Wisconsin Alumni Research Foundation

Financial Report
June 30, 2024

Contents

Independent Auditor's Report

Board of Trustees
Wisconsin Alumni Research Foundation

Opinion
We have audited the financial statements of Wisconsin Alumni Research Foundation (the Foundation), which comprise the statements of financial position as of June 30, 2024 and 2023, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

RSM US LLP

Chicago, Illinois
October 11, 2024

Wisconsin Alumni Research Foundation

Statements of Financial Position
June 30, 2024 and 2023
(Amounts in Thousands)

	2024	2023
Assets		
Cash and cash equivalents	$ 11,032	$ 7,088
Receivables	5,951	193
Contract assets	2,300	2,300
Due from broker	-	813
Investments	3,118,199	3,013,993
Investments in start-up companies	60,876	45,069
Accrued interest and dividends	5,639	6,050
Due from WiCell Research Institute, Inc.	279	106
Property and equipment, net	106,767	109,485
Other assets	127	162
Total assets	$ 3,311,170	$ 3,185,259
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 12,997	$ 11,687
Due to broker	457	1,117
Royalties payable to inventors	1,428	181
Payable to the University of Wisconsin-Madison	258,403	264,337
Payable to Morgridge Institute for Research, Inc. and Morgridge Institute Foundation, Inc.	467,795	421,142
Deferred revenue	28	28
Pension liability	1,487	7,382
Accrued other post-retirement benefits	2,500	2,600
Bonds payable, including unamortized discount and bond issue costs	223,760	223,710
Total liabilities	968,855	932,184
Commitments and contingencies		
Net assets:		
Without donor restrictions:		
Undesignated	2,277,577	2,192,108
Board-designated	14,469	11,601
Total without donor restrictions	2,292,046	2,203,709
With donor restrictions	50,269	49,366
Net assets	2,342,315	2,253,075
Total liabilities and net assets	$ 3,311,170	$ 3,185,259

See notes to financial statements.

Wisconsin Alumni Research Foundation

Statements of Activities
Years Ended June 30, 2024 and 2023
(Amounts in Thousands)

	2024	2023
Revenues:		
Royalty income	$ 17,516	$ 5,199
Other income	5,367	9,675
Net assets released from restriction	3,217	5,659
Total revenues	26,100	20,533
Expenses:		
Patent and licensing	20,630	18,747
Venture office	1,944	1,772
Legal	1,315	1,428
Administrative expenses	23,897	25,077
Grants to the University of Wisconsin-Madison	86,770	87,457
Grants to Morgridge Institute for Research, Inc.	5,310	6,610
Total expenses	139,866	141,091
Operating loss before investment income and other nonoperating items	(113,766)	(120,558)
Investment income (expense):		
Interest and dividends	48,645	36,592
Investment manager fees	(5,441)	(4,600)
Investment expenses	(1,726)	(1,409)
Net loss on derivatives	(692)	(69,714)
Net gain on investments	155,155	147,707
Total investment income	195,941	108,576
Other nonoperating items:		
Defined benefit pension plans:		
Interest cost	(2,048)	(1,868)
Expected return on plan assets	2,404	1,855
Total other nonoperating items	356	(13)
Change in net assets without donor restrictions before other adjustments	$ 82,531	$ (11,995)

(Continued)

Wisconsin Alumni Research Foundation

Statements of Activities (Continued)
Years Ended June 30, 2024 and 2023
(Amounts in Thousands)

	2024	2023
Net assets without donor restrictions:		
Change in net assets without donor restrictions before other adjustments	**$ 82,531**	$ (11,995)
Pension-related changes other than net periodic pension cost	**5,806**	4,493
Change in net assets without donor restrictions	**88,337**	(7,502)
Net assets with donor restrictions:		
Investment return on donor-restricted funds	**4,117**	1,572
Contributions	**3**	9
Net assets released from restriction	**(3,217)**	(5,659)
Change in net assets with donor restrictions	**903**	(4,078)
Change in net assets	**89,240**	(11,580)
Net assets, beginning of year	**2,253,075**	2,264,655
Net assets, end of year	**$ 2,342,315**	$ 2,253,075

See notes to financial statements.

Wisconsin Alumni Research Foundation

Statements of Cash Flows
Years Ended June 30, 2024 and 2023
(Amounts in Thousands)

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ 89,240	$ (11,580)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net loss on derivatives	692	69,714
Net gain on investments	(159,272)	(149,279)
Depreciation	3,650	3,672
In-kind contribution to the University of Wisconsin	-	4,320
Amortization of bond discount/premium and bond issuance costs included in interest expense	50	49
Gain on disposal of land	-	(630)
Changes in assets and liabilities:		
Receivables	(5,758)	45
Accrued interest and dividends	411	-
Due from WiCell Research Institute, Inc.	(173)	(55)
Other assets	35	(34)
Accounts payable and accrued expenses	1,310	161
Royalties payable to inventors	1,247	70
Payable to the University of Wisconsin-Madison	(15,700)	(10,856)
Payable to Morgridge Institute for Research, Inc. and Morgridge Institute Foundation, Inc.	4,852	795
Pension liability	(5,895)	(7,579)
Accrued other post-retirement benefits	(100)	100
Net cash used in operating activities	(85,411)	(101,087)
Cash flows from investing activities:		
Purchases of investments and derivative contract liabilities	(876,749)	(2,372,645)
Sales of investments and derivative contract liabilities	965,011	2,450,788
Net change in payable to the University of Wisconsin-Madison related to investments	(3,608)	(8,985)
Net change in payable to Morgridge Institute for Research, Inc. and Morgridge Institute Foundation, Inc. related to investments	5,480	20,862
Due from (to) broker	153	7,775
Acquisition of property and equipment	(932)	-
Net cash provided by investing activities	89,355	97,795
Net increase (decrease) in cash and cash equivalents	3,944	(3,292)
Cash and cash equivalents, beginning of year	7,088	10,380
Cash and cash equivalents, end of year	$ 11,032	$ 7,088
Supplemental disclosure of cash flow information:		
Cash payments for interest	$ 8,019	$ 8,019
Supplemental schedules of noncash investing activities:		
In-kind land donation to the University of Wisconsin-Madison	$ -	$ 3,690
Convertible notes in startup companies converted to shares	$ 4,582	$ -

