

THE UNIVERSITY of MONTANA WESTERN

Foundation

August 29, 2021

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 continues to work to support the three initiatives identified for our "Experience One" campaign. We remain in the quiet phase of our campaign with FY20 and FY21 producing results of \$1.6M and \$1.4M respectfully. We are grateful for the support we have experienced and anticipate being able to announce our campaign in the coming months.

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: Michael Reid, Chancellor, The University of Montana Western
Susan Briggs, 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 2021	FY 2020	FY 2019	FY 2018
Foundation Funds to University [1]				
Scholarships	\$ 495,947	\$ 476,507	\$ 397,298	\$ 352,056
Programmatic	\$ 531,649	\$ 408,961	\$ 434,529	\$ 435,948
Capital	\$ -	\$ 11,000	\$ 15,000	\$ -
Total Foundation Funds Directed to the University	\$ 1,027,596	\$ 896,469	\$ 846,827	\$ 788,003
University Funds to Foundation				
Development Services [2]	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Investment Administrative Fee [3]	\$ 38,398	\$ 36,572	\$ 36,307	\$ 34,498
Salaries & Benefits, Cost Share [4]	\$ 63,083	\$ 61,865	\$ 59,516	\$ 58,988
Total University Funds Directed to Foundation	\$ 111,482	\$ 108,437	\$ 105,823	\$ 103,486
Net Foundation Funds to University	\$ 916,115	\$ 788,032	\$ 741,004	\$ 684,517

[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.

*UMW Foundation had \$511,918 in total scholarship support for FY21. \$15,971 was paid to aid our Tribal Partner graduates in order to assist retention in the teacher profession in their communities. Several of our graduates are working on their M. Ed. and assisting our 2+2 program.

The University of Montana Western Foundation

TABLE II - INVESTMENT MANAGEMENT

	FY 2021	FY 2020	FY 2019	FY 2018
Long Term Investment Portfolio Balance				
University of Montana Western Foundation	\$ 8,562,380	\$ 7,874,715	\$ 6,822,542	\$ 6,594,742
University of Montana Western Foundation S & A	\$ 1,194,008	\$ -	\$ -	\$ -
University of Montana Western D.I. Emerick Trust [1]	\$ 2,346,151	\$ 1,982,041	\$ 2,037,763	\$ 1,961,937
University of Montana Western M.B. Emerick Trust [1]	\$ 1,940,000	\$ 1,666,847	\$ 1,714,462	\$ 1,647,083
TOTAL	\$ 14,042,539	\$ 11,523,603	\$ 10,574,767	\$ 10,203,762

Annualized Return	Jan. 1 - June. 30	3 Yr. (06/30/2020)	5 Yr. (06/30/2020)	Since Inception (06/30/2020)
Switched to new investment provider Jan. 1, 2021				
University of Montana Western Foundation				
Fixed Income	9.18%	4.33%	4.16%	5.57%
Equities	-0.63%	4.22%	3.75%	3.40%
	14.96%	6.73%	7.04%	9.76%
University of Montana Western Foundation S & A				
Fixed Income	-0.18%	n/a	n/a	n/a
Equities	-0.44%	n/a	n/a	n/a
University of Montana Western D.I. Emerick Trust [1]				
Fixed Income	9.94%	3.95%	4.12%	5.61%
Equities	-0.24%	3.65%	3.54%	3.25%
	13.86%	6.79%	7.13%	9.79%
University of Montana Western M.B. Emerick Trust [1]				
Fixed Income	9.88%	4.14%	4.25%	5.66%
Equities	0.08%	3.56%	3.45%	3.34%
	13.45%	7.03%	7.24%	9.88%
University of Montana Western - Combined Accounts Aggregate				
Fixed Income	8.71%	4.26%	4.19%	5.61%
Equities	-0.50%	4.05%	3.68%	3.38%
	14.49%	6.79%	7.09%	9.78%
Fixed Income Indices				
Barclays Aggregate Bond Index	-1.60%	5.32%	4.30%	3.75%
BBG Barclays Interm. Govt/Credit Index	-0.90%	4.43%	3.46%	3.04%
Equity Income Indices				
Large Cap:				
Standard & Poor's 500 Stock Index	15.25%	10.72%	10.71%	13.32%
Russell 1000	14.96%	10.64%	10.47%	13.32%
Mid Cap:				
Russell Mid Cap Core Index	16.25%	5.79%	6.76%	11.67%
Small Cap:				
Russell Small Cap Core Index	14.71%	2.01%	4.29%	9.85%
International:				
MSCI EAFE Net	8.83%	0.81%	2.05%	4.82%
TOTAL EQUITIES:				
MSCI All Country World Index	12.30%	6.70%	7.03%	8.96%

[1] Funds owned by the university.

The University of Montana Western Foundation

TABLE III - SELECTED PERFORMANCE METRICS

	FY 2021		FY 2020	
Fundraising				
<u>Gifts & Pledges</u>				
> \$10,000 [1]	23	\$ 923,353.67	12	\$ 1,256,281.01
\$1,000 - \$10,000	139	\$ 371,030	123	\$ 276,027
< \$1,000	1147	\$ 135,191	1124	\$ 143,828
Total	1309	\$ 1,429,575	1259	\$ 1,676,136
<u>Invested</u>				
% Endowed	10.54%	\$ 298,365	10.54%	\$ 189,025
% Current	89.46%	\$ 1,131,210	89.46%	\$ 1,487,111
Total	100.00%	\$ 1,429,575	100.00%	\$ 1,676,136
<u>Restriction</u>				
% Restricted	70.92%	\$ 1,419,905	70.92%	\$ 662,516
% Non-Restricted	29.08%	\$ 9,670	29.08%	\$ 1,013,620
Total	100.00%	\$ 1,429,575	100.00%	\$ 1,676,136
<u>Purpose</u>				
% Scholarships	28.08%	\$ 644,326	28.08%	\$ 361,179
% Programmatic	70.45%	\$ 428,224	70.45%	\$ 1,302,849
% Capital	1.47%	\$ 357,025	1.47%	\$ 12,108
Total	100.00%	\$ 1,429,575	100.00%	\$ 1,676,136