

**THE UNIVERSITY of MONTANA WESTERN**

*Foundation*

August 27, 2020

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 associated with the responsibilities cited in the operating agreement.

The UMW Foundation completed a feasibility study the spring of 2019 in order to construct the framework of a capital campaign. We have identified three primary initiatives focused completely on our students' experience. We are currently in the silent phase of our "Experience One" campaign. We have experienced some exciting early results along with securing the largest gift in the history of the university. Although the pandemic has slowed our opportunity for face-to-face meetings, it has not slowed our efforts to move the campaign forward.

It is my pleasure to provide you with the data requested and a brief update of the UMW Foundation. Please do not hesitate to contact me 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  
Michael Reid, Vice Chancellor, The University of Montana Western  
Debra Richardson, Controller, The University of Montana Western  
Deb Creger, Chair, The University of Montana Western Foundation

## The University of Montana Western Foundation

TABLE I - FOUNDATION SUPPORT OF UNIVERSITY

	FY 2020	FY 2019	FY 2018	FY 2017
<b><i>Foundation Funds to University [1]</i></b>				
Scholarships	\$ 476,507	\$ 397,298	\$ 352,056	\$ 278,003
Programmatic	\$ 408,961	\$ 434,529	\$ 435,948	\$ 602,413
Capital	\$ 11,000	\$ 15,000	\$ -	\$ 345,548
<b>Total Foundation Funds Directed to the University</b>	<b>\$ 896,469</b>	<b>\$ 846,827</b>	<b>\$ 788,003</b>	<b>\$ 1,225,964</b>
<b><i>University Funds to Foundation</i></b>				
Development Services [2]	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Investment Administrative Fee [3]	\$ 36,572	\$ 36,307	\$ 34,498	\$ 33,758
Salaries & Benefits, Cost Share [4]	\$ 61,865	\$ 59,516	\$ 58,988	\$ 56,799
<b>Total University Funds Directed to Foundation</b>	<b>\$ 108,437</b>	<b>\$ 105,823</b>	<b>\$ 103,486</b>	<b>\$ 100,557</b>
<b>Net Foundation Funds to University</b>	<b>\$ 788,032</b>	<b>\$ 741,004</b>	<b>\$ 684,517</b>	<b>\$ 1,125,407</b>

[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 (Emerick), managed by the foundation . FY17 implemented a 1% management fee.

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

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

## The University of Montana Western Foundation

TABLE II - INVESTMENT MANAGEMENT

	FY 2020	FY 2019	FY 2018	FY 2017
<b>Long Term Investment Portfolio Balance</b>				
University of Montana Western Foundation	\$ 7,874,715	\$ 6,822,542	\$ 6,594,742	\$ 6,029,642
University of Montana Western D.I. Emerick Trust [1]	\$ 1,982,041	\$ 2,037,763	\$ 1,961,937	\$ 1,962,934
University of Montana Western M.B. Emerick Trust [1]	\$ 1,666,847	\$ 1,714,462	\$ 1,647,083	\$ 1,636,724
<b>TOTAL</b>	<b>\$ 11,523,603</b>	<b>\$ 10,574,767</b>	<b>\$ 10,203,762</b>	<b>\$ 9,629,300</b>
	1 Yr.	3 Yr.	5 Yr.	Since Inception
<b>University of Montana Western Foundation</b>				
Fixed Income	1.79%	4.33%	4.16%	5.57%
Equities	5.74%	4.22%	3.75%	3.40%
<b>University of Montana Western D.I. Emerick Trust [1]</b>				
Fixed Income	0.60%	6.73%	7.04%	9.76%
Equities	-0.41%	3.95%	4.12%	5.61%
<b>University of Montana Western M.B. Emerick Trust [1]</b>				
Fixed Income	3.64%	3.65%	3.54%	3.25%
Equities	0.66%	6.79%	7.13%	9.79%
<b>University of Montana Western - Combined Accounts</b>				
Fixed Income	1.13%	4.26%	4.19%	5.61%
Equities	5.10%	4.05%	3.68%	3.38%
<b>Fixed Income Indices</b>				
Barclays Aggregate Bond Index	0.71%	6.79%	7.09%	9.78%
BBG Barclays Interm. Govt/Credit Index	8.74%	5.32%	4.30%	3.75%
<b>Equity Income Indices</b>				
Large Cap:				
Standard & Poor's 500 Stock Index	7.51%	10.72%	10.71%	13.32%
Russell 1000	7.48%	10.64%	10.47%	13.32%
Mid Cap:				
Russell Mid Cap Core Index	-2.24%	5.79%	6.76%	11.67%
Small Cap:				
Russell Small Cap Core Index	-6.63%	2.01%	4.29%	9.85%
International:				
MSCI EAFE Net	-5.13%	0.81%	2.05%	4.82%
<b>TOTAL EQUITIES:</b>				
MSCI All Country World Index	2.64%	6.70%	7.03%	8.96%

[1] Funds owned by the university.

# The University of Montana Western Foundation

TABLE III - SELECTED PERFORMANCE METRICS

	FY 2020		FY 2019	
<b><i>Fundraising</i></b>				
<b><u>Gifts &amp; Pledges</u></b>				
> \$10,000 [1]	12	\$ 1,256,281	10	\$ 236,041
\$1,000 - \$10,000	123	\$ 276,027	119	\$ 264,423
< \$1,000	1124	\$ 143,828	1142	\$ 125,676
<b>Total</b>	<b>1259</b>	<b>\$ 1,676,136</b>	<b>1271</b>	<b>\$ 626,140</b>
<b><u>Invested</u></b>				
% Endowed	10.54%	\$ 189,025	13.54%	\$ 86,501
% Current	89.46%	\$ 1,487,111	86.46%	\$ 539,639
<b>Total</b>	<b>100.00%</b>	<b>\$ 1,676,136</b>	<b>100.00%</b>	<b>\$ 626,140</b>
<b><u>Restriction</u></b>				
% Restricted	70.92%	\$ 662,516	96.45%	\$ 607,625
% Non-Restricted	29.08%	\$ 1,013,620	3.55%	\$ 18,515
<b>Total</b>	<b>100.00%</b>	<b>\$ 1,676,136</b>	<b>100.00%</b>	<b>\$ 626,140</b>
<b><u>Purpose</u></b>				
% Scholarships	28.08%	\$ 361,179	36.25%	\$ 230,932
% Programmatic	70.45%	\$ 1,302,849	61.50%	\$ 379,698
% Capital	1.47%	\$ 12,108	2.25%	\$ 15,510
<b>Total</b>	<b>100.00%</b>	<b>\$ 1,676,136</b>	<b>100.00%</b>	<b>\$ 626,140</b>