

The University of Montana Western
Foundation

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August 25, 2014

Commissioner Clayton Christian
Office of the Commissioner of Higher Education
Montana University System
P.O. Box 203201
Helena, MT 59620-3201

Dear Commissioner Christian,

Enclosed is our annual report as required under BOR Policy 901.9 (Campus Affiliated Foundation). The report addresses the financial benefits to the University of Montana Western and related expenses of the University of Montana Western Foundation. The report also addresses the investment management results achieved by the foundation related to our endowment portfolio and performance metrics related to the responsibilities cited in the operating agreement.

The UMW Foundation has recently secured funding to assist with the final phase of restoring Main Hall, the creation of a 21st century model classroom for our education program and the creation of a unique outdoor space, Legacy Plaza, located at the foot of Main Hall. We are truly pleased to be able to move forward with these projects and assist the university in one of their largest capital improvement projects.

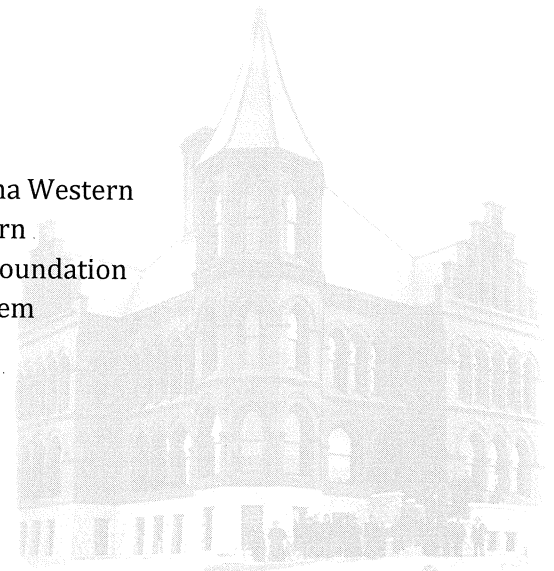
It is my pleasure to provide you with the data requested. Please let me know if you have any questions about the content of this report.

Sincerely,



Roxanne G. Engellant
Executive Director

C: Dr. Roberta Evans, Interim Chancellor, The University of Montana Western
Susan Briggs, Vice Chancellor, The University of Montana Western
Mary Ann Nicholas, Chair, The University of Montana Western Foundation
Mick Robinson, Deputy Commissioner, Montana University System



The University of Montana Western Foundation

TABLE I - FOUNDATION SUPPORT OF UNIVERSITY

	FY 2013	FY 2012	FY 2011
<i>Foundation Funds to University [1]</i>			
Scholarships	\$ 180,030	\$ 179,609	\$ 198,185
Programmatic	\$ 142,677	\$ 134,228	\$ 61,949
Capital	\$ -	\$ -	\$ 100,000
Total Foundation Funds Directed to the University	\$ 322,707	\$ 313,837	\$ 360,134
<i>University Funds to Foundation</i>			
Development Services [2]	\$ 10,000	\$ 10,000	\$ 10,000
Investment Administrative Fee [3]	\$ 1,500	\$ 1,500	\$ 3,000
Salaries & Benefits, Cost Share [4]	\$ 48,203	\$ 47,052	\$ 47,295
Total University Funds Directed to Foundation	\$ 59,703	\$ 58,552	\$ 60,295
Net Foundation Funds to University	\$ 263,004	\$ 255,285	\$ 299,839

[1] Foundation held funds transferred to or on the behalf of the university. Amounts include spending from donor-restricted as well as unrestricted gifts and bequests.

[2] University payments to foundation for contracted services per operating agreement.

[3] Administrative Fee assessed on university owned endowment funds managed by the foundation .

[4] University salary and benefits support to administrative staff and executive director per operating agreement (fifty

Note: The University also provides adequate space and facilities for the foundation per operating agreement.

The UMW Foundation operates on a calendar year fiscal year. Our audited financial statements for year ending Dec. 31, 2012 were received Sept. 2013. We will receive our audited financial statements for year ending Dec. 31, 2013 in Sept. 2014. This arrangement was grandfathered in by the commissioner's office.

The University of Montana Western Foundation

TABLE II - INVESTMENT MANAGEMENT

	FY 2013	FY 2012	FY 2011
Long Term Investment Portfolio Balance			
University of Montana Western Foundation	\$ 4,621,797	\$ 3,652,731	\$ 3,358,689
University of Montana Western D.I. Emerick Trust [1]	\$ 1,852,567	\$ 1,720,316	\$ 1,608,865
University of Montana Western M.B. Emerick Trust [1]	\$ 1,647,065	\$ 1,473,077	\$ 1,323,192
TOTAL	\$ 8,121,429	\$ 6,846,124	\$ 6,290,746
Annualized Return - FY 2013			
	1 Yr.	3 Yr.	Since Inception
University of Montana Western Foundation	11.95%	7.22%	8.66%
Fixed Income	4.38%	3.80%	3.66%
Equities	22.44%	13.26%	15.08%
University of Montana Western D.I. Emerick Trust (1)	13.17%	7.41%	8.86%
Fixed Income	4.83%	4.02%	3.73%
Equities	22.51%	15.94%	14.81%
University of Montana Western M.B. Emerick Trust (1)	12.62%	7.29%	8.78%
Fixed Income	4.78%	4.11%	4.07%
Equities	22.50%	13.08%	14.90%
Index's			
Barclays Aggregate Bond Index	4.37%	3.66%	3.52%
Standard & Poor's 500 Stock Index	24.58%	16.57%	18.35%
MSCI all Country World Index	23.58%	10.85%	13.58%

[1] Funds owned by the university

The University of Montana Western Foundation

TABLE III - SELECTED PERFORMANCE METRICS

	FY 2013		FY 2012	
<i>Fundraising</i>				
<u>Gifts & Pledges</u>				
> \$10,000 [1]	5	\$ 300,617	5	\$ 109,944
\$1,000 - \$10,000	84	\$ 197,246	69	\$ 171,188
< \$1,000	684	\$ 96,695	766	\$ 101,536
Total	773	\$ 594,558	840	\$ 382,668
<u>Invested</u>				
% Endowed	39.79%	\$ 236,549	14.60%	\$ 55,865
% Current	60.21%	\$ 358,009	85.40%	\$ 326,803
Total		\$ 594,558		\$ 382,668
<u>Restriction</u>				
% Restricted	91.10%	\$ 541,672	80.637%	\$ 308,573
% Non-Restricted	8.90%	\$ 52,886	19.363%	\$ 74,095
Total		\$ 594,558		\$ 382,668
<u>Purpose</u>				
% Scholarships	49.52%	\$ 294,427	30.57%	\$ 116,970
% Programmatic	41.13%	\$ 244,561	57.41%	\$ 219,698
% Capital	9.35%	\$ 55,570	12.02%	\$ 46,000
Total		\$ 594,558		\$ 382,668