See notes to financial statements.

Note 1. Nature of Activities and Summary of Significant Accounting Policies

Nature of activities: The Wisconsin Alumni Research Foundation (Foundation) is organized and operated as a supporting organization for the benefit of the University of Wisconsin-Madison (UW) and Morgridge Institute for Research, Inc. (Morgridge), and exclusively for charitable, scientific and educational purposes, including promoting, encouraging and aiding scientific investigation and research, assisting in developing and patenting inventions and processes, and administering gifts, grants and bequests. Significant transactions and balances between the Foundation and the UW include grants paid and payable and departmental royalty funds.

A summary of the Foundation's significant accounting policies follows:

Use of estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenue and expenses, including functional allocations, during the reporting period. Actual results could differ from those estimates.

The pension plan contributions and the actuarial present value of accumulated plan benefits are prepared based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements. The fair value of the plan assets is subject to the market volatility of the underlying investments.

The statements of financial position include investments $2,072,621, representing 66% of total assets as of June 30, 2024, and $1,976,187, representing 62% of total assets as of June 30, 2023, respectively, whose fair values have been estimated by management in the absence of readily ascertainable market values. Because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Cash and cash equivalents: Cash and cash equivalents include cash, overnight investments, U.S. treasury bills and short-term investments in interest-bearing demand deposits with banks and cash managers with maturities of three months or less. The Foundation, at times, has on deposit in financial institutions cash balances and money markets in excess of the Federal Deposit Insurance Corporation limit. The Foundation does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Receivables: Receivables are carried at original invoice amount less an estimate made for expected credit losses. Management determines the allowance for credit losses based on current and future market conditions, and by identifying troubled accounts and using historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received.

Receivables are considered past due if any portion of the receivable balance is outstanding for more than 90 days. Interest is not charged on past due receivables. At June 30, 2024 and 2023, and as of the opening balance at July 1, 2022, the Foundation considered all receivables to be fully collectible.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Investments: Investments are stated at fair value.

Investment income or loss (including gains and losses on investments and derivatives, interest and dividends) is included in the statements of activities as increases or decreases in net assets without restriction unless the income or loss is restricted by donor or law.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the statements of financial position. Management considers all highly liquid investments purchased with a maturity of three months or less, including money market funds, to be cash equivalents.

The Foundation utilizes various investment managers to manage the Foundation's investments under established policy statements. The investments of the managed accounts, which include cash equivalents, common stocks and fixed income securities are, to the extent possible, held in custody by the Northern Trust Company (Northern).

Investments in startup companies: The Foundation invests in startup companies that do not have readily determinable fair value. The Foundation has elected to account for these investments under the measurement alternative in accordance with the Accounting Standards Codification Topic 321, Investments—Equity Securities, which allows the investments to be recorded at cost, with adjustments for impairment and observable price changes for identical or similar investments. Factors considered in the making the adjustments for observable price changes include third-party valuations and recent financing by the startup companies. The amount of downward adjustments for impairments and observable price changes totaled $9,646 for the year ended June 30, 2024. The amount of upward adjustments for observable price changes totaled $5,673 for the year ended June 30, 2024. The amount of downward adjustments for impairments and observable price changes totaled $7,390 for the year ended June 30, 2023. The amount of upward adjustments for observable price changes totaled $6,133 for the year ended June 30, 2023. Adjustments for impairment or observable price changes are included in net gain on investments in the statements of activities. During the years ended June 30, 2024 and 2023, the Foundation recorded net losses of $4,307 and $1,257, respectively, which are included in net gain on investments in the statements of activities.

The Foundation invests in certain startup companies using convertible notes. These notes are considered debt securities and are recorded at fair value.

Foreign currency: Investment securities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions.

The Foundation does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net gain from investments.

Property and equipment: Property and equipment are recorded at cost. Contributed property and equipment is recorded at fair value at the date of donation. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets.

(Amounts in Thousands)

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Impairment of long-lived assets: The Foundation reviews its property and equipment when events and circumstances indicate that the assets might be impaired, by comparing the carrying value of the assets with the undiscounted anticipated future cash flows of the related asset before interest charges. If the sum of the projected undiscounted cash flows (excluding interest charges) of an asset group is less than its carrying value, and the fair value of an asset group is also less than its carrying value, the assets will be written down by the amount by which the carrying value of the asset group exceeded its fair value. As of June 30, 2024 and 2023, there was no impairment recognized to long-lived assets.

Bond issuance costs, discounts and premiums: Costs associated with the issuance of bonds, discounts and premiums are being amortized using the effective interest method over the term of the related debt. Such amounts are presented as a part of the related bond debt in the statements of financial position.

