



**ANNUAL REPORT** FY2021



**BE THE DIFFERENCE.**





**02** FROM MARQUETTE'S LEADERSHIP

**04** UNIVERSITY FACTS

**06** MISSION

**08** *BEYOND BOUNDARIES* AND MASTER PLAN UPDATES

**10** DIVERSITY AND INCLUSION

**12** STUDENTS AND CAMPUS LIFE

**14** ACADEMICS AND RESEARCH

**16** PHILANTHROPY AND ECONOMIC ENGAGEMENT

**20** FINANCIALS

**48** UNIVERSITY OFFICIALS

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

**A MESSAGE FROM**

**Dr. Michael R. Lovell,**  
President

This year marks a new era for Marquette. The time spent in remote and hybrid learning makes us appreciate the joys of being back together again. This historic year has built momentum on our campus that we will carry forward as we move ahead into our bright future.

*“As we are afforded these new opportunities, we simultaneously bolster Marquette by further diversifying our campus and classrooms. Our faculty are even redesigning their courses to meet today’s cultural landscape.”*

The launch of our comprehensive campaign, *Time to Rise: The Marquette Promise to Be The Difference*, caps off this milestone year. Together with our generous benefactors, we are transforming our campus from the inside out. The support we receive allows us to invest in burgeoning programs and create space for our world-class faculty to train students for tomorrow’s workforce. Our physical campus footprint is evolving, as we broke ground on the new College of Business Administration building at the center of campus. And with investments in research, scholarship and programs like Nursing, we continue to advance knowledge that saves lives.

As we are afforded these new opportunities, we simultaneously bolster Marquette by further diversifying our campus and classrooms. Our faculty are even redesigning their courses to meet today’s cultural landscape.

We are guided by our faith and the example of the Jesuits in all that we do through this Ignatian Year. We are blessed and ready to carry Marquette forward into this new chapter.

**A MESSAGE FROM**

**Joel Pogodzinski,**  
Senior Vice President and  
Chief Operating Officer

Universities, unique in their delivery and residential environment, were cast into a period of profound adjustment over the past year. From how we maintain our educational mission to the ways we operate administratively, institutions of higher education had to evolve — and quickly.

At Marquette University, we focused on who we are as a Catholic, Jesuit university and how we evolve in our new normal. We are fortunate to be grounded in our mission and guided by our strategic plan, *Beyond Boundaries*. So, while there have been changes to how Marquette operates — vaccination requirements, COVID-19 testing, mask mandates, hybrid work arrangements, etc. — the why has remained constant: to deliver a transformative Catholic, Jesuit education for our students.

There has been no more important step toward that end than our ability to bring students, faculty and staff back together again in community. Teams of dozens of Marquette staff and faculty worked tirelessly and expertly to help make our campus safe and healthy so that we could return to an in-person, on-campus environment. Our vibrant community sets Marquette apart.

One of the primary tenets of the Jesuit tradition is *cura personalis*, or “care for the whole person.” Also important is *cura apostolica* — “care for the institution.” At Marquette, achieving both is our calling and our duty.

The following pages help tell that story. I hope you will find, as I do, what makes Marquette University truly special.



**Joel Pogodzinski**  
Senior Vice President and  
Chief Operating Officer

*“At Marquette University, we focused on who we are as a Catholic, Jesuit university and how we evolve in our new normal. We are fortunate to be grounded in our mission and guided by our strategic plan, Beyond Boundaries.”*

**UNIVERSITY FACTS**



**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

**STUDENTS**

- 11,550 total enrollment
- 8,024 undergraduate
- 3,526 graduate and professional

**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

**FACULTY AND STAFF**

- 1,257 faculty and academic positions
- 1,554 exempt and non-exempt staff



**6TH IN THE COUNTRY FOR JOB PLACEMENT**

10 YEARS AFTER GRADUATION  
ZIPPIA, U.S. DEPARTMENT OF EDUCATION DATA

**80% OF OUR STUDENTS PARTICIPATE IN COMMUNITY SERVICE**

**TOP 100 UNIVERSITY**

AS RANKED BY  
U.S. NEWS & WORLD REPORT



**\$37.8 MILLION**

IN R&D EXPENDITURES

**TOP 10 CATHOLIC UNIVERSITY IN THE COUNTRY**

AS RANKED BY U.S. NEWS & WORLD REPORT

**FIRST COEDUCATIONAL CATHOLIC UNIVERSITY IN THE WORLD (1909)**

**14:1**

STUDENT-TO-FACULTY RATIO



**16 NCAA DIVISION I TEAMS**

THAT COMPETE IN THE BIG EAST CONFERENCE



**50 MEN'S BASKETBALL POSTSEASON APPEARANCES**

(TOP 10 AMONG ALL DIVISION I PROGRAMS)

**6,000+**

WORKS HOUSED IN THE HAGGERTY MUSEUM OF ART ON CAMPUS

**ONE OF THE FIRST EDUCATIONAL OPPORTUNITY PROGRAMS IN THE COUNTRY**

TO SERVE LOW-INCOME AND FIRST-GENERATION STUDENTS



**100+**

STUDY ABROAD DESTINATIONS

**THE ONLY DENTAL SCHOOL AND ONLY PRIVATE LAW SCHOOL IN WISCONSIN**

**17 CHAPELS**  
INCLUDING THE 15TH CENTURY ST. JOAN OF ARC CHAPEL



**30 CATHOLIC MASSES**  
CELEBRATED ON CAMPUS EACH WEEK

**3,000 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



### RESTORING CAMPUS' "SPIRITUAL CENTERPIECE"

Nestled in a southeast campus courtyard, the 600-year-old St. Joan of Arc Chapel has stood for more than half a century as one of Marquette University's most sacred spaces.

The French chapel has since served as a unique and treasured space, drawing people of all faiths for prayer and reflection, candlelit vigils and even political protests. Tuesday night Mass at the chapel is often standing room only. Its popularity inspired staff from Marquette's Office of Mission and Ministry and Campus Ministry to create livestreams of the weekly services while gatherings were on hold because of COVID-19.

The largest work in the Haggerty Museum of Art's collection, the chapel has also been a key focus of academic learning, featured in various classes and exhibitions, and used as a major art display center on campus.

Frequent use, harsh winters and exposure to the elements have taken their toll on the chapel that President Michael R. Lovell calls "a historical treasure and the spiritual centerpiece of our campus." After a recent structural inspection identified specific conservation needs and accessibility improvements, Marquette launched a \$3 million fundraising campaign to support repairs.

The campaign met its goal just after the close of the fiscal year and included a \$1 million gift from the Slaggie Family Foundation, which established an endowment devoted to preserving the chapel's distinctive medieval architecture for generations to come.

Restoration of the chapel and grounds was completed in November 2021. A special plaque was installed on the grounds to honor Rev. John Naus, S.J., a beloved Jesuit who presided over countless Tuesday night Masses at the chapel.

"This historic structure tells a story of Christian faith, longing and hope," President Lovell says. "Protecting this heart of Marquette's Catholic, Jesuit community is critical to ensuring that future generations will be able to draw inspiration from within its walls."



### MISSION MATTERS

#### MISSION WEEK 2021

The theme of Mission Week 2021, "Open to Hope," invited the community to find a sense of meaning, fulfillment and a new hope through events, prayer and reflection.

#### VIRTUAL FAITH EVENTS

Campus Ministry offered several virtual retreat experiences that allowed the campus community to slow down and reflect during a difficult year. These events included: A Virtual Retreat for Busy People, the Ignatian Journey Retreat and the Ignatian Dive Retreat.

#### IN-PERSON MASS

The careful transition back to in-person Mass allowed the Marquette community to safely gather again in prayer and fellowship.

#### IGNITE

*Ignite*, an inspiring experience of community, faith and prayer, provided a variety of virtual speakers, including Rev. James Martin, S.J., and Gloria Purvis, who led discussions about important social issues.

#### IGNATIAN YEAR

Marquette joined other Jesuit institutions in commemorating the Ignatian Year, the global and all-university celebration to honor the life of St. Ignatius of Loyola, the founder of the Jesuits.

#### JESUIT AFFIRMATION

A year-long Mission Priority Examen yielded affirmation of Marquette's Jesuit character from Rev. Arturo Sosa, S.J., superior general of the Society of Jesus, who called Marquette "one of the strongest universities" in the Association of Jesuit Colleges and Universities network.

#### "DISCERNING VOCATIONAL CALL IN CONTEXT"

Campus Ministry provided faculty and staff with a development opportunity to better help employees grow personally, spiritually and professionally. The series featured six virtual sessions and culminated in the Where Vocational Call Meets the Needs of the World retreat.

#### TOUCHSTONES: STORIES OF HOPE AND INSPIRATION

The Faber Center for Ignatian Spirituality hosted a series of faculty speakers who shared aspects of their spiritual journey and how it is a source of hope today.

#### SOUP WITH SUBSTANCE

Campus Ministry hosted presentations on issues related to social justice; they included discussions about climate action and community outreach on racial equity, among other topics.



