

**The University of Montana Western**  
*Foundation*

August 24, 2016

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.

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  
Chuck Jensen, Deputy Commissioner, Montana University System

## The University of Montana Western Foundation

TABLE I - FOUNDATION SUPPORT OF UNIVERSITY

	FY 2016	FY 2015	FY 2014
<b><i>Foundation Funds to University [1]</i></b>			
Scholarships	\$ 260,698	\$ 229,342	\$ 221,287
Programmatic	\$ 241,679	\$ 234,098	\$ 189,552
Capital	\$ 179,287	\$ 15,000	\$ -
<b>Total Foundation Funds Directed to the University</b>	<b>\$ 681,664</b>	<b>\$ 478,440</b>	<b>\$ 410,839</b>
<b><i>University Funds to Foundation</i></b>			
Development Services [2]	\$ 11,000	\$ 10,000	\$ 10,000
Investment Administrative Fee [3]	\$ 3,000	\$ 3,000	\$ 3,000
Salaries & Benefits, Cost Share [4]	\$ 53,369	\$ 53,698	\$ 50,575
<b>Total University Funds Directed to Foundation</b>	<b>\$ 67,369</b>	<b>\$ 66,698</b>	<b>\$ 63,575</b>
<b>Net Foundation Funds to University</b>	<b>\$ 614,295</b>	<b>\$ 411,742</b>	<b>\$ 347,264</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. FY15 programmatic support reflects a correction to the amount included in the FY15 report. Final Phase of Main Hall & Legacy Plaza included in Capital Funds.

[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 .

[4] University salary and benefits support to administrative staff and executive director per operating agreement. The FY15 figure included part time student help that was not available in FY16.

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 2016	FY 2015	FY 2014
<b>Long Term Investment Portfolio Balance</b>			
University of Montana Western Foundation	\$ 4,194,514	\$ 5,185,368	\$ 4,755,110
University of Montana Western D.I. Emerick Trust [1]	\$ 1,544,554	\$ 1,883,584	\$ 1,871,146
University of Montana Western M.B. Emerick Trust [1]	\$ 1,815,324	\$ 1,613,816	\$ 1,647,065
<b>TOTAL</b>	<b>\$ 7,554,392.00</b>	<b>\$ 8,682,768.00</b>	<b>\$ 8,273,321.08</b>
<b>Annualized Return</b>			
	1 Yr.	3 Yr.	Since Inception
<b>University of Montana Western Foundation</b>	-0.87%	3.66%	5.57%
Fixed Income	3.71%	2.86%	3.13%
Equities	-4.16%	6.67%	9.58%
<b>University of Montana Western D.I. Emerick Trust (2)</b>	0.88%	3.77%	6.00%
Fixed Income	3.64%	2.69%	3.30%
Equities	-0.66%	6.67%	10.22%
<b>University of Montana Western M.B. Emerick Trust (2)</b>	-1.19%	3.91%	5.66%
Fixed Income	2.92%	2.56%	3.18%
Equities	-3.98%	7.06%	9.66%
<b>Index's</b>			
Barclays Aggregate Bond Index	6.00%	4.06%	3.65%
Standard & Poor's 500 Stock Index	3.98%	11.64%	13.90%
MSCI all Country World Index	-3.17%	6.60%	8.43%

[1] Funds owned by the university.

## The University of Montana Western Foundation

TABLE III - SELECTED PERFORMANCE METRICS

	FY 2016		FY 2015	
<b><i>Fundraising</i></b>				
<b><u>Gifts &amp; Pledges</u></b>				
> \$10,000 [1]	11	\$ 345,054	6	\$ 104,932
\$1,000 - \$10,000	97	\$ 205,014	74	\$ 144,860
< \$1,000	624	\$ 90,126	757	\$ 97,676
<b>Total</b>	<b>732</b>	<b>\$ 640,194</b>	<b>837</b>	<b>\$ 347,468</b>
<b><u>Invested</u></b>				
% Endowed	26.70%	\$ 231,031	17.30%	\$ 56,577
% Current	73.30%	\$ 409,163	82.70%	\$ 290,891
<b>Total</b>	<b>100.00%</b>	<b>\$ 640,194</b>	<b>100.00%</b>	<b>\$ 347,468</b>
<b><u>Restriction</u></b>				
% Restricted	96.70%	\$ 429,045	96.97%	\$ 338,039
% Non-Restricted	3.30%	\$ 211,149	3.03%	\$ 9,429
<b>Total</b>	<b>100.00%</b>	<b>\$ 640,194</b>	<b>100.00%</b>	<b>\$ 347,468</b>
<b><u>Purpose</u></b>				
% Scholarships	46.11%	\$ 353,086	39.85%	\$ 136,237
% Programmatic	48.65%	\$ 240,458	30.45%	\$ 121,427
% Capital	5.24%	\$ 46,650	29.70%	\$ 89,804
<b>Total</b>	<b>100.00%</b>	<b>\$ 640,194</b>	<b>100.00%</b>	<b>\$ 347,468</b>