Basis of presentation: The Foundation classifies its net assets into two categories which are net assets with donor restrictions and net assets without donor restrictions.

Net assets without restriction are reflective of revenues and expenses associated with the operating activities of the Foundation, and are not subject to donor-imposed stipulations.

At June 30, 2024 and 2023, the Foundation had net assets without restriction, which were designated by the board of the Foundation to be used for the following purposes:

	2024	2023
Research and development	$ 14,253	$ 11,354
Deferred compensation funds	216	247
	$ 14,469	$ 11,601

These amounts can be utilized by the Foundation for other purposes upon approval by the board of the Foundation.

Net assets with donor restrictions are those resources whose use by the Foundation has been limited by donors for a specific purpose, and either expires by the passage of time or by actions of the Foundation. The Foundation's net assets with donor restrictions are as follows:

	2024	2023
Purpose restrictions:		
Departments within UW	$ 50,269	$ 49,366

The Foundation has presented its assets and liabilities on the statements of financial position in an unclassified manner, but in order of liquidity.

Royalty income: The Foundation negotiates license agreements with interested parties for specific inventions. Royalty arrangements are finalized at that time. Licensing agreements are generally in effect through the life of the related patent, which is 20 years, or a term requested by the licensee. At June 30, 2024, the Foundation maintained 727 active license agreements, of which 10 agreements generate approximately 86% of the total royalties recognized by the Foundation. On average, there are approximately 14 years remaining on those 10 agreements at June 30, 2024.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

At June 30, 2023, the Foundation maintained 655 active license agreements, of which 10 agreements generate approximately 66% of the total royalties recognized by the Foundation. On average, there are approximately 15 years remaining on those 10 agreements at June 30, 2023.

The amount of revenue recognized upon satisfaction of a performance obligation is the transaction price allocated to it using the following steps: (1) identify the contract, (2) identify the performance obligations, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract and (5) recognize revenue as or when the Foundation satisfies the performance obligations.

License fees, which are included in royalty income, are generally recognized when, or as, the performance obligation is satisfied, which is when control of the intellectual property (IP) is transferred to the licensee.

Sales and usage-based royalties on licenses of IP are recognized over time when the later of the following events occurs: (1) the subsequent sales or usage occurs or (2) the performance obligation to which some or all of the sales-based or usage-based royalty has been allocated has been satisfied (or partially satisfied). The amount of royalty income earned can vary significantly from year to year, depending on the individually negotiated license agreements and the activities of the individual licensees. The gross royalties collected by the Foundation is reduced by inventors' share of royalties where the Foundation serves as an agent to inventors and other third parties associated with the IP. Total gross royalties and license fees recognized were $26,589 and $10,840 during the years ended June 30, 2024 and 2023, respectively. Total inventors' and other third parties' shares of royalties and license fees that were reduced from the gross royalties and license fees collected were $9,073 and $5,641 during the years ended June 30, 2024 and 2023, respectively. Total net royalties and license fees, presented as royalty income with the statements of activities recognized during the years ended June 30, 2024 and 2023, were $17,516 and $5,199, respectively.

Contract assets represent the Foundation's conditional right to consideration for royalty and licensing revenues where its performance has been completed, or partially completed, but have not been billed. For the years ended June 30, 2024 and 2023, the Foundation estimated that there was approximately $2,300 and $2,300, respectively, of uncollected royalties. The opening balance as of July 1, 2022, for contract assets, was $2,300. In addition, the Foundation evaluates contract assets for impairment annually. Management has determined that no impairment of contract assets existed in 2024 or 2023.

Contributions: All contributions are considered available for unrestricted use unless specifically restricted by the donor. Contributions without donor restriction are reported as other income on the statements of activities. Contributed property and equipment is recorded at fair value at the date of donation. Contributions are reported with or without donor restriction, depending on if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with restriction are reclassified as net assets without restriction and reported in the statements of activities as assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restrictions in the accompanying financial statements.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Functional allocation of expenses: The financial statements report certain categories of expenses that are attributable to one or more programs or support functions of the Foundation. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include employee compensation and benefits, consulting fees, communications/marketing, travel, business meetings, professional dues and various overhead costs including office supplies, office space, subscriptions and software, all of which are allocated based on type of services provided within each department and the employee's job description or primary function.

Grants to University of Wisconsin-Madison and Morgridge Institute for Research, Inc.: Grants are recorded as payable in the year the grant is awarded. Grants which indicate the payment will be made over an extended number of years, if any, are recorded at their net present value. All grants are expected to be paid within one year at June 30, 2024 and 2023.

Income taxes: The Foundation has been granted an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Under this exemption, income tax is paid only on unrelated business income. The Foundation is also exempt from Wisconsin income and real estate taxes.

The Foundation follows the guidance relative to accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Foundation and various positions related to the potential sources of unrelated business taxable income. Any tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Foundation files Forms 990 in the U.S. federal jurisdiction and the state of Wisconsin.

Measure of operations: The Foundation reports a change in net assets from operating activities, including all operating revenue and expense that are an integral part of its programs and supporting activities, net assets released from donor restriction to support operating expenditures and transfers from board-designated and other nonoperating funds to support current operating activities. The measure of operations excludes investment return and changes in value of pension benefits.

Reclassifications: Certain amounts in the 2023 financial statements have been reclassified to conform to the 2024 financial statement presentation, with no impact on previously reported net assets or changes in net assets.