# WE PLANT THE SEEDS THAT ONE DAY WILL GROW.

St. Óscar Romero

## Nursing poised for growth to meet health care needs



Increased enrollment, greater diversity and continued innovation are at the heart of a bold expansion initiative for the College of Nursing.

With the college planning to prepare as many as 5,000 new Marquette Nurses over the next decade, university leaders recognized the need for a larger space. They found one in David A. Straz, Jr., Hall, due to be vacated at the end of 2022 when Marquette Business moves into its newly constructed digs at 16th Street and Wisconsin Avenue.

An expanded and renovated Straz Hall will enable the College of Nursing to deliver its transformative education to more students, with a focus on recruitment, scholarship support, and training students from diverse and underrepresented backgrounds; expanding the number of Ph.D.-level faculty; and establishing leadership in emerging areas like telehealth education.

Vice President for Planning and Facilities Management Lora Strigens says expanding Clark Hall — Nursing’s current home — “could not appropriately or

cost-effectively address future enrollment growth. In keeping with how we look at existing spaces through the lens of our Campus Master Plan, a fully and boldly reimagined Straz Hall emerged as an excellent solution.”

Significant support for the strategic expansion has come from Darren, Bus Ad ’86, and Terry, Nurs ’87, Jackson, both Marquette alumni with a long history of serving and supporting the university and, specifically, the college. The Jacksons’ \$31 million gift launches a “strategic initiatives” fund to invest in emerging health care innovation. Also planned is a new teaching academy to help counter nationwide faculty shortages, identify evolving health care trends, study evidence-based methods and build on the college’s signature programming.

Overall strategic program growth includes a gradual undergraduate class increase of 50 students per year for at least the next four years, a new master’s program in health care systems leadership, and a shift online for the doctoral program to increase accessibility for working nurses.

**CAMPUS MASTER PLAN ADVANCES THROUGH UPGRADES, NEW SPACES** Several key construction and infrastructure projects from the university’s Campus Master Plan began in spring 2021. Linked to Marquette’s strategic plan, *Beyond Boundaries*, the projects emphasize aspects from classroom experience, service access, collaboration and innovation.

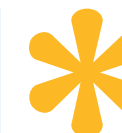
Enhanced classroom settings will improve experiences for students and instructors in Lalumiere Hall, one of the most widely used academic buildings, where crews have addressed deferred maintenance and made interior upgrades, including HVAC and lighting improvements, interior finish enhancements and technology upgrades.

The Graduate School’s strategic relocation to Zilber Hall establishes a more accessible, service-oriented physical space for graduate students. A shared front door with the office of Undergraduate Admissions also helps enable more collaborative graduate and undergraduate admissions work.

Construction also began on the new home for Marquette Business and innovation leadership programs at the former McCormick Hall site at 16th Street and Wisconsin Avenue. The new facility will feature an open atrium, collaborative classrooms, lab and study spaces, an event space for the university and Milwaukee business community, and a café open to the campus community. The site plan also designates ample surrounding green space for recreation and gatherings.



**SUPPORTING STUDENT SUCCESS** To offer more individual support that helps enhance student outcomes, Marquette has launched the Student Success Initiative. Rooted in the university’s mission and aligned with its strategic plan, the initiative supports three immediate priorities: increasing student retention rates, specifically in years 1 to 2 and 2 to 3; identifying barriers to graduation and reducing the time it takes to graduate; and creating a coordinated network of student support services. The initiative includes an online repository with quick and easy access to key deadlines and milestones, academic planning tools, resources for post-graduation planning and more.



### 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](https://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



## LOVE IS SHOWN MORE IN DEEDS THAN IN WORDS.

St. Ignatius of Loyola

### Our Roots Say That We're Sisters



Photo courtesy of Mauricio Ramirez

Last fall, the north-facing façade of Marquette's Varsity Theatre and Holthusen Hall was transformed into a space celebrating diversity, racial equity and cross-cultural connection. The colorful mural now covering the façade, titled "Our Roots Say That We're Sisters," features the faces of four women of color, each a past, present or future Marquette student.

The initiative grew from a student government proposal and recommendations from Marquette's Committee on Equity and Inclusion after a cultural audit of campus spaces. With the Haggerty Museum of Art, the Office of Institutional Diversity and Inclusion convened students, faculty and staff to form a mural committee and assess artistic proposals from local artists of color.

The committee winnowed selections down to three and invited the full Marquette community to vote for their favorites. Of the more than 1,400 votes cast, "Our Roots Say That We're Sisters" from Mauricio

Ramirez captured 63 percent. The project's vision was then refined through Marquette community listening sessions and input.

"This mural will serve as a starting point for a program which will bring in a diverse range of artists to contribute to Marquette's physical campus environment to beautifully showcase the diversity, richness and complexity of our community and reflect our current cultural moment," says Susan Longhenry, director of the Haggerty Museum of Art and a member of the mural committee.

Ramirez's proposal included ideas for extending the mural's concept by sharing the untold stories of outstanding women of color with connections to the university. The mural committee solicited nominations for women to be guests on a 10-episode podcast that shares the mural's title. "We chose 10 to start, which was very hard because we received so many amazing nominations," says Jacki Black, director for Hispanic initiatives and diversity and inclusion educational programming, adding that more episodes are being planned. Podcast episodes are available on the Haggerty Museum's website and on Spotify.



In 2020 the Native American Student Association helped celebrate Indigenous Peoples Day by lighting a traditional Unity Fire for reflection, hope, belonging, meaning and purpose.

#### INDIGENOUS VOICES MAKING CHANGE

Marquette is advancing on its commitment to understanding Indigenous students' diverse backgrounds and addressing their needs and concerns by establishing more direct, ongoing communication between Native students and university administrators.

Additionally, a new land and water acknowledgment was developed over several months of reflection and conversation with Indigenous student leadership. Marquette has adopted the acknowledgment to recognize the long history of Indigenous peoples and sovereign nations that lived on and stewarded the land and water where the university now resides.

A groundswell of support behind a student's July 2020 petition to change the Marquette University seal has also led to a broadly inclusive initiative to update it. The update seeks to more accurately reflect Indigenous peoples' historical significance and their interaction with Jesuit explorer Père Jacques Marquette.

**MARQUETTE ADVANCES TOWARD HISPANIC-SERVING INSTITUTION STATUS** This April, Provost Kimo Ah Yun reaffirmed Marquette University's commitment to an initiative launched in 2016: to become certified as a Hispanic-Serving Institution and increase Hispanic undergraduate enrollment to 25 percent of the student body. That population has more than doubled over the last decade, and the fall 2020 class reached a record 16.5 percent.

To assist the growing population of prospective Hispanic and Latinx students and their families and strengthen connections with current students whose first or heritage language is Spanish, Marquette launched Spanish-language pages on Marquette.edu and debuted new "SomosMarquette" social media accounts that include Instagram, Twitter, Facebook and a Facebook group for parents who wish to interact in Spanish.



#### President's Challenge for Racial Justice and Equity

The President's Challenge for Racial Justice and Equity Response grant program was launched to focus on the urgent issue of elevating and advancing racial justice and equity across greater Milwaukee. Grant partners American Family Insurance and Johnson Controls Foundation helped make up to \$50,000 available to two community-engaged, interdisciplinary groups, each with Marquette University principal investigators at the helm. Dr. Noelle Brigden, associate professor of political science, is leading a project to develop a trauma-informed athletic practice partnership, and Dr. Nilanjan Lodh, assistant professor of clinical laboratory science, is directing research to assess telehealth and health monitoring intervention on Milwaukee's north side.

## Despite restrictions, campus community thrives



Knowing that a transformative Catholic, Jesuit education is best delivered to students together in community, Marquette leaders and the university's COVID-19 Response Team made it their highest priority to welcome students back to campus in fall 2020.

Balancing community building, academic learning and safety guided the response team's recovery planning, says Dr. Xavier Cole, vice president for student affairs and chair of the team.

"What COVID did is strip bare, to the pure essentials, the university experience," Cole says. "While the Marquette community grieved the loss of in-person connection, what was preserved, through a lot of work by a lot of people, was the delivery of our academic product."

To maximize in-person classes, the Facilities Planning and Management team was dispatched to help configure the safest possible environments. To maintain 6 feet of physical distance from one another, students attended classes in

large spaces previously used only for events, such as the Alumni Memorial Union, and some larger lectures had to be moved online.

While instructors were a priority group for returning to campus, non-student-facing departments were kept remote to minimize interactions and cleaning resources. Residence halls were de-densified by about one-third, and students who did move in were subject to strict rules, including mask-wearing in common areas and no external guests. Areas in residence halls and elsewhere were converted to isolation and quarantine spaces for infected students.

Marquette provided COVID-19 testing for symptomatic students in the fall and added mandatory, random testing in the spring to help contain potential outbreaks. For transparency, the university published case data on a public dashboard.

