fine art of high value and where appraised values are listed. As of June 30, 2022, the specific policy covering highly valued works provides for insured coverage of $100,000 aggregate limit (subject to policy sublimit including $3,000 for the Joan of Arc Chapel) for any one loss or any one occurrence and includes some appraised items from the library collections.

(Q) COVID-19

The COVID – 19 pandemic resulted in prior year revenue declines due to lower student enrollment, de-densification of residence halls, and a reduction in athletic revenues, as well as higher costs to take appropriate health and safety measures. These economic challenges were partially mitigated by temporary suspensions of merit increases and 403(b) employer matching contributions, decreases in leadership and basketball coach salaries, reduction of discretionary expenses, and state and federal emergency relief aid. The COVID – 19 pandemic resulted in current year revenue declines due to lower student enrollment and retention levels. These economic challenges were partially mitigated by temporary suspensions of merit increases, other expense reduction actions, and state and federal emergency relief aid.

(R) RECLASSIFICATION

Certain amounts in the 2021 financial statements have been reclassified to conform to the 2022 presentation. 2021 functional expense amounts were revised to reflect updated, commonly applied cost classifications utilized in 2022.

(2) AVAILABILITY OF FINANCIAL ASSETS FOR GENERAL EXPENDITURES

Resources available to the university to fund general expenditures, such as operating expenses, scheduled principal payments on debt, and internally funded capital costs have seasonal variations related to the timing of tuition payments, receipts of gifts and pledge payments, and transfers from the endowment. The university actively manages its resources, utilizing a combination of short-term and long-term operating investment strategies to align cash inflows with anticipated outflows.

At June 30, 2022, existing financial assets and liquidity resources available within one year were as follows:

(dollars in thousands)

Financial assets:	
Cash and cash equivalents	$117,434
Accounts receivable	22,614
Pledges payments available for operations	7,427
Working capital investments	146,819
Endowment spending payout	38,372
TOTAL FINANCIAL ASSETS AVAILABLE WITHIN ONE YEAR	**332,666**
Liquidity resources:	
Bank line of credit	50,000
TOTAL FINANCIAL ASSETS AND LIQUID RESOURCES AVAILABLE WITHIN ONE YEAR	**$382,666**

Additionally, the university has $117,537 in board designated funds functioning as endowment of which $84,504 could be liquidated within one year with Board approval, however no liquidation is anticipated as of June 30, 2022. The university's investment policy follows Wisconsin's Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), which requires institutions to maintain intergenerational equity, meaning the university must make efforts to preserve purchasing power of the endowment for both current and future generations served by the university.

(3) INVESTMENTS

A summary of the university's investment return net of expenses is presented below for the years ended June 30, 2022 and 2021:

(dollars in thousands)

	2022	2021
Interest and dividends	$6,891	$6,323
(Loss) gain on investments, net	(44,300)	211,522
RETURN ON INVESTMENTS	**$(37,409)**	**$217,845**

The fair value of the university's financial instruments is determined using the valuation methods and assumptions as set forth below. While the university believes that its valuation methods are appropriate and consistent with those of 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 at the reporting date.

Fair values of cash and cash equivalents are based on observable market quotation prices provided by investment managers and the custodian bank at the reporting date.

Investments include money funds, federal, state, local agency, nongovernment, asset and mortgage-backed and foreign fixed income securities, stocks, mutual funds, commingled funds, real estate, multi-strategy hedge funds and private equity partnership and membership interests. Investments are based on valuations provided by external investment managers and the custodian banks. Valuations provided by external investment managers and the custodian bank include observable market quotation prices, observable inputs other than quoted prices such as price services or indexes, estimates, appraisals, assumptions and other methods that are reviewed by management. Real estate, multi-strategy hedge funds, commingled funds and private equity partnerships are valued using net asset value; however, it is possible that the redemption rights of certain investments may be restricted by the funds in the future in accordance with the underlying fund agreements. Changes in market conditions and the economic environment may impact the net asset value of the funds and consequently the fair value of the university's interests in the funds.

Accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The standard describes three levels of inputs that may be used to measure fair value:

LEVEL 1 Observable inputs such as quoted prices in active markets that the university has the ability to access at the measurement date.

LEVEL 2 Inputs other than quoted prices in active markets such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

LEVEL 3 Unobservable inputs where there is little or no market data and requires the reporting entity to develop its own assumptions and includes funds held in trust by others.

The university's policy is to reflect transfers between levels at the end of the year in which a change in circumstances results in the transfer.

The following table presents the university's financial instruments at fair value as of June 30, 2021. The categorization of financial instruments within the hierarchy is based on price transparency and does not necessarily correspond to the perceived risk of the instruments.

(dollars in thousands)

	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
June 30, 2022:				
ASSETS:				
Recurring:				
Cash and cash equivalents	$117,434	117,434	—	—
Investments:				
Money funds and other	32,200	32,200	—	—
Federal, state, and local agency securities	585	—	585	—
Nongovernment bonds and notes	256	—	256	—
Asset and mortgage-backed securities	684	—	684	—
Foreign bonds and notes	125	—	125	—
Common and preferred stocks	46,284	46,284	—	—
Mutual funds—bonds	230,636	230,636	—	—
Mutual funds—equity	105,853	105,853	—	—
Investments measured at net asset value	620,889	—	—	—
TOTAL INVESTMENTS	**1,037,512**	**414,973**	**1,650**	**—**
TOTAL ASSETS MEASURED AT FAIR VALUE ON RECURRING BASIS	**$1,154,946**	**532,407**	**1,650**	**—**

Certain investment companies and partnerships in which the university has invested have imposed restriction as to the frequency at which the university might redeem, in part or whole, its investment. Redemption frequencies can vary based on several criteria, including the liquidity of an investment company's underlying investments or initial investment lockup periods. Fair value measurements of investments in certain entities that calculate net asset value per share (or its equivalent) as of June 30, 2022, are as follows:

(dollars in thousands)

FISCAL YEAR ENDED JUNE 30, 2022	NET ASSETS VALUE	UNFUNDED COMMITMENTS	REDEMPTION FREQUENCY	REDEMPTION NOTICE PERIOD
Commingled funds	$101,135	—	Weekly, Monthly, Annually	10–30 days
Multi-strategy hedge funds	277,565	—	Quarterly, Semi-annually, Annually, 2 years, 3 years, Liquidating	45–90 days
Private equity partnerships	221,939	67,478	Illiquid	
Real estate limited partnership and membership interests	20,250	11,439	Illiquid	
	$620,889	**78,917**		

The following table presents the university's financial instruments at fair value as of June 30, 2021. The categorization of financial instruments within the hierarchy is based on price transparency and does not necessarily correspond to the perceived risk of the instruments.

(dollars in thousands)

	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
June 30, 2021:				
ASSETS:				
Recurring:				
Cash and cash equivalents	$111,265	111,265	—	—
Investments:				
Money funds and other	33,974	33,974	—	—
Federal, state, and local agency securities	679	—	679	—
Nongovernment bonds and notes	301	—	301	—
Asset and mortgage-backed securities	454	—	454	—
Foreign bonds and notes	125	—	125	—
Common and preferred stocks	61,914	61,914	—	—
Mutual funds—bonds	238,582	238,582	—	—
Mutual funds—equity	126,506	126,506	—	—
Investments measured at net asset value	609,463	—	—	—
TOTAL INVESTMENTS	**1,071,998**	**460,976**	**1,559**	**—**
TOTAL ASSETS MEASURED AT FAIR VALUE ON RECURRING BASIS	**$1,183,263**	**572,241**	**1,559**	**—**

Certain investment companies and partnerships in which the university has invested have imposed restriction as to the frequency at which the university might redeem, in part or whole, its investment. Redemption frequencies can vary based on several criteria, including the liquidity of an investment company's underlying investments or initial investment lockup periods. Fair value measurements of investments in certain entities that calculate net asset value per share (or its equivalent) as of June 30, 2021, are as follows:

(dollars in thousands)

FISCAL YEAR ENDED JUNE 30, 2021	NET ASSETS VALUE	UNFUNDED COMMITMENTS	REDEMPTION FREQUENCY	REDEMPTION NOTICE PERIOD
Commingled funds	$125,035	—	Weekly, Monthly, Annually	10–30 days
Multi-strategy hedge funds	294,929	—	Quarterly, Semi-annually, Annually, 2 years, 3 years, Liquidating	45–90 days
Private equity partnerships	167,363	66,724	Illiquid	
Real estate limited partnership and membership interests	22,136	15,954	Illiquid	
	$609,463	**82,678**		

(4) ENDOWMENT

(A) INTERPRETATION OF RELEVANT LAW GOVERNING ENDOWMENTS

The State of Wisconsin enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) on July 20, 2009. This law provides, among other things, expanded spending flexibility by allowing, subject to a standard of prudence, the university to spend from an endowment fund without regard to the book value of the corpus. The university classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Also included in net assets with donor restrictions is accumulated appreciation on endowment funds which are available for expenditure in a manner consistent with the standard of prudence established by UPMIFA.

(B) UNDERWATER ENDOWMENT FUNDS

From time to time, the value of assets associated with a permanently restricted fund may fall below the historical cost. Deficiencies of this nature are reported in net assets with donor restrictions. These deficiencies resulted from unfavorable market conditions that occurred after the investment of endowed contributions and from appropriations to certain programs. As of June 30, 2022 and 2021, funds with fair market value of $33,873 and $8,389, an original gift value of $36,466 and $8,682, were underwater by $2,593 and $293, respectively.

(C) ENDOWMENT SPENDING POLICY

The primary objective of the spending policy is to provide a steady cash flow stream while at the same time protecting the purchasing power of the endowment fund's principal. Adopting the target rate approach provides the university with a level-spending plan. Spending allotments will begin with the flat amount allocated to each individual endowment fund balance as of June 30, 2004, that may grow each year by an inflationary amount not to exceed 3%. Spending allotments will be increased by new gift additions to the individual endowment funds receiving spending authority equal to 5% of the new gift amount.

Compliant with UPMIFA, the university will be allowed to prudently withdraw spendable funds even if an endowment's market value is less than its historical book value. Any "return" that is not required to meet spending shall be retained in the endowment funds and invested in accordance with the investment policy statement.

A risk control mechanism will be employed that keeps spending within a range of 4 – 6% of market value in order for the asset allocation policy to work with a minimum target rate of return of 8% (5% average spending and 3% inflation).

(D) ENDOWMENT INVESTMENT POLICY

The endowment fund's investment objective is to preserve its purchasing power while providing a continuing and stable funding source to support the overall mission of the university. To accomplish this objective, the endowment fund seeks to generate a total return that will exceed its annual spendable amount, all expenses associated with managing the endowment fund, and the eroding effects of inflation. It is the intention that any excess return (interest income, dividends, realized gains, and unrealized gains), above and beyond the amount approved for expenditure or distribution, will be reinvested in the endowment fund. The endowment fund will be managed on a total return basis, consistent with the applicable standard of conduct set forth in UPMIFA.

The endowment fund has a long-term investment horizon with relatively low liquidity needs. For this reason, the endowment fund can tolerate short- and intermediate-term volatility provided that long-term returns meet or exceed its investment objective. Consequently, the endowment fund may take advantage of less liquid investments, such as private equity, hedge funds, and other partnership vehicles, which typically offer higher risk-adjusted return potential as compensation for forfeiture of liquidity. To ensure adequate liquidity for distributions and to facilitate rebalancing, the university will conduct ongoing reviews of total fund liquidity.