Subsequent events: Management of the Foundation has evaluated subsequent events through October 11, 2024, which is the date the financial statements were issued for possible measurement and/or disclosure effects on the financial statements.

Note 2. Investments and Fair Value of Financial Instruments

The Foundation records its investments at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Foundation utilizes valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. Assets and liabilities recorded at fair value are categorized within the fair value hierarchy based upon the level of judgment associated with the inputs used to measure their value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly, and fair value is determined through the use of models or other valuation methodologies. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3: Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. For the fiscal years ended June 30, 2024 and 2023, the application of valuation techniques applied to similar assets and liabilities has been consistent.

The Foundation assesses the levels of the investments at each measurement date, and the transfers between levels are recognized at the measurement date in accordance with the Foundation's accounting policy regarding the recognition of transfers between levels of the fair value hierarchy. For the fiscal years ended June 30, 2024 and 2023, there were no such transfers.

As a practical expedient, the Foundation uses the reported net asset value (NAV) of the investments in other investment funds to determine fair value. Investments in other investment funds (investment companies, real estate funds and private equity and hedge funds) are valued at fair value based on the applicable percentage ownership of the investment funds' net assets, as determined by the Foundation. In determining fair value, the Foundation utilizes valuations of the underlying investment funds. The underlying investment funds value securities and other financial instruments substantially on the fair value basis of accounting. These investments are not included in the three levels of the fair value hierarchy, but are included in the tables on the following page for reconciliation purposes.

(Amounts in Thousands)

Note 2. Investments and Fair Value of Financial Instruments (Continued)

Investments in securities traded on national securities exchanges, including preferred stocks, common stocks and U.S. treasuries, are stated at the last reported sales price on the day of valuation; other securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are stated at the last quoted bid price, except for short positions, for which the last quoted ask price is used. Other securities for which quotations are not readily available are valued at fair value as determined by the investment manager. The ability of issuers of debt securities to meet their obligations may be affected by economic and political developments in a specific country or region. Fixed income securities are valued based upon mid-market quotations obtained from pricing services. The valuation of convertible notes receivable, which are not traded in an active market, are determined using a probability-weighted expected return model (PWERM) with a combination of discounted cash flow (DCF) method and Black-Scholes option pricing models (OPM), which estimated the probability-weighted valued across multiple scenarios.

In the normal course of business, the Foundation enters into derivative contracts (derivatives) for trading purposes. Derivatives include exchange-traded futures. Futures are valued at their current market price on a mark-to-market basis, and unrealized gains and losses on positions prior to the settlement date are recorded.

The following table presents the Foundation's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2024:

	2024			
	Total	Level 1	Level 2	Level 3
Investments:				
Cash equivalents	$ 62,957	$ 62,957	$ -	$ -
Common stocks:				
U.S. domestic small-cap value	428,590	428,590	-	-
Mutual funds	90,843	90,843	-	-
U.S. Treasury notes	104,963	-	104,963	-
Mortgage backed securities	94,638	-	94,638	-
Asset backed securities	26,749	-	26,749	-
Corporate convertible bonds	675		675	
Corporate bonds	171,826	-	171,826	-
Municipal bonds	64,111	-	64,111	-
Convertible notes in startup companies	10,300	-	-	10,300
Subtotal	1,055,652	$ 582,390	$ 462,962	$ 10,300
Investments in funds measured at NAV:				
Investment companies	408,036			
Index funds	889,882			
Private equity	604,502			
Real estate funds	170,427			
Investments in startup companies valued at the measurement alternative	50,576			
Total investments	$ 3,179,075			

(Amounts in Thousands)

Note 2. Investments and Fair Value of Financial Instruments (Continued)

The following table presents the Foundation's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2023:

	2023			
	Total	Level 1	Level 2	Level 3
Investments:				
Cash equivalents	$ 67,797	$ 67,797	$ -	$ -
Common stocks:				
U.S. domestic small-cap value	430,352	430,352	-	-
Mutual funds	69,788	69,788	-	-
U.S. Treasury notes	99,339	-	99,339	-
Mortgage backed securities	95,723	-	95,723	-
Asset backed securities	28,893	-	28,893	-
Corporate bonds	173,217	-	173,217	-
Municipal bonds	73,266	-	73,266	-
Convertible notes in startup companies	6,269			6,269
Subtotal	1,044,644	$ 567,937	$ 470,438	$ 6,269
Investments in funds measured at NAV:				
Investment companies	383,572			
Index funds	839,333			
Private equity and hedge funds	557,858			
Real estate funds	194,885			
Investments in startup companies valued at the measurement alternative	38,800			
Total investments	$ 3,059,092			

The following table summarizes the Foundation's investments in private equity by strategy, which are valued using the practical expedient, as of June 30:

Investment Strategy	2024	2023	Unfunded Commitment as of June 30, 2024
International [(a)]	$ 2,191	$ 140,258	$ 1,518
Healthcare [(b)]	113,832	83,547	76,163
Venture capital [(c)]	433,736	251,386	217,381
Financial services [(d)]	21,931	23,957	2,134
Other [(e)]	32,812	58,710	29,186
	$ 604,502	$ 557,858	$ 326,382

(a) The strategy focuses on investment in direct or indirect securities of private companies doing business primarily overseas, with emphasis on growing markets in the expansion stage, capital transactions and buyouts.

(Amounts in Thousands)

Note 2. Investments and Fair Value of Financial Instruments (Continued)

(b) The strategy focuses on investment in private healthcare companies with an investment model based on a unique and impactful approach to capital efficiency that leverages shared resources and non-dilutive capital.