Faith formation retreats became virtual, but attendance "went from a smaller subset of students who had time for an entire weekend away to students who had never before had time to participate in campus ministry being able to do some or all of the retreat virtually," Cole says, adding that even quarantined students could attend remotely.

Student athletes from all 16 of the Golden Eagles' varsity sports competed in the second semester – a first in university history to have all teams compete in the same season.

As vaccines became more available and area case counts began to drop, Marquette celebrated an in-person Commencement for the Class of 2021, held outdoors at American Family Field. Although guests were restricted to two per graduate, the ceremonies were live-streamed to share with family and friends around the globe.

Reflecting on the year, Cole noted that Marquette achieved zero classroom-based COVID-19 transmission. "We asked a lot from our community, to follow these protocols, and people did it."

The strategies, planning and policies that led to successful health outcomes during the past academic year laid the foundation for fall 2021, when Marquette celebrated the full return of its vibrant campus community. Face-to-face classroom learning, fully occupied dormitories with visitors allowed, and a more typical calendar for athletics and academics are just a few standard aspects of campus life that university leaders have been thrilled to reinstate.



## THE PURSUIT OF EXCELLENCE IN ALL THINGS

A defining part of Marquette's mission



### MARQUETTE THEATRE IN THE TIME OF COVID

As COVID-19 dealt a crippling blow to the performing arts, Marquette Theatre stuck to an industry adage: The show must go on.

"Like with everything else across campus, we had to adapt," says Stephen Hudson-Mairet, associate professor and chair of digital media and performing arts. That included canceling the fall musical, *Mamma Mia!*, and pivoting to create an original musical revue, *Songs of Note*. Existing musical theatre works about love and connection despite separation were woven into a format of mostly solos and monologues that lent itself nicely to social distancing.

Rehearsals were often outdoors, and performed pieces were filmed in the Helfaer Theatre. "That allowed us to build a bridge to our media specialists in the college, who helped us package the show and stream it," Hudson-Mairet says.

The next two plays were also streamed, stretching students' ability to tell stories made for the stage on film. By spring, craving audiences, they pulled off an outdoor production of *Antigone* (photo above). April weather varied and audiences attended performances in everything "from snow to 70 degrees," Hudson-Mairet says.

Capping a unique season, students applied their learnings to a small fundraiser for the department. Hudson-Mairet remains impressed with the students' resilience: "They made opportunity of adversity and created new works."



### SMART MOVE

The 18th head coach of the Marquette University men's basketball program is a Wisconsin native with an impressive record. Shaka Smart, 43, joined Marquette this past spring, bringing 12 seasons of head coaching experience, first at Virginia Commonwealth University and later at the University of Texas – Austin. He guided those teams to a total of eight NCAA Tournament appearances. "Throughout the search, one individual continued to rise to the top and that was Shaka," says Marquette Vice President and Director of Athletics Bill Scholl. "He is a great teacher of the game while also being a great molder of young men."





## GO FORTH AND SET THE WORLD ON FIRE.

St. Ignatius of Loyola

### Humanities Without Walls tackles grand challenges



Warp-speed, high-impact advancements in science and technology often steal the spotlight when it comes to solving society's most pressing challenges. But Dr. Heidi Bostic, dean of the Klingler College of Arts and Sciences, says that these thorniest of issues are, at their core, about "the basic questions of who we are and how we should live."

These are the questions with which humanities scholars wrestle. Their contributions, Bostic says, are essential to addressing what she calls society's "grand challenges." To that end, Marquette has demonstrated leadership in reimagining innovative career pathways for humanities Ph.D. students. Last August, this work gained recognition and momentum with a five-year, \$1.3 million grant from Humanities Without Walls, or HWW.

With the grant, Marquette became part of the HWW consortium of scholars who collaborate on interdisciplinary discovery and explore the humanities' contributions to the world. The membership enables

Marquette humanities faculty to propose projects for HWW's Grand Research Challenge grants and secure up to \$150,000 to carry out interdisciplinary, community-based humanities research projects.

A focus of Marquette's work within the HWW is researching and implementing innovative career diversity programs for graduate students and collaborating to plan the HWW's Predoctoral Career Diversity Summer Fellowship Workshop each year. The grant is also supporting an associate director of career diversity through 2025 — doctoral student Margaret Nettesheim Hoffmann, one of the co-principal investigators on the grant who helped secure it.

"Our project and the mission of this grant prioritizes graduate student agency in the construction of their careers while providing students with the tools necessary to develop meaningful professional lives after graduate school," she says. "Marquette's inclusion within the consortium highlights the importance of the Jesuit value of discernment in doctorate training, especially as we guide graduate students to understand the ways meaning, reflection and purpose can influence the work they conduct in the world."

**NEW RESEARCH INITIATIVE FOCUSES ON PANDEMIC'S SOCIETAL IMPACT** When COVID-19 curtailed many of the university's summer 2020 research initiatives, Marquette's Office of Research and Innovation sought



a way to empower students and faculty with new research opportunities. The Marquette University COVID-19 Research Initiative was born in spring 2020, with a primary goal to identify, support, track and promote research from the Marquette community related to the pandemic's impact on society.

The multifaceted initiative has succeeded on a number of fronts, so much so that it may serve as a Marquette research model for the future. A steering committee comprising faculty volunteers from 15 departments and 10 campus colleges, as well as a graduate and an undergraduate representative,

has driven the initiative, facilitated research collaborations, and created an online hub to house updated information, events, projects and related content.

A summary report just after the close of the fiscal year reported at least 35 research projects from small and large collaborations, new and existing interdisciplinary teams, and individual investigators, on topics ranging from "The Pandemic's Impact on College Student Education and Career Goals" to "Political Polarization and COVID-19."

Sharing research findings took many forms, including four online events featuring five-minute "Lightning Talk" presentations on nearly 50 projects (with both faculty and student presenters); a 24-episode *COVID Conversations* podcast that shared emerging knowledge in real time; multiple conference presentations, peer-reviewed publications, op-ed pieces, blog entries and media appearances; and a webinar on the pandemic's financial and societal impact in Wisconsin.

**PARTNERSHIP INCREASES ACCESS TO A MARQUETTE EDUCATION** To help boost enrollment and extend access to a Marquette education via three innovative online graduate programs, the university partnered last fall with Everspring, a company that helps universities build, scale and operate high-quality online courses and programs.

Everspring was chosen for its deep expertise in attracting and recruiting students and a proven ability to engage and support students throughout their graduate school journey.

The three online, master's-level programs are filled with fast-growing professional opportunities: business administration, management and clinical mental health counseling. The business programs began enrolling in the 2020-21 academic year and the counseling program launched in advance of the 2021-22 academic year.

This past spring, Marquette broadened its partnership with Everspring to support an expansion of its Master of Science in Computing program, ranked No. 6 nationally among such programs by *U.S. News & World Report*.



#### COVID-19 EXPERTS IN THE MEDIA

As part of Marquette's COVID-19 Research Initiative, Marquette scholars were featured across a variety of news media outlets, offering expertise on several pandemic-related issues. Dr. Sandra Hunter, professor of exercise science in the College of Health Sciences, director for the Athletic and Human Performance Research Center, and chair of the COVID-19 Research Initiative steering committee, offered tips on exercising during quarantine and while wearing a mask. She also joined Mike Haischer, AHPRC research lab manager, on multiple occasions to discuss their research on mask-wearing in Wisconsin.



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

St. Ignatius of Loyola

### Time to Rise: Marquette launches most ambitious campaign in its history



**PHILANTHROPY  
BY THE NUMBERS  
FY2021**

**\$96+ million**  
Total fundraising

**23,000**  
Total donors

**5,000**  
First-time donors

**\$1.8 million**  
Bridge to the Future  
emergency fund helped  
hundreds of students

**\$200 million**  
Contributed to scholarships,  
campaign to date

For three days in April, Marquette blue and gold illuminated Milwaukee's iconic Hoan Bridge, and alumni, parents and friends from across the world celebrated the public launch of the university's \$750 million comprehensive fundraising campaign, *Time to Rise: The Marquette Promise to Be The Difference*.

The most ambitious campaign in Marquette history, *Time to Rise* aims to advance four key objectives, with a priority on enriching and expanding student opportunities and scholarships. Additionally, university leaders are focused on supporting teacher-scholars, fostering university-wide innovation and transforming the campus environment.

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 led through their own philanthropy, as well as by directing a worldwide network of campaign committee leaders.

For nearly five years, Marquette generated momentum in a quiet phase that secured \$453 million, or 60 percent of the fundraising goal. Recognizing the need to

persevere amid a pandemic, the university publicly launched the campaign virtually.

The April 2021 launch included a live Mass broadcast from the St. Joan of Arc Chapel and a video featuring some of Marquette's most passionate and well-known alumni who shared Marquette memories. In an interview, President Michael R. Lovell said: "It is very humbling to hear the way our alumni are changing the world. They are successful in a way that is about transforming the lives of others and making an impact on the world."

