



August 31, 2020

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

Dear Commissioner Christian,

I am pleased to provide our campus's annual report as required under BOR Policy 901.9 (Campus Affiliated Foundations). In addition to detailing UM funds directed to the University of Montana Foundation over the past three years, the report also provides a summary of fundraising activity (amounts and number of donations), the amount the UM Foundation transferred to the University, and the return on the UM Foundation's long-term investment portfolio. We will provide our audited financial statements when they are available in early October.

Please note that our annual report includes figures relating only to those private support dollars that were received through the Foundation. The total private support figure for fiscal year 2020 is \$54.8 million, and includes private support given directly to the University that did not flow through the Foundation (\$14.4 million).

We consider it an honor and privilege to be able to partner with the University in growing private support. Please let me know if you have questions about the content of this report.

*Cindy Williams*

Cindy Williams  
President and CEO

CC: Seth Bodnar, President, University of Montana  
Suzanne Peterson, Chair, University of Montana Foundation Board of Trustees  
Tyler Trevor, Deputy Commissioner for Budget and Planning

**THE UNIVERSITY OF MONTANA FOUNDATION**  
**TABLE I - FOUNDATION SUPPORT OF UNIVERSITY**

	FY2020	FY2019	FY2018
Foundation Funds to University [1]			
Scholarships	\$ 6,340,333	\$ 6,043,397	\$ 5,199,442
Programmatic [2]	\$ 10,502,368	\$ 20,156,797	\$ 12,215,945
Capital [2]	\$ 3,601,449	\$ 8,394,570	\$ 24,328,973
Contracted Services [3]	\$ 428,127	\$ 449,330	\$ 400,323
<b>Total Foundation Funds Directed to the University</b>	<b>\$ 20,872,277</b>	<b>\$ 35,059,034</b>	<b>\$ 42,144,683</b>
University Funds to Foundation			
Development Services [4]	\$ 550,000	\$ 550,000	\$ 550,000
Investment Administrative Fee [5]	\$ 360,062	\$ 365,387	\$ 369,264
<b>Total University Funds Directed to Foundation</b>	<b>\$ 910,062</b>	<b>\$ 915,387</b>	<b>\$ 919,264</b>
Foundation Funds Directed by University to Foundation			
Development Salaries & Benefits, Cost Share [6]	\$ 571,482	\$ 486,086	\$ 468,389
Unrestricted Bequests [7]	\$ 63,333	\$ 63,333	\$ 121,600
Support for Campaign Montana [8]	\$ 127,842	\$ 171,380	\$ 98,273
<b>Total Foundation Funds Directed to Foundation</b>	<b>\$ 762,657</b>	<b>\$ 720,799</b>	<b>\$ 688,262</b>
<b>Total University and University-Directed Funds</b>	<b>\$ 1,672,719</b>	<b>\$ 1,636,186</b>	<b>\$ 1,607,526</b>
<b>Net Foundation Funds to University</b>	<b>\$ 19,199,558</b>	<b>\$ 33,422,848</b>	<b>\$ 40,537,157</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. Amounts are also inclusive of outright expenditures and in-kind expenditures.

[2] The 2019 programmatic and capital support numbers have been updated to reflect audited numbers.

[3] Foundation payments for services rendered by the University.

[4] University payments to foundation for contracted services per Operating Agreement.

[5] Administrative Fee assessed on University owned endowment funds managed by the Foundation.

[6] Foundation held funds directed by the University to pay up to 50% of certain development officer salaries and benefits as set out in the Operating Agreement.

[7] Includes the designation of bequest in FY 2012 to assist the Foundation's long term leasing of space in the Gilkey Building as a means of completing the funding for that project.

[8] Funded by unrestricted funds held at the Foundation for the University.

