



August 29, 2018

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

Dear Commissioner Christian,

It is with great pleasure that I provide Montana Tech's annual report required by BOR Policy 901.9 (Campus Affiliated Foundations). This report provides a summary of fundraising activity, funds directed to Montana Tech and the return on the Montana Tech Foundation's long-term investment portfolio over the past three years. We will provide our audited financials when they become available in October.

Construction has begun on the Living Learning/Student Success Center (LLC/SSC), a \$24M project with \$8M of the funds raised by the Foundation. The LLC/SSC, opening in FY19, will be the place for students to learn and study, to relax and play, and to provide an additional 166 beds to the campus. The LLC/SSC is the largest capital project in the history of the school. It truly is a great time to be an Oredigger!

Our campaign, \$31.5M in gifts and pledges, continues to advance with a strong push towards more recruitment scholarships, establishing sixteen new endowed scholarship funds. When we are finished, the outcome from the campaign will be great facilities and increased scholarship support to provide a top level accessible learning experience to eager minds.

We are honored to collaborate with Montana Tech and are committed to our outstanding institution. Should you have any questions, please feel free to call anytime.

Respectfully submitted,

Joe McClafferty
President, Montana Tech Foundation
Vice Chancellor for Advancement and University Relations

Montana Tech Foundation
Table I- Foundation Support of University

| | FY18 | FY17 | FY16 |
|--|---------------------|---------------------|---------------------|
| Foundation funds to the University[1] | | | |
| Scholarships | \$ 1,367,517 | \$ 1,352,638 | \$ 1,538,636 |
| Programmatic | \$ 580,033 | \$ 568,206 | \$ 574,091 |
| Capital | \$ 4,816,906 | \$ 2,364,077 | \$ 2,496,379 |
| Professorships | \$ 375,906 | \$ 470,435 | \$ 415,052 |
| Direct College Support | \$ 26,000 | \$ 32,915 | \$ 28,029 |
| Contracted Services[2] | \$ 99,692 | \$ 97,837 | |
| Total Foundation Funds Directed to the University | \$ 7,266,054 | \$ 4,886,109 | \$ 5,052,187 |
| University Funds to Foundation | | | |
| Additional Services requested by Tech[3] | \$ 150,000 | \$ 200,000 | \$ 200,000 |
| Direct Grant Program | | | \$ - |
| Total University Funds Directed to Foundation | \$ 150,000 | \$ 200,000 | \$ 200,000 |
| Net Foundation Funds to University | \$ 7,116,054 | \$ 4,686,109 | \$ 4,852,187 |

[1] Foundation held funds transferred to or on behalf of the University. Amounts include spending from donor restricted as well as unrestricted gifts and bequests.

[2] Foundation payments for services rendered by the University (VC salary & bonus)

[3] Additional services include costs associated with the capital campaign and marketing

In Lieu of lease payments for office and meeting space in the Frank & Ann Gilmore University Relations Center, the University will provide operations and maintenance including landscaping, snow removal. Janitorial services and utilities for the URC and computer support, network access, use of the University email system, telephone access and other services.

Montana Tech Foundation
Table II - Investment Management

| | FY18 | FY17 | FY16 |
|---|---------------------------|---------------|---------------|
| <u>Long-Term Investment Portfolio Balance</u> | | | |
| Foundation Funds | \$ 38,696,678 | \$ 36,868,868 | \$ 32,244,820 |
| | Annualized Return FY 2018 | | |
| | 1 YR | 3YR | 5YR |
| Long Term Investment Portfolio Balance | 8.97% | 6.76% | 7.31% |
| Benchmark[1] | 9.16% | 6.11% | 6.31% |

[1]Benchmark is established by the Montana Tech Foundations' Investment Committee

Montana Tech Foundation
Table III - Selected Performance Metrics

| | FY18 | | FY17 | |
|--------------------------------------|-------|---------------------|-------|----------------------|
| Gifts & Pledges | | | | |
| > \$10,000 | 115 | \$ 6,021,635 | 105 | \$ 7,663,789 |
| \$1,000 - \$10,000 | 509 | \$ 1,182,581 | 469 | \$ 1,022,204 |
| < \$1,000 | 3,584 | \$ 360,895 | 3,383 | \$ 363,705 |
| Conditional Pledges [1] | | \$ 998,227 | | \$ 1,318,228 |
| Total | | \$ 8,563,338 | | \$ 10,267,698 |
| | | | | |
| <u>Invested</u> | | | | |
| %Endowed | 32% | \$ 2,411,190 | 19% | \$ 1,761,852 |
| %Current | 68% | \$ 5,153,921 | 81% | \$ 7,287,846 |
| Total | | \$ 7,565,111 | | \$ 9,049,698 |
| | | | | |
| <u>Restriction</u> | | | | |
| %Restricted | 95% | \$ 7,218,063 | 86% | \$ 7,754,266 |
| % Non-Restricted | 5% | \$ 347,048 | 14% | \$ 1,295,432 |
| Total | | \$ 7,565,111 | | \$ 9,049,698 |
| | | | | |
| <u>Purpose - Gifts & Pledges</u> | | | | |
| %Scholarships | 52% | \$ 3,906,177 | 20% | \$ 1,828,074 |
| %Programmatic | 9% | \$ 661,641 | 8% | \$ 680,866 |
| %Capital | 33% | \$ 2,514,138 | 51% | \$ 4,646,076 |
| %Professorships | 2% | \$ 136,108 | 7% | \$ 599,249 |
| %Unrestricted | 5% | \$ 347,048 | 14% | \$ 1,295,432 |
| Total | | \$ 7,565,111 | | \$ 9,049,698 |
| | | | | |
| <u>Other Activities</u> | | | | |
| Distributions[2] | | \$ 7,266,054 | | \$ 4,886,109 |

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