"*Time to Rise* is our call to action to launch a campaign and turn it into a philanthropic movement," said Vice President for University Advancement Tim McMahon. "We are helping to preserve our founding mission, and together, we can take a big step towards securing our undeniably bright future for this special community."

McMahon emphasized that *Time to Rise* is a campaign for all levels of supporters, and results have reflected generosity from long-time contributors and first-time donors. The campaign secured its 100th seven-figure gift and surpassed 550 six-figure Marquette donors.

**STANEK GIFT SUPPORTS SCHOLARSHIPS, NEW INITIATIVES** Longtime Marquette University supporters Mary Ellen, Arts '78, and Dr. Scott, Arts '77, Dent '82, Stanek, who serve as national co-chairs for the university's comprehensive fundraising campaign, *Time to Rise*, committed a \$2 million gift to Marquette in early 2021. The funds support scholarships as well as two specific initiatives that the alumni couple feel connected to and believe represent Marquette's commitment to academic excellence and service to others.

The Staneks have directed \$1.5 million toward endowed scholarship funds as well as the Bridge to the Future Fund, which Mary Ellen Stanek launched in 2008 (while she was chair of the Board of Trustees) to help students affected by the Great Recession. The fund has recently supported hundreds of students experiencing pandemic-induced financial challenges.

The remaining funds help advance two emerging academic initiatives. One is the new home for Marquette Business and innovation leadership programs (see p. 19). The other is special needs programming within Marquette's School of Dentistry that will help dentists adapt existing skills and learn new techniques to care for patients with behavioral, physical and cognitive challenges.



**MARQUETTE MASKS FOR STUDENTS ON THE FRONT LINES** During summer 2020, Marquette launched a unique giving program that paired mitigating coronavirus' spread with supporting students training to become front-line health care workers. The effort raised more than \$200,000, with more than 5,000 donors contributing and each receiving a university-branded face mask. For every donor who gave and received a face mask, another mask was distributed to a student on campus.



**GIFTS ADVANCE NEURO  
RECOVERY CLINIC**

Marquette's Neuro Recovery Clinic, launched in summer 2019 as the first and only such clinic in Wisconsin, addresses the complex care needs of patients facing life-altering injuries and conditions while training students to deliver cutting-edge therapies. Significant gifts from this fiscal year are helping advance educational opportunities for students and care for qualified patients. These include two anonymous gifts — \$1 million from a 1977 College of Nursing graduate and an additional \$2 million gift. Alumni couple Jeff, Arts '83, and Sarah, Arts '83, Joerres also committed to a \$1.5 million gift to Marquette — half of which will support the Neuro Recovery Clinic.



## FOR THE GREATER GLORY OF GOD

Translation of the phrase, *Ad maiorem Dei gloriam*, the Latin motto of the Society of Jesus



### ECONOMIC ENGAGEMENT HIGHLIGHTS

- 35 sponsored projects with corporate partners
- Five licensing agreements for a single patent-pending technology
- Global “master agreement”
- New intellectual property database to help facilitate technology commercialization
- 14 virtual events hosted for the campus and community
- First-ever data science strategy report provides roadmap for the discipline at Marquette, highlights potential for interdepartmental collaboration and helps address key technology needs to support regional organizations

**EXTERNSHIPS FOR EXPERTS** A first-of-its-kind Faculty Externship Program from Marquette’s Office of Economic Engagement launched in summer 2020. Designed to offer valuable real-world experience with corporate and community organizations, the program has since facilitated externships for Marquette scholars and administrators with prominent regional companies including Froedtert and the Medical College of Wisconsin, GE Healthcare, Manpower, Inc. and Kohler. Other participating organizations have included Next Door and Lutheran Social Services.

Faculty from varied disciplines including marketing, supply chain management, nursing and biomedical engineering have completed externships, as have university administrative leaders in areas like organizational management and student affairs. Participants are also able to actively involve their students in aspects of the externship, enabling them to apply academic learnings in ways that impact real organizational initiatives.

Advantages for partner organizations are also significant, says Dr. Carmel Ruffolo, associate vice president for corporate engagement. Not only can companies apply faculty expertise to organizational initiatives, they also gain the attention of and access to the next generation of workforce talent. Initial engagements, she says, “have already opened doors to additional opportunities to continue to work together.”

**MORE SUPPORT FOR JOURNALISM FELLOWS** With a \$5 million gift in early 2021, the Frechette Family Foundation further invested in Marquette’s Perry and Alicia O’Brien Fellowship in Public Service Journalism, established in 2013 with a gift from Peter and Patricia Frechette (left) to the Diederich College of Communication. The program, named for Patricia Frechette’s parents, is directed by Pulitzer Prize-winning journalist Dave Umhoefer. The new gift supports the role of the director and will also assist more O’Brien Fellows, who work for nine months with student interns to research, report and write stories with the potential to change policies and improve society.



Peter and Patricia Frechette

“In-depth journalism that serves the greater good is vital to our nation’s democracy,” says President Michael R. Lovell, “and it aligns perfectly with our Catholic, Jesuit mission.”

## New Marquette Business facility is the largest fully donor-funded building



The future home of Marquette Business and innovation leadership programs is rising at 16th Street and Wisconsin Avenue, thanks to what President Michael R. Lovell calls the “truly remarkable generosity by our passionate Marquette community.” When completed in December 2022, the \$60 million, 100,000-square-foot facility will be the largest fully donor-funded construction project in university history.

“This marks a defining, historical moment for Marquette,” President Lovell says. “Our new facility will serve as a major catalyst to grow the pipeline of future Catholic, Jesuit-educated business leaders for years to come. We have witnessed truly remarkable generosity for this project by our passionate Marquette community.” Lovell added that this is an important step to fuel Marquette’s strategic plan, *Beyond Boundaries*.

Under the direction of Vice President for University Advancement Tim McMahon, Marquette met the project’s funding goal in just over two years,

a quick pace for a facility of this scope. The success was driven by more than 250 donors, including 60 alumni, parents and friends who committed gifts of more than \$100,000 and 14 benefactors of \$1 million or more.

“This is a once-in-a-generation project made possible by the unparalleled support of our alumni, parents and friends,” McMahon says. “The generosity of our benefactors has resulted in a world-class new home for Marquette Business and innovation leadership — a home that will educate, challenge and foster our students to be Marquette Jesuit-trained alumni leaders for tomorrow.”

In announcing the milestone, President Lovell honored a beloved former colleague, the late Keyes Dean of Business Administration Joe Daniels. The university surpassed its \$60 million fundraising goal on Feb. 11, 2021 — the one-year anniversary of Daniels’ tragic death. “We know that Joe had a hand in this timing as he continues to watch over us,” President Lovell says. “His vision inspired us, and we will carry on his legacy in our new facility well into the future.”

## 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, 2021, with selected comparative information for the year ended June 30, 2020. 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 the 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

For the fiscal year that ended June 30, 2021, Marquette University managed its financial position in the face of serious financial challenges posed by the COVID-19 pandemic. Such challenges were met with actions taken by management, philanthropic support and investment results. While the pandemic disrupted many areas, including academics, student housing and dining, athletics and clinical services, the university effectively navigated the unprecedented environment through thoughtful planning, collaboration, and sound fiscal strategy and management, achieving solid operating results.

The COVID-19 pandemic resulted in 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 mitigated by temporary suspensions of merit increases and 403(b) employer matching contributions, decreases in leadership and basketball coaches' salaries, reduction of discretionary expenses, and state and federal emergency relief aid. To manage the long-term impacts of the challenges facing higher education, the university also made changes to realign its structure to the expected enrollment levels going forward, including reducing the number of staff and faculty positions and decreasing the level of operational spending.

The Board of Trustees, along with the university's management, continues to monitor the pandemic and potential financial impact and is prepared to take measures to protect the health of the campus community and promote the continuity of the university mission.

### 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.

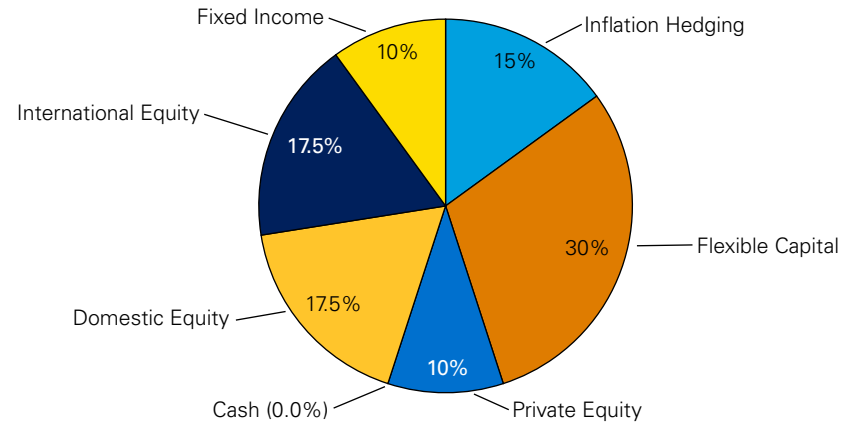
The change in cash and cash equivalents is a result of shifting from short-term to long-term cash equivalent to better match anticipated cash outlays and maximize returns. Changes in cash and cash equivalents are detailed in the statement of cash flows.