## THE UNIVERSITY OF MONTANA FOUNDATION

## TABLE II - Investment Management

	FY2020	FY2019	FY2018
<u>Long Term Investment Portfolio Balance</u>			
Foundation Funds	\$ 190,227,436	\$ 186,900,719	\$ 171,041,949
Agency Funds [1]	\$ 15,672,950	\$ 16,960,372	\$ 17,197,480
Related Agency Funds [2]	\$ 1,232,167	\$ 1,184,742	\$ 1,270,153
TOTAL	\$ 207,132,553	\$ 205,045,834	\$ 189,509,582

	Annualized Return - FY 2020			
	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Long Term Investment Portfolio Balance	-2.0%	3.2%	3.3%	6.6%
Benchmark [3]	-1.5%	3.7%	3.9%	6.6%

[1] Funds owned by the University

[2] Funds owned by a third party agency or other university affiliated 501(c)(3)

[3] Index is a diversified benchmark comprised of sixteen different indices to encompass all aspects of our portfolio. (Benchmark is established by the UM Foundation's Investment Committee.)

**THE UNIVERSITY OF MONTANA FOUNDATION**  
**TABLE III - SELECTED PERFORMANCE METRICS**

	FY2020	FY2019	FY2018
<b>DEVELOPMENT SERVICES</b>			
<u>Fundraising</u>			
Gifts & Pledges			
> \$10,000	388 \$ 24,266,475	321 \$ 23,886,421	338 \$ 29,989,320
\$1,000 - \$10,000	1,618 \$ 3,944,496	1,563 \$ 3,675,919	1,648 \$ 3,726,310
< \$1,000	10,583 \$ 1,752,510	12,408 \$ 2,204,583	13,967 \$ 2,398,717
Conditional Pledges [1]	33 \$ 10,389,919	43 \$ 12,745,093	28 \$ 15,968,000
<b>Total</b>	<b>12,622 \$ 40,353,400</b>	<b>14,335 \$ 42,512,016</b>	<b>15,981 \$ 52,082,347</b>
<u>Invested</u>			
% Endowed	28.2% \$ 11,372,219	37.4% \$ 15,886,961	42.0% \$ 21,894,643
% Current	71.8% \$ 28,981,181	62.6% \$ 26,625,055	58.0% \$ 30,187,704
<b>Total</b>	<b>\$ 40,353,400</b>	<b>\$ 42,512,016</b>	<b>\$ 52,082,347</b>
<u>Restriction</u>			
% Restricted	99.7% \$ 40,219,085	99.7% \$ 42,392,612	99.8% \$ 51,982,597
% Non-Restricted	0.3% \$ 134,315	0.3% \$ 119,405	0.2% \$ 99,750
<b>Total</b>	<b>\$ 40,353,400</b>	<b>\$ 42,512,016</b>	<b>\$ 52,082,347</b>
<u>Purpose</u>			
% Scholarships	21.8% \$ 8,803,219	28.7% \$ 12,209,475	20.4% \$ 10,643,305
% Programmatic	55.3% \$ 22,305,320	69.8% \$ 29,694,410	54.3% \$ 28,303,736
% Capital	22.9% \$ 9,244,861	1.4% \$ 608,132	25.2% \$ 13,135,306
<b>Total</b>	<b>\$ 40,353,400</b>	<b>\$ 42,512,016</b>	<b>\$ 52,082,347</b>
<u>Other Activities</u>			
Distributions [2], [3]	2,151 \$ 20,444,150	2,809 \$ 34,594,764	2,900 \$ 41,744,360
Donor Funds [4]	2,362	2,251 \$ 294,482,792	2,417 \$ 291,207,443
Receipts and Acknowledgements [5]	10,198	10,400	11,779

[1] Conditional pledges, documented bequests, and revocable commitments

[2] Declining distributions reflect increased bundling of distributions

[3] Variation in dollars distributed is due in large part to varying amounts of construction activity.

[4] Amount includes assets of donor funds held by the Foundation.

[5] In accordance with a tax law change, some transactions were counted as gifts for fundraising totals, but were not receipted as a charitable donation. Therefore, the number of receipts is less than the number of gifts and pledges.