Endowment net assets without donor restriction are "Investments functioning as endowment" that are not permanently restricted by donors but are designated by the university for endowment purposes. The following represents the composition and changes in endowment net assets for the year ended June 30, 2022:

(dollars in thousands)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Endowment net assets, beginning of year	$151,782	777,217	928,999
Investment return:			
Investment loss	—	(29)	(29)
Endowment income used for spending policy	7,321	31,225	38,546
Net realized and unrealized losses	(34,325)	(35,725)	(70,050)
TOTAL INVESTMENT RETURN	**(27,004)**	**(4,529)**	**(31,533)**
Appropriation of endowment assets for expenditure	(7,321)	(31,052)	(38,373)
Contributions	80	34,953	35,033
ENDOWMENT NET ASSETS, END OF YEAR	**$117,537**	**776,589**	**894,126**

The following represents the composition and changes in endowment net assets for the year ended June 30, 2021:

(dollars in thousands)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Endowment net assets, beginning of year	$118,538	597,267	715,805
Investment return:			
Investment gain	—	84	84
Endowment income used for spending policy	6,800	28,043	34,843
Net realized and unrealized gains	27,472	150,848	178,320
TOTAL INVESTMENT RETURN	**34,272**	**178,975**	**213,247**
Appropriation of endowment assets for expenditure	(6,800)	(27,773)	(34,573)
Contributions	5,772	28,748	34,520
ENDOWMENT NET ASSETS, END OF YEAR	**$151,782**	**777,217**	**928,999**

(5) IRREVOCABLE SPLIT-INTEREST AGREEMENTS AND FUNDS HELD IN TRUST BY OTHERS

The university's split-interest agreements with donors consist primarily of charitable gift annuities, pooled income funds, and charitable remainder trusts for which the university serves as trustee. Assets held in these trusts are included in investments. Contribution revenues are recognized at the date the trusts are established after recording liabilities for the present value of the estimated future payments to be made to the donors or other beneficiaries. Annuity and other split-interest liabilities are recorded at their present value, using a risk-adjusted discount rate and, if applicable, the estimated life expectancy of the donor or other beneficiaries.

The university is the beneficiary of trusts that, in accordance with the decedent's instructions, are managed and maintained by separate trustees not affiliated with the university. The university receives distributions from the trusts. The fair value of the trusts was $31,223 and $27,203 at June 30, 2022 and 2021, respectively, and are included in investments on the consolidated statement of financial position.

For those agreements where the university does not serve as trustee but is designated as an irrevocable beneficiary of the trust, restricted funds held in trust and revenue are recognized for the present value of the estimated future benefits due to the university over the life of the trust and when the trust is distributed. The present value calculation of the trust considers both the discount rate and, if applicable, the estimated life expectancy of the trust originator.

(6) PLEDGES RECEIVABLE, NET

Pledges receivable expected to be collected within one year are recorded at net realizable value. Pledges receivable expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using an appropriate risk-free rate of return on the date the promise to give is received. Amortization of the discount is included in contribution revenues.

As of June 30, 2022, and 2021, the contributions receivable is due as follows:

(dollars in thousands)

	2022	2021
Less than one year	$35,499	$54,332
Two to five years	42,822	40,717
Over five years	5,973	4,583
SUBTOTAL	**84,294**	**99,632**
Less unamortized discount	(2,166)	(2,782)
Allowance for uncollectible accounts	(6,982)	(8,118)
PLEDGES RECEIVABLE, NET	**$75,146**	**$88,732**

In addition, the university has received certain conditional promises to give that are in the form of revocable trusts, bequests and pledges. As of June 30, 2022 and 2021, the fair value of these conditional promises is approximately $165,363 and $152,742, respectively. These amounts can be recognized as revenue in the periods in which the conditions are fulfilled.

(7) LEASES

The university has operating leases, primarily for athletic facility use, clinic space, office space and vehicles, which expire over the next twelve years. Some leases contain renewal options. For instances where it is probable that the university will renew, the renewal period is included in the lease period and calculations. Certain leases include payment escalators based on stated rates. Variable lease payments based on stated rates such as mileage or sales volume are not included in the calculation of lease liabilities and ROU assets but, rather, are recognized during the year incurred. The present value of the lease obligation is determined using a discount rate equal to the interest rate implicit in the lease or, if unavailable, the university's incremental borrowing rate is used. Included in ROU calculations are adjustments to lease payments made as a result of COVID-19 economic impact.