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 increase in pledges receivable is primarily attributable to fundraising for the new College of Business Administration (COBA) building.

Investments represent the largest university asset. Investments consist of long-term cash equivalents, endowment, trust 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 5-year Marquette endowment performance is summarized in the table below:

ENDOWMENT PERFORMANCE SUMMARY						
	5-YEAR ANNUALIZED	FISCAL YEAR ENDING				
		2021	2020	2019	2018	2017
Market Value (in millions)		\$929.1	\$693.7	\$698.0	\$668.8	\$626.2
Endowment	11.3%	33.6%	0.9%	5.3%	7.9%	11.8%
Policy Index	10.5%	28.3%	1.6%	4.2%	7.3%	10.6%
70% MSCI ACWI/30% Barclays Global Aggregate	11.0%	27.4%	3.1%	6.1%	7.9%	12.1%

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

Net property, buildings and equipment were lower as depreciation exceeded new purchases of property, buildings and equipment. 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. Based on current market value, an impairment loss of \$3.5 million was recognized on property during the reporting period. 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 increase is primarily attributable to capital commitments and construction payables, deferred Social Security tax payments allowable under COVID-19 relief legislation and severance payments.

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

The university recognized a right of use asset of \$16.6 million and an operating lease liability of \$18.0 million. The operating leases are primarily for athletic arena use, clinic space, office space and vehicles that expire over the next 12 years. Additional information on leases can be found in Note 7 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 2021, Marquette University's operating income was \$106.2 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 2021 operating revenue increase is primarily driven by \$110.8 in contribution income.

Net tuition and fees of \$272.3 million represents a slight increase over the prior year. The change represents tuition increases partially offset by lower enrollment.

Grant revenue includes Higher Education Emergency Relief Funding (HEERF) from both the federal and state government. This funding was utilized for student aid, housing refunds, and COVID testing and safety costs.

Major contributions were received to support the College of Business Administration (COBA), Athletics, Health and Wellness, and Doing Great Things initiative. The "Philanthropy" section details some of the large contributions received during the fiscal year.

Contribution revenue of \$110.8 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 \$96.1 million in fiscal year 2021.

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

<i>(dollars in thousands)</i>	
Per GAAP	\$110.8
Accrual basis adjustment	(1.3)
Priority point gifts	2.7
Grants	9.3
Revocable planned gifts	9.3
Previous recognized conditional gifts	(34.7)
Per CASE	\$96.1

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

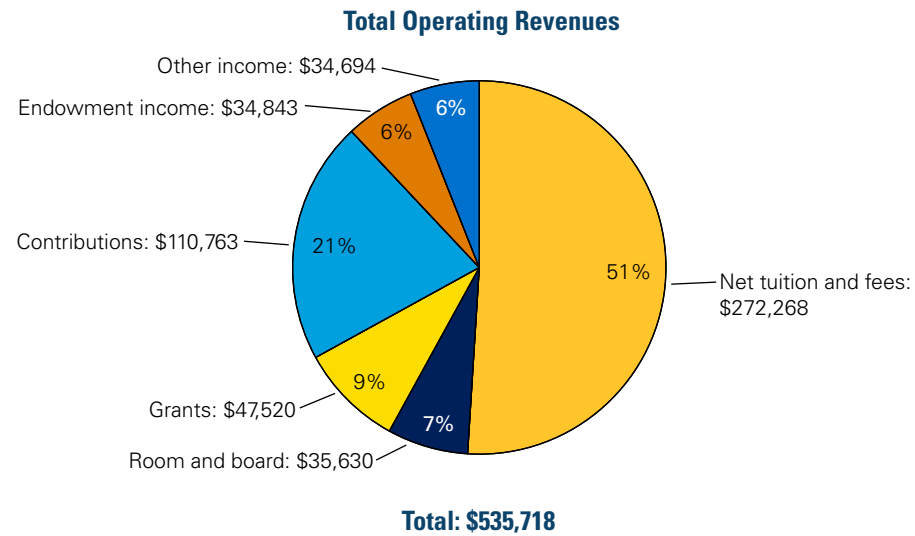
Additional information on GAAP reporting of contributions, revenue and pledges receivable is provided in Notes 1(e) and 6 of the consolidated financial statements.

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.

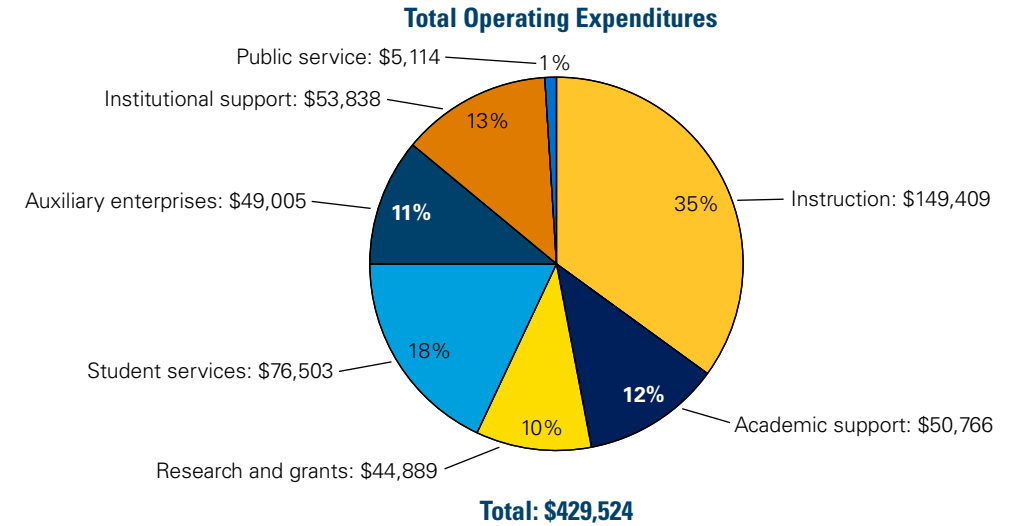
Other income decreased because of the COVID-19 restriction preventing fans from attending athletic events.

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):



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



Expenditures decreased compared to the prior fiscal year as a result of actions taken by the university to reduce spending following the onset of COVID-19. 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.

	FY21	FY20	INCREASE/ (DECREASE)
Instruction	149.4	152.4	(3.0)
Academic support and libraries	50.8	55.1	(4.3)
Research and grants	44.9	46.8	(1.9)
Student services	76.5	72.4	4.1
Auxiliary enterprises	49.0	50.4	(1.4)
Institutional support	53.9	58.4	(4.6)
Public service	5.1	5.9	(0.8)
<b>Total</b>	<b>429.5</b>	<b>441.4</b>	<b>(11.9)</b>

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 \$111.3 million. Cash equivalents with original maturities of three months or less are classified as cash and cash equivalents. Year over year operating cash decreased mainly as a result of shifting from short-term to long-term cash equivalent to better match anticipated cash outlays and maximize returns.

Net cash provided from operations continues to be positive.

Net cash used in investing activity is a result of purchasing long-term cash equivalents that align with anticipated future cash outlays and the university investing in the campus master plan through construction projects related to academic programming.

Net cash provided from financing activities was \$38.6 million due primarily to generous donor contributions for capital projects and long-term endowments.

# CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021 and 2020 | With Independent Auditors' Report Thereon

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

September 9, 2021

## INDEPENDENT AUDITORS' REPORT

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Marquette University, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes 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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Marquette University as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

#### Emphasis of Matter

As discussed in note 1(r) to the consolidated financial statements, in 2021, Marquette University adopted Accounting Standards Codification (ASC) Topic 842, Leases. Our opinion is not modified as a result of this matter.

