

The University of Montana Western
Foundation

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August 31, 2015

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 changed our fiscal year to July through June in order to coincide with the university's fiscal year. The enclosed reports reflect that change.

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. Beth Weatherby, 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 2015	FY 2014	FY 2013
Foundation Funds to University [1]			
Scholarships	\$ 229,342	\$ 221,287	\$ 180,030
Programmatic	\$ 185,186	\$ 171,143	\$ 142,677
Capital	\$ 15,000	\$ -	\$ -
Total Foundation Funds Directed to the University	\$ 429,528	\$ 392,430	\$ 322,707
University Funds to Foundation			
Development Services [2]	\$ 10,000	\$ 10,000	\$ 10,000
Investment Administrative Fee [3]	\$ 3,000	\$ 3,000	\$ 1,500
Salaries & Benefits, Cost Share [4]	\$ 53,698	\$ 50,575	\$ 48,203
Total University Funds Directed to Foundation	\$ 66,698	\$ 63,575	\$ 59,703
Net Foundation Funds to University	\$ 362,830	\$ 328,855	\$ 263,004

[1] Foundation held funds transferred to 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 percent).

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

The UMW Foundation changed our fiscal year to coincide with the university. This change was approved at our Oct. 22, 2014 foundation board meeting. Deputy Commissioner for Fiscal Affairs, Mick Robinson, approved an 18 month audit in order to accomodate this change in our fiscal year. Our audited financial statements for year January 1, 2014 through June 30, 2015 will be received in Sept. 2015. All data on this report has been changed to reflect a July through June reporting period.

The University of Montana Western Foundation

TABLE II - INVESTMENT MANAGEMENT

	FY 2015	FY 2014	FY 2013
Long Term Investment Portfolio Balance			
University of Montana Western Foundation [1]	\$ 5,185,368	\$ 4,755,110	\$ 3,664,126
University of Montana Western D.I. Emerick Trust [2]	\$ 1,883,584	\$ 1,871,146	\$ 1,784,737
University of Montana Western M.B. Emerick Trust [2]	\$ 1,613,816	\$ 1,647,065	\$ 1,526,325
TOTAL	\$ 8,682,768.00	\$ 8,273,321.08	\$ 6,975,188
Annualized Return			
	1 Yr.	3 Yr.	Since Inception
University of Montana Western Foundation	0.38%	7.30%	6.93%
Fixed Income	0.54%	2.54%	3.01%
Equities	3.44%	14.46%	12.61%
University of Montana Western D.I. Emerick Trust (2)	0.75%	7.54%	7.16%
Fixed Income	0.12%	2.66%	2.98%
Equities	4.25%	14.47%	12.58%
University of Montana Western M.B. Emerick Trust (2)	0.82%	7.38%	7.11%
Fixed Income	0.03%	2.59%	3.23%
Equities	4.32%	14.51%	12.66%
Index's			
Barclays Aggregate Bond Index	1.86%	1.83%	3.18%
Standard & Poor's 500 Stock Index	7.41%	17.29%	16.04%
MSCI all Country World Index	1.23%	13.61%	10.95%

[1] Foundation transferred \$500,000 to Wells Fargo Wealth Management third quarter 2013. Foundation transferred \$435,000 to Wells Fargo Wealth Management first quarter 2015.

[2] Funds owned by the university

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TABLE III - SELECTED PERFORMANCE METRICS

FY 2015

FY 2014

Fundraising

Gifts & Pledges

> \$10,000 [1]	6	\$	104,932	7	\$	570,472
\$1,000 - \$10,000	74	\$	144,860	90	\$	206,847
< \$1,000	757	\$	97,676	764	\$	100,639
Total	837	\$	347,468	861	\$	877,957

Invested

% Endowed	17.30%	\$	56,577	18.02%	\$	218,039
% Current	82.70%	\$	290,891	81.98%	\$	659,918
Total		\$	347,468		\$	877,957

Restriction

% Restricted	96.97%	\$	338,039	97.24%	\$	869,116
% Non-Restricted	3.03%	\$	9,429	2.76%	\$	8,842
Total		\$	347,468		\$	877,957

Purpose

% Scholarships	39.85%	\$	136,237	29.56%	\$	292,387
% Programmatic	30.45%	\$	121,427	35.31%	\$	145,365
% Capital	29.70%	\$	89,804	35.12%	\$	440,206
Total		\$	347,468		\$	877,957

[1] Capital campaign for Main Hall kicked off in FY14.

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