The components of operating lease costs for the fiscal year ended June 30, 2022 and 2021, were as follows:

(dollars in thousands)

	2022	2021
Operating lease costs	$1,903	1,821
Variable lease costs	449	47
TOTAL LEASE COSTS	**$2,352**	**$1,868**

Amounts reported in the consolidated statements of financial position as of June 30, 2022 and 2021, were as follows:

(dollars in thousands)

	2022	2021
Operating lease ROU assets net of amortization	$16,059	16,574
Operating lease liabilities	17,640	17,994

Other information related to operating leases as of June 30, 2022 and 2021, were as follows:

(dollars in thousands)

	2022	2021
Weighted-average remaining lease term in years	10.6	11.6
Weighted average discount rate	2.27%	3.07%

Maturities of the operating leases as of June 30, 2022, are as follows:

(dollars in thousands)

2023	$1,798
2024	1,797
2025	1,765
2026	1,814
2027	1,701
Thereafter	11,408
OPERATING LEASE LIABILITIES—UNDISCOUNTED	**20,283**
Impact of present value discount	2,643
OPERATING LEASE LIABILITIES	**$17,640**

(8) NOTES AND BONDS PAYABLE, NET

As of June 30, 2022, and 2021, notes and bonds payable consisted of the following:

(dollars in thousands)

	2022	2021
Revenue Bonds, Series 2012, payable with fixed interest rates ranging from 2.00% to 5.00%, maturing through 2032	$67,665	72,190
Revenue Bonds, Series 2016, payable with fixed interest rates ranging from 4.00% to 5.00%, maturing through 2047	74,985	76,840
Revenue Bonds, Series 2019, payable with fixed interest rates ranging from 4.00% to 5.00%, maturing through 2033	38,295	41,040
Revenue Bonds, Series 2020, payable with fixed interest rates ranging from 1.00% to 4.00%, maturing through 2050	150,000	150,000
Other long-term payables with variable interest rates, maturing through 2024	565	755
SUBTOTAL	**331,510**	**340,825**
Unamortized premiums, discount and issuance costs	21,958	23,513
NOTES AND BONDS PAYABLE, NET	**$353,468**	**364,338**

Notes are issued under the Master Indenture and are equally and ratably secured by any lien created under the Master Indenture.

The notes and bonds payable are subject to various covenants. Management confirms the university is in compliance with all covenants as of and for the years ended June 30, 2022 and 2021.

Maturities of notes and bonds payable based on scheduled repayments at June 30, 2022, are as follows:

(dollars in thousands)

Fiscal year 2023	$9,876
Fiscal year 2024	13,819
Fiscal year 2025	14,040
Fiscal year 2026	14,665
Fiscal year 2027	15,315
Thereafter	263,795
TOTAL	**$331,510**

As of June 30, 2022, the university has two secured letters of credit with banks under which it may borrow up to $3,101. There were no borrowings outstanding under these letters of credit as of June 30, 2022 and 2021.

As of June 30, 2022, the university has a $50,000 line of credit with a bank. There were no borrowings outstanding under this line of credit as of June 30, 2022 and 2021.

(9) RESTRICTED CASH AND INVESTMENTS

The composition of assets restricted to investment in land, buildings and equipment as of June 30, 2022 and 2021 is shown below.

(dollars in thousands)

	2022	2021
Restricted cash	$31,182	$13,329
Contributions receivable	39,694	53,605
Investments	16,760	17,855
TOTAL ASSETS RESTRICTED FOR INVESTMENT IN LAND, BUILDING AND EQUIPMENT	**$87,636**	**$84,789**

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated statement of financial position that sum to the total of same amounts shown in the consolidated statement of cash flows.