**KPMG LLP**

## Consolidated Statements of Financial Position

JUNE 30, 2021 AND 2020

(Dollars in thousands)

	2021	2020
<b>ASSETS</b>		
Cash and cash equivalents	\$111,265	211,224
Pledges receivable, net	88,732	59,363
Student accounts and loans receivable, net	43,511	44,038
Investments	1,071,998	711,823
Other assets	8,591	8,393
Right of use assets—operating leases	16,574	—
Property, buildings, and equipment, net	626,527	640,969
<b>TOTAL ASSETS</b>	<b>\$1,967,198</b>	<b>1,675,810</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES:</b>		
Accounts payable and accrued liabilities	\$88,246	75,036
Deferred revenue and deposits	48,813	46,657
Refundable federal loan grants	32,191	35,742
Lease obligation—operating	17,994	—
Notes and bonds payable, net	364,338	374,925
<b>TOTAL LIABILITIES</b>	<b>551,582</b>	<b>532,360</b>
<b>NET ASSETS:</b>		
Without donor restrictions	431,877	407,836
With donor restrictions	983,739	735,614
<b>TOTAL NET ASSETS</b>	<b>1,415,616</b>	<b>1,143,450</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$1,967,198</b>	<b>1,675,810</b>

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
<b>OPERATING REVENUES:</b>			
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)	—
<b>TOTAL OPERATING REVENUES</b>	<b>433,573</b>	<b>102,145</b>	<b>535,718</b>
<b>OPERATING EXPENSES:</b>			
Instruction	149,409	—	149,409
Academic support and libraries	50,766	—	50,766
Research and grants	44,889	—	44,889
Student services	76,503	—	76,503
Auxiliary enterprises	49,005	—	49,005
Institutional support	53,838	—	53,838
Public services	5,114	—	5,114
<b>TOTAL OPERATING EXPENSES</b>	<b>429,524</b>	<b>—</b>	<b>429,524</b>
<b>OPERATING INCOME</b>	<b>4,049</b>	<b>102,145</b>	<b>106,194</b>
<b>NONOPERATING ACTIVITIES:</b>			
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)
<b>TOTAL NONOPERATING ACTIVITIES, NET</b>	<b>19,992</b>	<b>145,980</b>	<b>165,972</b>
<b>CHANGE IN NET ASSETS</b>	<b>24,041</b>	<b>248,125</b>	<b>272,166</b>
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 Statement of Activities  
YEAR ENDED JUNE 30, 2020

(Dollars in thousands)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>OPERATING REVENUES:</b>			
Student tuition and fees, net	\$271,115	—	271,115
Government and private grants	39,101	—	39,101
Contributions	5,106	61,195	66,301
Auxiliary enterprises	46,949	—	46,949
Sales by educational departments	8,388	—	8,388
Investment income	630	1,142	1,772
Endowment income used in operations	5,990	24,156	30,146
Other income	31,367	—	31,367
Net assets released from restrictions	35,058	(35,058)	—
<b>TOTAL OPERATING REVENUES</b>	<b>443,704</b>	<b>51,435</b>	<b>495,139</b>
<b>OPERATING EXPENSES:</b>			
Instruction	152,412	—	152,412
Academic support and libraries	55,140	—	55,140
Research and grants	46,794	—	46,794
Student services	72,414	—	72,414
Auxiliary enterprises	50,344	—	50,344
Institutional support	58,423	—	58,423
Public services	5,888	—	5,888
<b>TOTAL OPERATING EXPENSES</b>	<b>441,415</b>	<b>—</b>	<b>441,415</b>
<b>OPERATING INCOME</b>	<b>2,289</b>	<b>51,435</b>	<b>53,724</b>
<b>NONOPERATING ACTIVITIES:</b>			
Endowment loss in excess of amounts designated for current operations, net	(7,365)	(19,599)	(26,964)
Other, net	(3,891)	(5,904)	(9,795)
<b>TOTAL NONOPERATING ACTIVITIES, NET</b>	<b>(11,256)</b>	<b>(25,503)</b>	<b>(36,759)</b>
<b>CHANGE IN NET ASSETS</b>	<b>(8,967)</b>	<b>25,932</b>	<b>16,965</b>
Net assets, beginning of year	416,803	709,682	1,126,485
Net assets, end of year	\$407,836	735,614	1,143,450

See accompanying notes to consolidated financial statements.



# Consolidated Statements of Cash Flows

YEARS ENDED JUNE 30, 2021 AND 2020

(Dollars in thousands)

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$272,166	16,965
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	39,468	41,243
Discount amortization	(1,556)	(1,438)
Net realized and unrealized appreciation on investments	(216,027)	(2,045)
Bad debt expense	3,945	919
Contributions for major capital projects including gifts in kind	(26,644)	(5,278)
Contributions restricted for long-term endowments	(28,748)	(32,598)
Endowment income used in operations from net assets to be maintained permanently	(269)	(236)
(Loss) gain on sale of property, buildings, and equipment	3,543	(1,194)
Reduction in carrying amount of right to use assets	1,420	—
Changes in assets and liabilities:		
Student accounts and loans receivable	(2,728)	(1,421)
Pledges receivable	(28,406)	(7,643)
Other assets, net	(198)	1,629
Accounts payables and other liabilities	22,023	922
Deferred revenue and deposits	2,156	5,186
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>40,145</b>	<b>15,011</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property, buildings, and equipment	(27,936)	(38,853)
Proceeds from sale of property, buildings, and equipment	5	1,373
Student loans repayments	6,326	7,477
Student loans issued	(3,449)	(3,510)
Purchase of investments	(357,676)	(229,480)
Proceeds from the sale of investments	204,016	239,106
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(178,714)</b>	<b>(23,887)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Contributions received for major capital projects	26,620	5,115
Proceeds from contributions restricted for long-term endowments	24,218	31,305
Endowment income used in operations from net assets to be maintained permanently	269	236
Decrease in refundable federal loan grants	(3,551)	(4,819)
Issuance of notes and bonds payable	—	202,143
Repayment of notes and bonds payable	(8,946)	(47,084)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>38,610</b>	<b>186,896</b>
<b>NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>(99,959)</b>	<b>178,020</b>
Cash, cash equivalents and restricted cash, beginning of year	211,224	33,204
Cash, cash equivalents and restricted cash, end of year	111,265	211,224
Supplemental disclosure of cash flow information		
Cash paid for interest	\$13,943	9,619
Change in construction payables	708	(958)
Capital gifts in kind	24	162

See accompanying notes to consolidated financial statements.

## Notes to Consolidated Financial Statements

JUNE 30, 2021 AND 2020 | (DOLLARS IN THOUSANDS)

### (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 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. 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)*

	2021	2020
Federal government loan programs	\$26,198	29,258
Institutional loan programs	1,668	1,485
Student receivables	7,500	8,358
Grant receivables	7,869	4,983
Other receivables	3,649	3,367
<b>SUBTOTAL</b>	<b>46,884</b>	<b>47,451</b>
<b>LESS ALLOWANCES FOR DOUBTFUL ACCOUNTS</b>	<b>(3,373)</b>	<b>(3,413)</b>
<b>STUDENT ACCOUNTS AND LOANS RECEIVABLE, NET</b>	<b>\$43,511</b>	<b>44,038</b>

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, 2021 and 2020:

*(dollars in thousands)*

	2021	2020
Land and improvements	\$58,378	61,646
Buildings and improvements	833,676	830,504
Construction in progress	34,827	20,500
Furniture, fixtures, and equipment	170,280	166,319
Library contents	124,561	123,014
eBooks and other intangibles	27,127	22,454
Less accumulated depreciation	(622,322)	(583,468)
<b>PROPERTY, BUILDINGS, AND EQUIPMENT, NET</b>	<b>\$626,527</b>	<b>640,969</b>

Construction in progress includes the following as of June 30, 2021 and 2020:

*(dollars in thousands)*

	2021	2020
Animal research center renovations	\$11,185	9,091
College of business administration	7,608	830
Facilities planning and management relocation	1,688	1,606
Lalumiere renovation	1,577	—
Smart classrooms	1,521	—
Electrical improvements	—	2,030
Other renovation and construction projects	11,248	6,943
<b>TOTAL CONSTRUCTION IN PROGRESS</b>	<b>\$34,827</b>	<b>20,500</b>

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. Based on current market value, an impairment loss of \$3,538 was recognized on property during the reporting period.

**(I) CAPITAL GIFTS TO ACQUIRE OR CONSTRUCT LONG-LIVED ASSETS**

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 \$6,950 in fiscal year 2021 and \$6,849 in fiscal year 2020, 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.

**(J) 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.

**(K) 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 \$189,670 and \$184,362 in 2021 and 2020, 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 following tables depict activities for student-related deferred revenue.

*(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

*(dollars in thousands)*

BALANCE AT JUNE 30, 2019	REVENUE RECOGNIZED	CASH RECEIVED IN ADVANCE OF PERFORMANCE	ACCOUNTS RECEIVABLE FOR SUMMER COURSES	BALANCE AT JUNE 30, 2020
\$8,575	8,575	9,250	487	9,737

The balance of deferred tuition revenue at June 30, 2021, will be recognized as revenue in the year ending June 30, 2022, as services are rendered.

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.

**(L) AUXILIARY ENTERPRISES**

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

**(M) 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.

**(N) 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 nonendowed investments.

**(O) 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, 2021, the university has a federal tax credit carryforward of \$2,117, which expires between fiscal years 2035 and 2040.

**(P) POSTRETIREMENT 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, 2021 and 2020, the university had post-retirement benefits payable of \$4,869 and \$4,525, respectively.

**(Q) 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, 2021, 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.

