



August 23, 2016

Commissioner Clayton Christian
Office of the Commissioner of Higher Education
Montana University System
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. This report details where Montana Tech funds are directed at the Foundation and provides a useful summary of our fundraising activity. The document also lists where funds raised by the Foundation are being utilized on the campus. We will provide our audited financials when they become available in October.

The past year was another, historic year for the Montana Tech Foundation. The success is attributed to a highly engaged board of directors, campus community, and advancement team. This fiscal year was also very challenging for many of our donors, friends and industry partners, but through it all our giving pipelines continued to grow and new donors are engaging.

The Natural Resource Research Center (NRRC) is complete and being utilized by our outstanding students. The NRRC is a critical component to our overall vision to improve student space on campus. The benefits of improved place on campus will be furthered in the near future as construction has begun on the Living Learning/Student Success Center (LLC/SSC). The LLC/SSC is the largest capital project in the history of the school. It truly is a great time to be an Oredigger!

We continue to advance our campaign to recruit, retain, educate, prepare and graduate students that will positively impact our communities, state and nation. Our campaign continues to advance with a strong push towards more recruitment scholarships. When we are finished, the final outcome from the campaign will be great facilities and increased scholarship support to provide a top level accessible learning experience to eager minds.

Please know that your assistance in the past year is truly appreciated. Thank you for all your help on the *Be the first – Chase your dreams Butte Initiative*. We are honored to partner 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

Foundation funds to the University[1]	FY17	FY16
Scholarships	\$ 1,352,638	\$ 1,538,636
Programmatic	\$ 568,206	\$ 574,091
Capital	\$ 2,364,077	\$ 2,496,379
Professorships	\$ 470,435	\$ 415,052
Direct College Support	\$ 32,915	\$ 28,029
Contracted Services[2]		
Total Foundation Funds Directed to the University,	\$ 4,788,272	\$ 5,052,187
University Funds to Foundation		
Additional Services requested by Tech[3]	\$ 200,000	\$ 200,000
Direct Grant Program	\$ -	\$ -
Total University Funds Directed to Foundation	\$ 200,000	\$ 200,000
Net Foundation Funds to University	\$ 4,588,272	\$ 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

<u>Long-Term Investment Portfolio Balance</u>	FY17	FY16
Foundation Funds	\$ 36,868,868	\$ 32,244,820
	Annualized Return FY2017	
	1 YR	3YR
Long Term Investment Portfolio Balance	14.50%	4.20%
Benchmark[1]	12.20%	2.40%
		5YR
		7.60%
		6.10%

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

Montana Tech Foundation
Table III - Selected Performance Metrics

	FY17	FY16
Gifts & Pledges		
> \$10,000	105 \$ 7,663,789	140 \$ 8,731,814
\$1,000 - \$10,000	469 \$ 1,022,204	445 \$ 944,131
< \$1,000	3,383 \$ 363,705	3,606 \$ 374,058
Conditional Pledges [1]	\$ 1,218,000	\$ 1,218,000
Total	\$ 10,267,698	\$ 11,268,003
Invested		
%Endowed	19% \$ 1,761,852	24% \$ 2,458,245
%Current	81% \$ 7,287,846	76% \$ 7,591,758
Total	\$ 9,049,698	\$ 10,050,003
Restriction		
%Restricted	86% \$ 7,754,266	96% \$ 9,623,324
% Non-Restricted	14% \$ 1,295,432	4% \$ 426,679
Total	\$ 9,049,698	\$ 10,050,003
Purpose - Gifts & Pledges		
%Scholarships	20% \$ 1,828,074	16% \$ 1,601,706
%Programmatic	8% \$ 680,866	10% \$ 1,024,726
%Capital	51% \$ 4,646,076	64% \$ 6,455,292
%Professorships	7% \$ 599,249	5% \$ 541,600
%Unrestricted	14% \$ 1,295,432	4% \$ 426,679
Total	\$ 9,049,698	\$ 10,050,003
Other Activities		
Distributions	\$ 4,755,356	\$ 5,024,158

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