(c) The strategy focuses on venture capital investments in private companies with an objective to provide investors with attractive returns.

(d) The strategy focuses on providing capital to, and investing in, depositories and other financial service companies.

(e) The strategy focuses on generating significant returns for investment partners, principally through long-term capital appreciation, by making privately negotiated investments in various industries.

The unfunded commitment above represents the Foundation's outstanding obligation at June 30, 2024, regarding making additional investments in the above underlying funds.

The private equity funds listed above have fixed termination dates, and the Foundation may not redeem prior to those dates. The term for these investments is within a 12-year range. The sponsor of the respective investment companies may, at its sole discretion, suspend investor redemption rights which might affect the Foundation's ability to redeem its investment. As of June 30, 2024 and 2023, there were no suspensions of investor redemption rights.

The following table summarizes the Foundation's investments in investment companies by strategy, which are valued using the practical expedient, as of June 30, 2024:

Investment Strategy	Fair Value	Redemptions Permitted	Redemption Notice Period In Days
Global Macro	$ 42,627	Monthly	5
Multi-Strategy	78,317	Quarterly	65
Equity Arbitrage and Relative Value	23,954	Monthly	30
Fixed Income-Structured Credit	142,535	Quarterly	60-75
Equity Long/Short	1,409	Quarterly	60
Emerging Markets	119,194	Monthly	15-30
	$ 408,036		

(Amounts in Thousands)

Note 2. Investments and Fair Value of Financial Instruments (Continued)

The following table summarizes the Foundation's investments in investment companies by strategy, which are valued using the practical expedient, as of June 30, 2023:

Investment Strategy	Fair Value	Redemptions Permitted	Redemption Notice Period In Days
Global Macro	$ 38,658	Monthly	5
Multi-Strategy	74,193	Quarterly	65
Equity Arbitrage and Relative Value	34,345	Monthly	30
Fixed Income-Structured Credit	128,100	Quarterly	60-75
Equity Long/Short	7,129	Quarterly	60
Emerging Markets	101,147	Daily	15-30
	$ 383,572		

The following table summarizes the Foundation's investments in other investments, which are valued using the practical expedient, as of June 30, 2024 and 2023:

Investment Type	2024 Fair Value	2023 Fair Value	Redemptions Permitted	Redemption Notice Period In Days
Index funds	$ 889,882	$ 839,333	Daily	None
Real estate funds	170,427	194,885	Not Permitted	-

Note 3. Derivative Instruments

Typically, derivative contracts are used primarily to structure and hedge investments to enhance performance and reduce risk of the Foundation. The Foundation's derivative positions are comprised of exchange-traded futures contracts. The Foundation actively utilizes derivatives to hedge currency exposures and to re-allocate portfolio risk exposures on a daily basis. These derivative contracts are recorded in the statements of financial position as assets and liabilities measured at fair value, and the related net change in fair value associated with these derivatives is recorded in the statements of activities. The Foundation has considered the counterparty credit risk related to all of its futures contracts, and does not deem any counterparty credit risk material at this time.

For the years ended June 30, 2024 and 2023, the Foundation's derivative activities had the following impact on the statements of activities as follows:

	2024 Loss on Derivatives	2023 Loss on Derivatives
Futures contracts:		
Index	$ (692)	$ (69,714)
Total realized and unrealized losses, net	$ (692)	$ (69,714)

Note 4. Trading Activities and Related Risks

The Foundation engages in the trading of, among other things, U.S. and foreign futures contracts (collectively, derivatives). These derivatives include both financial and nonfinancial contracts held as part of a diversified trading strategy. The Foundation is exposed to both market risk, the risk arising from changes in the market value of the contracts and credit risk, the risk of failure by another party to perform according to the terms of a contract.

The purchase and sale of futures requires margin deposits with the broker, which is a registered futures commission merchant (FCM). Additional deposits may be necessary for any loss. The Commodity Exchange Act requires an FCM to segregate all customer transactions and assets from the FCM's proprietary activities. A customer's cash and other property (for example, U.S. Treasury bills) deposited with an FCM, are considered commingled with all other customer funds subject to the FCM's segregation requirements. In the event of an FCM's insolvency, recovery may be limited to a pro rata share of segregated funds available. It is possible that the recovered amount could be less than the total of cash and other property deposited.

For derivatives, risks arise from changes in the market value of the contracts. Theoretically, the Foundation is exposed to a market risk equal to the value of futures contracts purchased, and an unlimited liability on such contracts sold short.

In addition to market risk in entering into commodity interest contracts, there is a credit risk that a counterparty will not be able to meet its obligations to the Foundation. The counterparty for futures and options on futures contracts traded in the United States and on most non-U.S. futures exchanges is the clearinghouse associated with such exchange. In general, clearinghouses are backed by the corporate members of the clearinghouse who are required to share any financial burden resulting from the nonperformance by one of their members and, as such, should significantly reduce this credit risk. In cases where the clearinghouse is not backed by the clearing members, like some non-U.S. exchanges, it is normally backed by a consortium of banks or other financial institutions.

Note 5. Liquidity and Availability

The Foundation regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to maximize the return on investment of its funds not required for annual operations. The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities and one line of credit.

The Foundation's policy states that the investment portfolio liquidity shall always be a consideration in the allocation of portfolio assets given the need for liquidity to meet margin requirements, grant obligations, redemption requests and the funding of operations. The Foundation forecasts its future cash flows required to meet its operating needs and other commitments, and regularly monitors liquidity, while also striving to maximize the return on investments.