**(R) RECENT ACCOUNTING PRONOUNCEMENTS**

During 2021, the university adopted Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. Under this guidance, an entity is required to recognize right-of-use assets (ROU assets) and lease liabilities on its consolidated statement of financial position and disclose key information about leasing arrangements. Lessees and lessors are required to disclose qualitative and quantitative information about leasing arrangements to enable a user of the consolidated financial statements to assess the amount, timing and uncertainty of cash flows from leases. The university elected the effective date transition method and the package of practical expedients that permit relief from the burden of having to reassess whether any expired or existing contracts are or contain a lease, the lease classification for any expired or existing leases, the need to break down consideration paid in connection with a contract into lease and nonlease components or any initial direct costs for any existing leases as of the effective date.

*(dollars in thousands)*

<b>Financial assets:</b>	
Cash and cash equivalents	\$111,265
Accounts receivable	15,743
Pledges payments available for operations	7,917
Working capital investments	149,043
Endowment spending payout	34,574
<b>TOTAL FINANCIAL ASSETS AVAILABLE WITHIN ONE YEAR</b>	<b>318,542</b>
<b>Liquidity resources:</b>	
Bank line of credit	50,000
<b>TOTAL FINANCIAL ASSETS AND LIQUID RESOURCES AVAILABLE WITHIN ONE YEAR</b>	<b>\$368,542</b>

Additionally, the university has \$151,782 in board designated funds functioning as endowment of which \$119,348 could be liquidated within one year with Board approval, however no liquidation is anticipated

The university has elected not to recognize ROU assets and lease liabilities for space and equipment leases that have a lease term of 12 months or less.

As of July 1, 2020, the university recognized an operating lease liability of \$17,903, which represents the present value of the remaining lease payment of \$22,312, discounted using the university's weighted average incremental borrowing rate of 3.07% and an operating right of use asset of \$17,903.

**(S) COVID-19**

The COVID-19 pandemic resulted in 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.

as of June 30, 2021. The university's investment policy follows Wisconsin's Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), which requires institutions to maintain intergenerational equity, meaning

**(T) RECLASSIFICATION**

Certain amounts in the 2020 financial statements have been reclassified to conform to the 2021 presentation. 2020 functional expense amounts were revised to reflect updated, commonly applied cost classifications utilized in 2021.

**(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, 2021, existing financial assets and liquidity resources available within one year were as follows:

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, 2021 and 2020:

<i>(dollars in thousands)</i>		
	2021	2020
Interest and dividends	\$6,323	2,909
Gain on investments, net	211,522	2,045
<b>RETURN ON INVESTMENTS</b>	<b>\$217,845</b>	<b>4,954</b>

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.

During fiscal year 2021, the university withdrew from the securities lending program. In fiscal year 2020, funds held in collateral under the securities lending agreement are recorded at fair market value based on quoted market prices provided by the custodian bank. The custodian banks use a variety of pricing sources to determine market valuations. Observable market quoted prices and specific pricing services or indexes are used to value investments. The securities portfolio is highly liquid, generally allowing the portfolio to be priced through pricing services. As of June 30, 2020, the university had loaned securities with a market value of \$9,512, that were secured by collateral with a market

value of approximately \$9,300. The collateral received in connection with the security lending program and the obligation to return such collateral are reported in the consolidated financial statements as investments and accounts payable, respectively.

Unexpended bond proceeds are invested in various securities based on expected risk, returns and maturities that mirror the anticipated timing of construction project payment needs. Fair values of unexpended bond proceeds securities are based on prices provided by the trustee bank. Unexpended bond proceeds include cash equivalents and fixed income securities where their fair values are based on observable market quotation prices. The trustee bank uses a variety of pricing sources to determine market valuations of fixed maturity securities. The specific pricing services or indexes for each sector of the market are based upon the provider's expertise. The fixed maturity securities are highly liquid, allowing the portfolio to be priced through pricing services.

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, multistrategy 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.

In fiscal year 2020, funds payables under the securities lending agreement are included in accounts payable and accrued liabilities on the consolidated statements of financial position and are based on quoted market prices provided by the custodian bank. The custodian banks use a variety of pricing sources to determine market valuations. Observable market quoted prices and specific pricing services or indexes

are used to value investments. The securities portfolio is highly liquid, generally allowing the portfolio to be priced through pricing services.

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.

<i>(dollars in thousands)</i>				
	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
<i>June 30, 2021:</i>				
<b>ASSETS:</b>				
<b>Recurring:</b>				
Cash and cash equivalents	\$111,265	111,265	—	—
<b>Investments:</b>				
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	—	—	—
<b>TOTAL INVESTMENTS</b>	<b>1,071,998</b>	<b>460,976</b>	<b>1,559</b>	<b>—</b>
<b>TOTAL ASSETS MEASURED AT FAIR VALUE ON RECURRING BASIS</b>	<b>\$1,183,263</b>	<b>572,241</b>	<b>1,559</b>	<b>—</b>
<b>LIABILITIES:</b>				
<b>Recurring:</b>				
Payables under securities lending agreement	—	—	—	—
<b>TOTAL LIABILITIES MEASURED AT FAIR VALUE ON RECURRING BASIS</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

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	
	<b>\$609,463</b>	<b>82,678</b>		

The following table presents the university's financial instruments at fair value as of June 30, 2020. 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
<i>June 30, 2020:</i>				
<b>ASSETS:</b>				
<b>Recurring:</b>				
Cash and cash equivalents	\$211,224	211,224	—	—
<b>Investments:</b>				
Money funds and other	19,573	19,573	—	—
Federal, state, and local agency securities	694	—	694	—
Nongovernment bonds and notes	266	—	266	—
Asset and mortgage-backed securities	318	—	318	—
Foreign bonds and notes	125	—	125	—
Common and preferred stocks	51,698	51,698	—	—
Mutual funds—bonds	66,773	66,773	—	—
Mutual funds—equity	101,459	101,459	—	—
Receivables under securities lending agreement	9,430	—	9,430	—
Investments measured at net asset value	461,487	—	—	—
<b>TOTAL INVESTMENTS</b>	<b>711,823</b>	<b>239,503</b>	<b>10,833</b>	<b>—</b>
<b>TOTAL ASSETS MEASURED AT FAIR VALUE ON RECURRING BASIS</b>	<b>\$923,047</b>	<b>450,727</b>	<b>10,833</b>	<b>—</b>
<b>LIABILITIES:</b>				
<b>Recurring:</b>				
Payables under securities lending agreement	\$9,512	—	9,512	—
<b>TOTAL LIABILITIES MEASURED AT FAIR VALUE ON RECURRING BASIS</b>	<b>\$9,512</b>	<b>—</b>	<b>9,512</b>	<b>—</b>

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, 2020, are as follows:

(dollars in thousands)

FISCAL YEAR ENDED JUNE 30, 2020	NET ASSETS VALUE	UNFUNDED COMMITMENTS	REDEMPTION FREQUENCY	REDEMPTION NOTICE PERIOD
Commingled funds	\$93,701	—	Weekly, Monthly	10–30 days
Multi-strategy hedge funds	242,275	1,840	Quarterly, Semi-annually, Annually, 2 years, 3 years, Liquidating	45–90 days
Private equity partnerships	107,435	48,454	Illiquid	
Real estate limited partnership and membership interests	18,076	20,902	Illiquid	
	<b>\$461,487</b>	<b>71,196</b>		

#### (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, 2021 and 2020, funds with fair market value of \$8,389 and \$96,023, an original gift value of \$8,682 and \$101,100, were underwater by \$293 and \$5,077, 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, 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
<b>TOTAL INVESTMENT RETURN</b>	<b>34,272</b>	<b>178,975</b>	<b>213,247</b>
Appropriation of endowment assets for expenditure	(6,800)	(27,773)	(34,573)
Contributions	5,772	28,748	34,520
<b>ENDOWMENT NET ASSETS, END OF YEAR</b>	<b>\$151,782</b>	<b>777,217</b>	<b>928,999</b>

The following represents the composition and changes in endowment net assets for the year ended June 30, 2020:

(dollars in thousands)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Endowment net assets, beginning of year	\$123,360	582,116	705,476
Investment return:			
Investment loss	—	(78)	(78)
Endowment income used for spending policy	5,990	24,156	30,146
Net realized and unrealized losses	(6,757)	(17,605)	(24,362)
<b>TOTAL INVESTMENT RETURN</b>	<b>(767)</b>	<b>6,473</b>	<b>5,706</b>
Appropriation of endowment assets for expenditure	(5,990)	(23,920)	(29,910)
Contributions	1,935	32,598	34,533
<b>ENDOWMENT NET ASSETS, END OF YEAR</b>	<b>\$118,538</b>	<b>597,267</b>	<b>715,805</b>

## (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 are invested and payments are made to beneficiaries in accordance with the respective agreements. Assets associated with split-interest agreements are included in investments on the consolidated statement of financial position.

A liability for split-interest obligations is recorded when the agreement is established at the estimated net present value of future cash flows

using a risk-adjusted discount rate commensurate with the duration of the estimated payments.