(dollars in thousands)

	2022	2021
Cash and cash equivalents	$86,252	$97,936
Restricted cash included in assets restricted to investment in land, buildings and equipment	31,182	13,329
TOTAL CASH, CASH EQUIVALENTS, AND RESTRICTED CASH SHOWN IN THE CONSOLIDATED STATEMENT OF CASH FLOWS	**$117,434**	**$111,265**

Assets restricted to investment in land, buildings and equipment include restricted cash equivalents received with a donor-imposed restriction that limits the use of that cash to long-term purposes.

(10) RETIREMENT PLAN

All eligible full-time and part-time personnel who meet the waiting period criteria, may elect to participate in a defined contribution individual retirement plan. Under the provisions of the plan in order to receive the university's matching contribution, participants are required to contribute 5% of their annual wages to the plan. The university has neither administrative responsibilities nor any financial liabilities under this plan except to make contributions, currently limited to 8% of the annual wages of participants, up to defined limits. In addition, voluntary contributions by participants may be made subject to Internal Revenue Service limitations. As part of the COVID-19 financial risk mitigation plan, the university matching contribution to Marquette's 403(b) retirement plan was suspended from July 1, 2020 through April 30, 2021. Payments for contributions to this plan totaled $11,354 and $3,547 in fiscal years 2022 and 2021, respectively.

(11) SELF-FUNDED HEALTH, DENTAL AND VISION BENEFIT PLANS

The university has self-funded benefit plans covering all active and certain retired employees' health, dental and vision costs. The university's plans are protected against catastrophic losses through excess stop loss insurance. Excess stop loss provides reimbursement to the university when combined eligible claims for members above $375 exceed $300. Claims paid under the plans for fiscal years 2022 and 2021 totaled

$27,222 and $25,235, respectively. The university has also contracted with third party administrators to provide administrative services for the plans. Accrued liabilities include an estimate of the university's liability for claims incurred but not paid through June 30, 2022 and 2021.

(12) NET ASSETS

Net assets consist of the following as of June 30, 2022 and 2021:

(dollars in thousands)

	2022	2021
Without donor restrictions:		
Board designated endowments	$117,537	$151,782
Other net assets without donor restrictions	284,056	280,095
TOTAL WITHOUT DONOR RESTRICTIONS	**401,593**	**431,877**
With donor restrictions:		
Amounts with time and purpose restrictions:		
Academic support, instruction and student services	235,104	221,591
Pledges receivable, net	49,945	61,438
Scholarships	112,140	147,155
Life income and annuity funds	6,337	6,957
Physical assets	55,998	16,978
TOTAL NET ASSETS WITH TIME AND PURPOSE RESTRICTIONS	**459,524**	**454,119**
Amount with permanent restrictions:		
Academic support, instruction and student services	213,610	197,864
Pledges receivable, net	19,088	23,726
Scholarships	330,241	306,760
Life income and annuity funds	385	1,270
TOTAL NET ASSETS WITH PERMANENT RESTRICTIONS	**563,324**	**529,620**
TOTAL WITH DONOR RESTRICTIONS	**1,022,848**	**983,739**
TOTAL NET ASSETS	**$1,424,441**	**1,415,616**

(13) COMMITMENTS AND CONTINGENCIES

The university is involved in various litigation arising in the normal course of operations. On the basis of information presently available and the advice of legal counsel, management is of the opinion that any liability, to the extent not provided for through reserves or otherwise, for pending litigation is not expected to be material in relation to the university's financial position or activities.

As of June 30, 2022, the university has outstanding commitments for the following construction projects:

(dollars in thousands)

College of Business Administration new building	$12,630
Dental clinic remodeling and equipment	3,530
New home for College of Nursing	4,149
TOTAL	**$20,309**

(14) EXPENSES

The university's primary programs are instruction, research, and public service. Academic support and libraries, student services, and auxiliary enterprises are considered integral to the delivery of these programs. Athletics expenses are included in student services. Costs related to the operation and maintenance of physical plant, including depreciation of plant assets, are allocated to operating programs and supporting activities based upon square footage. Interest expense on external debt is allocated to the activities that have most directly benefited from the debt proceeds. Natural expenses allocated by function for the years ended June 30, 2022 and 2021 are as follows:

(dollars in thousands)

2022

	COMPENSATION	SUPPLIES, REPAIRS, UTILITIES AND OTHER	INTEREST	DEPRECIATION	OPERATIONS AND MAINTENANCE	TOTAL
Instruction	$111,956	16,322	2,569	13,462	11,311	155,620
Academic support and libraries	28,076	11,029	514	6,110	7,182	52,911
Research and grants	29,017	17,857	—	1,778	142	48,794
Student services	34,583	26,990	385	4,894	8,402	75,254
Auxiliary enterprises	6,357	22,506	4,448	6,931	5,347	45,589
Institutional support	39,918	10,116	3,587	2,744	1,890	58,255
Public services	4,458	743	3	—	110	5,314
Operations and maintenance	9,494	21,219	448	3,223	(34,384)	—
TOTAL OPERATING EXPENSES	**$263,859**	**126,782**	**11,954**	**39,142**	**—**	**441,737**

(dollars in thousands)

2021

	COMPENSATION	SUPPLIES, REPAIRS, UTILITIES AND OTHER	INTEREST	DEPRECIATION	OPERATIONS AND MAINTENANCE	TOTAL
Instruction	$113,071	13,177	2,728	12,389	10,094	151,459
Academic support and libraries	29,107	9,981	536	6,092	6,336	52,052
Research and grants	26,524	16,208	—	2,056	126	44,914
Student services	42,149	23,027	412	5,129	7,260	77,977
Auxiliary enterprises	6,456	17,659	4,618	7,407	6,828	42,968
Institutional support	36,431	11,140	3,770	1,994	1,684	55,019
Public services	4,461	574	3	—	97	5,135
Operations and maintenance	9,797	18,015	212	4,401	(32,425)	—
TOTAL OPERATING EXPENSES	**$267,996**	**109,781**	**12,279**	**39,468**	**—**	**429,524**

(15) RESEARCH AND GRANT COSTS

The university receives grant and contract revenue from various government agencies and private sources for the support of research, training, and other sponsored programs. Revenues associated with the direct costs of these programs are recognized as the related costs are incurred. Indirect cost reimbursements from federal agencies are based on negotiated predetermined rates. Research and grant costs reported for fiscal years 2022 and 2021 are comprised of the following:

(dollars in thousands)

	2022	2021
Sponsored research	$35,824	31,270
Teaching and training	6,108	5,828
Development and others	6,862	7,816
TOTAL RESEARCH AND GRANTS	**$48,794**	**44,914**

(16) SUBSEQUENT EVENTS

On July 12, 2022, the university issued $56,590 of tax-exempt bonds. The Revenue Bonds Series 2022 debt was used to refund and redeem a portion of the Revenue Bonds Series 2012 debt. By refinancing capital expenses at lower interest rates, this tax-exempt financing enables the university to advance its educational mission and commitment to access and affordability through more efficient financial operations.

Subsequent events have been evaluated through September 8, 2022, which is the date the consolidated financial statements were available to be issued. No other subsequent events were identified requiring recording or disclosure in the consolidated financial statements or related notes to the consolidated financial statements.

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Information current as of October 2022

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NEW LEADERS

Dr. Tara Baillargeon
Dean of University Libraries

Dr. Tara Baillargeon was named dean of university libraries in March 2022. She was previously assistant dean for digital scholarship, where she helped plan and deliver digital scholarship services in support of student, faculty and library needs. Baillargeon holds a master's in library and information science from the University of Western Ontario and an Ed.D. in educational leadership from Kansas State University.

Dr. Chris Navia
Vice President for Inclusive Excellence

Dr. Christine (Chris) Navia, formerly chief diversity officer at Texas A&M University Corpus Christi, was named Marquette's vice president for inclusive excellence in March 2022. In this role, she leads the Office of Institutional Diversity and Inclusion and plays a key leadership role in weaving diversity, equity and inclusion into the fabric of the university. Navia holds master's and doctoral degrees in higher education from the University of Michigan.

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