The Foundation receives restricted gifts with purpose restrictions. The income generated from restricted assets may be donor-restricted or unrestricted as to use. Contributions and investment income without donor restrictions and board designations are considered available for use in current activities, programs and grant commitments, and are considered to be available to meet cash needs for general expenditures. Annual operations are defined as activities occurring during, and included in the budget for a fiscal year.

(Amounts in Thousands)

Note 5. Liquidity and Availability (Continued)

The Foundation invests in various funds. In the event these funds liquidate, the Foundation may be exposed to risk. The risk of liquidation depends on strategies of fund managers. It is the Foundation's policy to review their investments. For the years ended June 30, 2024 and 2023, the Foundation had a major investment in a fund. An investment is considered major if the investment represents more than 10% of the total investments. The major investment represents approximately 20% of total investments excluding the investments in startup companies for the years ended June 30, 2024 and 2023.

As of June 30, 2024 and 2023, the following financial assets are available to meet general expenditures within one year:

	2024	2023
Financial assets at year-end:		
Cash and cash equivalents	$ 11,032	$ 7,088
Receivables	5,951	193
Contract assets	2,300	2,300
Due from broker	-	813
Due from WiCell Research Institute, Inc.	279	106
Investments	3,118,199	3,013,993
Investments in start-up companies	60,876	45,069
Accrued interest and dividends	5,639	6,050
Other assets	127	162
Total financial assets	3,204,403	3,075,774
Less amounts not available to be used within one year:		
Investments in non-liquid securities	(996,483)	(752,743)
Investments in non-liquid start-up companies	(60,876)	(45,069)
Assets held in custodial accounts for others	(598,431)	(547,984)
Assets with donor and board restrictions	(64,738)	(60,967)
Financial assets not available to be used within one year	(1,720,528)	(1,406,763)
Financial assets available to meet general expenditures within one year	$ 1,483,875	$ 1,669,011

Note 6. Line of Credit

The Foundation has an unsecured line of credit with a bank for $125,000, uncommitted. The Foundation has the option of drawing on the credit agreement at any one time for temporary short-term liquidity purposes. The agreement for the line of credit expires on June 17, 2025.

The outstanding principal amount bears interest at a prime-based rate designated by the bank or the Daily Simple Secured Overnight Financing Rate (SOFR)-based rate. The Daily Simple SOFR-based rate defined as the greater of 0.85% or the Daily Simple SOFR plus 0.85%. The Foundation elects which interest rate option. As of June 30, 2024 and 2023, there was no outstanding balance under the agreement.

(Amounts in Thousands)

Note 7. Bonds Payable

In December 2019, the Foundation issued $225,000, Series 2019 Taxable Bonds (taxable bonds) to refinance the 2009 tax exempt bonds to fund expenditures for the Foundation's charitable purposes including, but not limited to, supporting building and grant making requests. Interest on the taxable bonds is payable on April 1 and October 1 of each year, commencing April 1, 2020, at an annual interest rate of 3.564%. The taxable bonds mature on October 1, 2049, with the entire principal balance due on this date, and has a 10-year par call option on October 1, 2029.

At June 30, 2024 and 2023, bonds payable consisted of the following:

	2024	2023
Series 2019 Taxable Bonds	$ 225,000	$ 225,000
Less unamortized discount	(877)	(912)
Less unamortized bond issuance costs	(363)	(378)
	$ 223,760	$ 223,710

Total interest cost incurred during the years ended June 30, 2024 and 2023, was $8,068 and $8,068, respectively, which has been included in administrative expenses on the statements of activities.

The bond indenture does not contain any financial covenants limiting the ability of the Foundation to incur indebtedness, encumber or dispose of its property or merge with any other entity, or any other similar covenants.

Note 8. Property and Equipment

A summary of property and equipment at June 30, 2024 and 2023, follows:

	2024	2023
Land	$ 11,651	$ 11,651
Building and improvements	142,347	142,347
Furniture and equipment	25,100	25,100
Construction in progress	932	-
Accumulated depreciation	(73,263)	(69,613)
	$ 106,767	$ 109,485

(Amounts in Thousands)

Note 9. Payable to the University of Wisconsin-Madison

Amounts payable to UW at June 30, 2024 and 2023, consisted of the following:

	2024	2023
Current and prior year grants	$ 94,055	$ 104,856
Departmental royalty funds	155,842	147,196
Undistributed current year income on:		
Departmental royalty funds	5,865	9,609
Donor-directed funds	2,641	2,676
	$ 258,403	$ 264,337

The amounts due to UW for departmental royalty funds are adjusted annually to reflect the change in the fair value of the Foundation's investment portfolio. The allocation of earnings to these items is based upon the average return on investments of the Foundation as a whole. For the purpose of this allocation, investment return includes interest, dividends and appreciation. UW may request to withdraw all or a portion of their respective balances as of the end of any quarter.

Note 10. Payable to Morgridge Institute for Research and Rent Income

In connection with an investment management agreement executed on January 1, 2018, between the Foundation and Morgridge, the Foundation has agreed to hold certain Morgridge funds within the pooled Foundation investment portfolio. The Foundation has agreed to provide investment management services to Morgridge in exchange for a management fee equal to 0.14% per annum of the Morgridge accounts' pro rata portion of the NAV of the total Foundation investments. Earnings are also allocated on a pro rata basis based on changes in the fair value of the underlying investments of the portfolio as a whole. Morgridge may, upon 90 days' prior written notice to the Foundation, request to withdraw all or a portion of their respective balances as of the end of any quarter.