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, 2021 and 2020, 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

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, 2021, and 2020, the contributions receivable is due as follows:

(dollars in thousands)

	2021	2020
Less than one year	\$54,332	24,633
Two to five years	40,717	38,768
Over five years	4,583	5,265
<b>SUBTOTAL</b>	<b>99,632</b>	<b>68,666</b>
Less unamortized discount	(2,782)	(4,060)
Allowance for uncollectible accounts	(8,118)	(5,243)
<b>PLEDGES RECEIVABLE, NET</b>	<b>\$88,732</b>	<b>59,363</b>

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, 2021 and 2020, the fair value of these conditional promises is approximately \$152,742 and \$177,795, 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, that 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, 2021, were as follows:

<i>(dollars in thousands)</i>	
Operating lease costs	\$1,821
Variable lease costs	47
<b>TOTAL LEASE COSTS</b>	<b>\$1,868</b>

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

<i>(dollars in thousands)</i>	
Operating lease ROU assets net of amortization	\$16,574
Operating lease liabilities	17,994

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

<i>(dollars in thousands)</i>	
Weighted average Remaining Lease term in years	11.6
Weighted average discount rate	3.07 %

Maturities of the operating leases as of June 30, 2021, are as follows:

<i>(dollars in thousands)</i>	
2022	\$1,717
2023	1,757
2024	1,791
2025	1,765
2026	1,814
Thereafter	13,109
<b>OPERATING LEASE LIABILITIES—UNDISCOUNTED</b>	<b>21,953</b>
Impact of present value discount	3,959
<b>OPERATING LEASE LIABILITIES</b>	<b>\$17,994</b>

Future minimum lease obligations under Topic 840 for operating leases as June 30, 2020, were as follows:

<i>(dollars in thousands)</i>	
FY21	\$1,528
FY22	1,301
FY23	1,338
FY24	1,275
FY25	1,313
Thereafter	12,030
<b>TOTAL FUTURE COMMITMENTS</b>	<b>\$18,785</b>

## (8) NOTES AND BONDS PAYABLE, NET

As of June 30, 2021, and 2020, notes and bonds payable consisted of the following:

<i>(dollars in thousands)</i>	2021	2020
Revenue Bonds, Series 2011A, payable with fixed interest rates ranging from 2.00% to 5.00%, maturing through 2020	\$—	2,895
Revenue Bonds, Series 2012, payable with fixed interest rates ranging from 2.00% to 5.00%, maturing through 2032	72,190	73,645
Revenue Bonds, Series 2016, payable with fixed interest rates ranging from 4.00% to 5.00%, maturing through 2047	76,840	78,600
Revenue Bonds, Series 2019, payable with fixed interest rates ranging from 4.00% to 5.00%, maturing through 2033	41,040	43,650
Taxable Fixed Rate 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 rate, maturing through 2024	755	1,067
<b>SUBTOTAL</b>	<b>340,825</b>	<b>349,857</b>
Unamortized premiums, discount and issuance costs	23,513	25,068
<b>NOTES AND BONDS PAYABLE, NET</b>	<b>\$364,338</b>	<b>374,925</b>

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, 2021 and 2020.

Maturities of notes and bonds payable based on scheduled repayments at June 30, 2021, are as follows:

<i>(dollars in thousands)</i>	
Fiscal year 2022	\$9,315
Fiscal year 2023	9,876
Fiscal year 2024	13,819
Fiscal year 2025	14,040
Fiscal year 2026	14,665
Thereafter	279,110
<b>TOTAL</b>	<b>\$340,825</b>

As of June 30, 2021, 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, 2021 and 2020.

As of June 30, 2021, 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, 2021 and 2020.

## (9) RESTRICTED CASH AND INVESTMENTS

The composition of assets restricted to investment in land, buildings and equipment as of June 30, 2021 and 2020 is shown below.

<i>(dollars in thousands)</i>		
	2021	2020
Restricted cash	\$13,329	\$10,067
Contributions receivable	53,605	18,656
Investments	17,855	4
<b>TOTAL ASSETS RESTRICTED FOR INVESTMENT IN LAND, BUILDING AND EQUIPMENT</b>	<b>\$84,789</b>	<b>\$28,727</b>

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.

<i>(dollars in thousands)</i>		
	2021	2020
Cash and cash equivalents	\$97,936	\$201,157
Restricted cash included in assets restricted to investment in land, buildings and equipment	13,329	10,067
<b>TOTAL CASH, CASH EQUIVALENTS, AND RESTRICTED CASH SHOWN IN THE CONSOLIDATED STATEMENT OF CASH FLOWS</b>	<b>\$111,265</b>	<b>\$211,224</b>

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 \$3,547 and \$11,675 in fiscal years 2021 and 2020, 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. Under the plans, the university's losses are limited, through the use of excess loss insurance, to \$300 per claim. Claims paid under the plans for fiscal years 2021 and 2020 totaled \$25,235 and \$26,065, 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, 2021 and 2020.

## (12) NET ASSETS

Net assets consist of the following as of June 30, 2021 and 2020:

<i>(dollars in thousands)</i>		
	2021	2020
<b>Without donor restrictions:</b>		
Board designated endowments	\$151,782	\$118,538
Other net assets without donor restrictions	280,095	289,298
<b>TOTAL WITHOUT DONOR RESTRICTIONS</b>	<b>431,877</b>	<b>407,836</b>
<b>With donor restrictions:</b>		
<b>Amounts with time and purpose restrictions:</b>		
Academic support, instruction and student services	221,591	138,890
Pledges receivable, net	61,438	27,900
Scholarships	147,155	58,836
Life income and annuity funds	6,957	4,472
Physical assets	16,978	6,848
<b>TOTAL NET ASSETS WITH TIME AND PURPOSE RESTRICTIONS</b>	<b>454,119</b>	<b>236,946</b>
<b>Amount with permanent restrictions:</b>		
Academic support, instruction and student services	197,864	183,582
Pledges receivable, net	23,726	26,807
Scholarships	306,760	285,990
Life income and annuity funds	1,270	2,289
<b>TOTAL NET ASSETS WITH PERMANENT RESTRICTIONS</b>	<b>529,620</b>	<b>498,668</b>
<b>TOTAL WITH DONOR RESTRICTIONS</b>	<b>983,739</b>	<b>735,614</b>
<b>TOTAL NET ASSETS</b>	<b>\$1,415,616</b>	<b>1,143,450</b>

## (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, 2021, the university has outstanding commitments for the following construction projects:

<i>(dollars in thousands)</i>	
College of Business Administration new building	\$12,763
Lalumiere Hall renovation	1,785
<b>TOTAL</b>	<b>\$14,548</b>



#### (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, 2021 and 2020 are as follows:

*(dollars in thousands)*

2021						
	COMPENSATION	SUPPLIES, REPAIRS, UTILITIES AND OTHER	INTEREST	DEPRECIATION	OPERATIONS AND MAINTENANCE	TOTAL
Instruction	\$113,071	13,177	2,728	12,388	8,045	149,409
Academic support and libraries	29,107	9,981	536	6,092	5,050	50,766
Research and grants	26,524	16,208	—	2,057	100	44,889
Student services	42,149	23,027	412	5,129	5,786	76,503
Auxiliary enterprises	6,456	18,499	4,618	7,407	12,025	49,005
Institutional support	36,431	10,301	3,770	1,994	1,342	53,838
Public services	4,461	573	3	—	77	5,114
Operations and maintenance	9,797	18,015	212	4,401	(32,425)	—
<b>TOTAL OPERATING EXPENSES</b>	<b>\$267,996</b>	<b>109,781</b>	<b>12,279</b>	<b>39,468</b>	<b>—</b>	<b>429,524</b>

*(dollars in thousands)*

2020						
	COMPENSATION	SUPPLIES, REPAIRS, UTILITIES AND OTHER	INTEREST	DEPRECIATION	OPERATIONS AND MAINTENANCE	TOTAL
Instruction	\$115,385	14,725	2,012	12,916	7,374	152,412
Academic support and libraries	31,166	12,361	319	6,021	5,273	55,140
Research and grants	26,779	18,293	—	1,692	30	46,794
Student services	35,352	25,672	335	5,251	5,804	72,414
Auxiliary enterprises	7,095	18,948	3,598	8,243	12,460	50,344
Institutional support	42,381	9,269	1,972	2,670	2,131	58,423
Public services	4,833	973	3	—	79	5,888
Operations and maintenance	11,148	17,294	259	4,450	(33,151)	—
<b>TOTAL OPERATING EXPENSES</b>	<b>\$274,139</b>	<b>117,535</b>	<b>8,498</b>	<b>41,243</b>	<b>—</b>	<b>441,415</b>

#### (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 2021 and 2020 are comprised of the following:

*(dollars in thousands)*

	2021	2020
Sponsored research	\$31,271	31,221
Teaching and training	5,828	5,450
Development and others	7,790	10,123
<b>TOTAL RESEARCH AND GRANTS</b>	<b>\$44,889</b>	<b>46,794</b>

#### (16) SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 9, 2021, which is the date the consolidated financial statements were available to be issued. No subsequent events were identified that require recording or disclosure in the consolidated financial statements or related notes to the consolidated financial statements.

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