The Foundation periodically makes operating grants to Morgridge to provide funding for research related expenses. The Foundation also makes distributions from funds held and invested by the Foundation on behalf of Morgridge.

Amounts payable to Morgridge consisted of the following at June 30:

	2024	2023
Grants	$ 5,300	$ 5,640
Investments held for Morgridge	442,589	400,788
Distribution payable	19,639	14,246
Other payables	267	468
	$ 467,795	$ 421,142

(Amounts in Thousands)

Note 10. Payable to Morgridge Institute for Research and Rent Income (Continued)

The Foundation leases a building and related improvements to Morgridge. The Foundation signed an agreement with Morgridge on July 1, 2018, for the building lease. The initial term of the lease is 15 years, with annual rent to be paid at a base rate of $2,250 per year, with 2% per year incremental increases in lease payments after July 1, 2023, including renewal periods. At the end of the original lease term, Morgridge has the right to extend the term for three periods of 60 months each.

Future undiscounted cash flows to be received for the building lease are as follows as of June 30, 2024:

Years ending June 30:	
2025	$ 2,341
2026	2,388
2027	2,435
2028	2,484
2029	2,534
Thereafter	10,652
Total lease payments	$ 22,834

Rent income from building lease, including base rent and other operating expenses, totaled $4,015 and $3,783 for the years ended June 30, 2024 and 2023, respectively, and is included in other income on the statements of activities.

Note 11. Retirement Plans

The Foundation has a noncontributory defined benefit pension plan which covers all employees. Benefits under this plan are based primarily on years of service and employee remuneration. Contributions to the plan are actuarially determined and are funded through a group annuity contract.

The expected long-term rate of return on assets in the pension plan is based on the expected return for a portfolio mix of 30% fixed income and 70% equity securities, while also considering historical rate of returns.

The Foundation also has a postretirement benefit plan where the Foundation will provide health and dental insurance for retired employees that have not reached Medicare eligibility. After reaching Medicare age, the Foundation provides partial reimbursement of Medicare supplemental insurance for retired employees and their spouses, if hired prior to July 1, 2017. Medical supplemental insurance reimbursement will be equal to 25% of the published premium for a standard Medicare supplemental insurance plan. In order to qualify for the health and dental insurance continuation plan, the employee must retire, must receive pension plan benefits, must be at least 50 and 62 years of age, if hired prior to July 1, 2017, and on or before that date, respectively, and must have 10 years of vested pension service.

(Amounts in Thousands)

Note 11. Retirement Plans (Continued)

Information relative to the Foundation's pension plan and other post-retirement benefit plan are presented below:

	Pension Benefits		Other Post-Retirement Benefits	
	2024	2023	2024	2023
Change in benefit obligation:				
Projected benefit obligation, beginning of year	$ 42,510	$ 42,753	$ 2,600	$ 2,500
Interest cost	2,048	1,868	-	-
Service cost	2,667	2,664	79	263
Actuarial gain	(2,917)	(2,737)	-	-
Benefits paid	(659)	(2,038)	(179)	(163)
Projected benefit obligation, end of year	43,649	42,510	2,500	2,600
Change in plan assets:				
Fair value of plan assets, beginning of year	35,128	27,792	-	-
Contributions from employer	2,400	5,763	179	163
Actual return on plan assets	5,294	3,611	-	-
Benefits paid	(660)	(2,038)	(179)	(163)
Fair value of plan assets, end of year	42,162	35,128	-	-
Funded status of the Plans	$ (1,487)	$ (7,382)	$ (2,500)	$ (2,600)
Accumulated benefit obligation	$ 36,289	$ 35,111		
Amounts recognized on the statements of financial position:				
Pension liability	$ (1,487)	$ (7,382)	$ -	$ -
Accrued other post-retirement benefits	$ -	$ -	$ (2,500)	$ (2,600)
Amounts not yet recognized on the statements of activities as a change in net assets without restriction:				
Net actuarial gain	$ (7,828)	$ (2,022)	$ -	$ -

(Amounts in Thousands)

Note 11. Retirement Plans (Continued)

Net periodic benefit cost and other amounts recognized in the changes in net assets without restriction were as follows for the years ended June 30, 2024 and 2023:

	Pension Benefits		Other Post-Retirement Benefits	
	2024	2023	2024	2023
Components of net periodic benefit cost:				
Service cost	$ 2,667	$ 2,664	$ 79	$ 263
Interest cost	2,048	1,868	-	-
Expected return on plan assets	(2,404)	(1,855)	-	-
Net periodic benefit cost	2,311	2,677	79	263
Other changes in plan assets and benefit obligations recognized in changes in net assets without donor restriction:				
Net actuarial (gain) loss arising during the period	(3,406)	1,270	-	-
Contributions from employer	(2,400)	(5,763)	-	-
Total recognized in changes in net assets without donor restriction	(5,806)	(4,493)	-	-
Total recognized in net periodic benefit cost and changes in net assets	$ (3,495)	$ (1,816)	$ 79	$ 263

The following is cash flow information and assumptions used for the plans during the years ended June 30, 2024 and 2023:

	Pension Benefits		Other Post-Retirement Benefits	
	2024	2023	2024	2023
Amounts recognized for the years:				
Benefits paid	$ 660	$ 2,038	$ 179	$ 163
Employer contributions	2,400	5,763	-	-
Weighted average assumptions used to determine the benefit obligations at the end of the year were as follows:				
Discount rate	5.30%	4.90%	5.30%	4.90%
Rate of compensation increase	3.00%	3.00%	0.00%	0.00%
Weighted average assumptions used to determine the net periodic pension cost for the years:				
Discount rate	4.90%	4.40%	4.90%	4.40%
Rate of compensation increase	3.00%	3.00%	0.00%	0.00%
Expected long-term return on plan assets	6.75%	6.75%	0.00%	0.00%

(Amounts in Thousands)

Note 11. Retirement Plans (Continued)

For measurement purposes, at June 30, 2024, an 8% (health) and 2% (dental) annual rate of increase in the cost of health care benefits was assumed relative to the other post-retirement benefits plan. At June 30, 2023, a 8% (health) and 2% (dental) annual rate of increase in the cost of health care benefits was assumed relative to the other post-retirement benefits plan. Assumed health care trend rates may have a significant effect on the amounts reported for the other post-retirement benefits plan.

Plan assets: The policy of the Foundation for the long-term target mix of the investment portfolio is 70% of plan assets in equity funds and 30% of plan assets in fixed income funds. The acceptable ranges for the long-term allocation of funds among asset classes within the portfolio are as follows:

	Range
Equities	60-80%
Fixed income	20-40%
Cash reserves	0-15%

Allocations outside those parameters are generally due either to timing of investment purchases and sales or in anticipation of future distributions.

The following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at June 30, 2024 and 2023.

Pooled equity funds and fixed income: Pooled equity funds are valued at quoted market prices which represent the NAV of shares held by the plan at year-end.

The fair values of the Foundation's pension plan assets at June 30, 2024 and 2023, by asset category, are as follows:

	Fair Value Measurements At June 30, 2024		Fair Value Measurements At June 30, 2023	
Asset Category	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)
Pooled equity funds:				
Small Cap Equity	$ 1,889	$ 1,889	$ 1,801	$ 1,801
Mid Cap Equity	4,025	4,025	3,594	3,594
Large Cap Equity	19,526	19,526	15,895	15,895
International Equity	3,892	3,892	3,441	3,441
Fixed income:				
Corporate Bond	3,631	3,631	3,353	3,353
Intermediate Core Bond	7,296	7,296	6,641	6,641
	40,259	$ 40,259	34,725	$ 34,725
Money market funds	1,903		403	
	$ 42,162		$ 35,128	

There were no Level 2 or 3 assets as of June 30, 2024 or 2023.

(Amounts in Thousands)

Note 11. Retirement Plans (Continued)

The Foundation expects to make contributions of $2,400 to the pension plan in 2025.

The following benefit payments, which reflect future service as appropriate, are expected to be paid:

	Pension Benefits	Other Post-Retirement Benefits
Years ending June 30:		
2025	$ 2,278	$ 243
2026	2,714	224
2027	1,347	174
2028	2,712	122
2029	4,888	127
2030-2034	18,359	1,226

Note 12. Functional Expenses

Expenses related to the Foundation's operations for the years ended June 30, 2024 and 2023, is summarized as follows:

	2024			
	Program Services	Management and General Expenses	Fundraising	Total
Grants and other assistance	$ 92,080	$ -	$ -	$ 92,080
Salaries, wages and benefits	6,470	8,778	-	15,248
Legal services	377	44	-	421
Accounting services	-	251	-	251
Lobbying fees	-	72	-	72
Investment management fees	-	273	-	273
Other fees	322	138	-	460
Advertising and promotion	-	140	-	140
Office expenses	65	75	-	140
Information technology	-	487	-	487
Occupancy	1,990	233	-	2,223
Travel	135	101	-	236
Conferences, conventions and meetings	79	75	-	154
Interest	-	8,068	-	8,068
Depreciation and amortization	3,630	20	-	3,650
Insurance	236	265	-	501
Domestic legal/patents	10,290	-	-	10,290
Foreign legal/patents	2,115	-	-	2,115
Foreign patent maintenance fees	1,116	-	-	1,116
U.S. patent maintenance fees	932	-	-	932
Other expenses	632	377	-	1,009
	$ 120,469	$ 19,397	$ -	$ 139,866

(Amounts in Thousands)

Note 12. Functional Expenses (Continued)

	2023			
	Program Services	Management and General Expenses	Fundraising	Total
Grants and other assistance	$ 94,067	$ -	$ -	$ 94,067
Salaries, wages and benefits	7,068	8,977	-	16,045
Management fees	-	3	-	3
Legal services	524	41	-	565
Accounting services	-	184	-	184
Lobbying fees	-	73	-	73
Investment management fees	-	156	-	156
Other fees	452	133	-	585
Advertising and promotion	38	39	-	77
Office expenses	80	89	-	169
Information technology	-	530	-	530
Occupancy	1,873	254	-	2,127
Travel	101	87	-	188
Conferences, conventions and meetings	81	58	-	139
Interest	-	8,068	-	8,068
Depreciation and amortization	3,634	38	-	3,672
Insurance	207	256	-	463
Domestic legal/patents	8,980	-	-	8,980
Foreign legal/patents	1,818	-	-	1,818
Foreign patent maintenance fees	1,074	-	-	1,074
U.S. patent maintenance fees	971	-	-	971
Other expenses	754	383	-	1,137
	$ 121,722	$ 19,369	$ -	$ 141,091