

**UNIVERSITY OF MONTANA-WESTERN FOUNDATION  
DILLON, MONTANA**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEARS ENDED  
JUNE 30, 2023 and 2022**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
University of Montana-Western Foundation  
Dillon, MT 59725

We have audited the accompanying financial statements of the University of Montana-Western Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University of Montana-Western Foundation as of June 30, 2023 and 2022, and the results of their activities and changes in net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University of Montana-Western Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibility of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University of Montana-Western Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

## INDEPENDENT AUDITOR'S REPORT - CONTINUED

### Auditor's Responsibility for the Audit of the Financial Statements - Continued

In performing an audit in accordance with the generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University of Montana-Western Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University of Montana-Western Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Peck & Peck, CPAs PC*

Dillon, Montana  
September 25, 2023

**University of Montana-Western Foundation**  
**Statement of Financial Position**  
**As of June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,055,934	\$ 1,152,241
Pledges receivable, net	534,333	790,742
Accrued investment income	51,428	44,515
Vehicle (net of accumulated depreciation, \$36,000)	7,427	7,427
Unrestricted investments	1,347,188	1,226,569
Temporarily restricted investments	2,235,075	1,304,063
Endowment investments	<u>7,602,294</u>	<u>7,012,012</u>
 Total Assets	 <u>\$ 12,833,679</u>	 <u>\$ 11,537,569</u>
 <b>Liabilities</b>		
Accounts payable	<u>\$ 350,177</u>	<u>\$ 5,372</u>
 Total Liabilities	 <u>350,177</u>	 <u>5,372</u>
 <b>Net Assets</b>		
Unrestricted		
Undesignated	<u>1,371,938</u>	<u>1,263,316</u>
	1,371,938	1,263,316
Temporarily restricted	3,492,484	3,147,859
Permanently restricted	<u>7,619,080</u>	<u>7,121,022</u>
 Total Net Assets	 <u>12,483,502</u>	 <u>11,532,197</u>
 Total Liabilities and Net Assets	 <u>\$ 12,833,679</u>	 <u>\$ 11,537,569</u>

The Notes to Financial Statements are an integral part of this statement.

**University of Montana-Western Foundation**  
**Statement of Activities**  
**For the Year Ended June 30, 2023**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support and Revenue</b>				
Contributions	\$ 13,657	\$ 1,557,698	\$ 123,217	\$ 1,694,572
Special events	-	25,000	-	25,000
Management income	65,034	-	-	65,034
Rental income	-	26,199	-	26,199
Net investment income	150,576	250,837	374,841	776,254
Net assets released from restrictions	<u>1,515,109</u>	<u>(1,515,109)</u>	-	-
<b>Total Support and Revenue</b>	<u>1,744,376</u>	<u>344,625</u>	<u>498,058</u>	<u>2,587,059</u>
<b>Expenses</b>				
University support				
Scholarships given	471,911	-	-	471,911
Academics and institutional	<u>830,672</u>	<u>-</u>	<u>-</u>	<u>830,672</u>
<b>Total University Support</b>	1,302,583	-	-	1,302,583
Supporting services				
Fundraising	266,285	-	-	266,285
General and administrative	<u>66,886</u>	<u>-</u>	<u>-</u>	<u>66,886</u>
<b>Total Expenses</b>	<u>1,635,754</u>	<u>-</u>	<u>-</u>	<u>1,635,754</u>
<b>Change in Net Assets</b>	108,622	344,625	498,058	951,305
<b>Net Assets, Beginning of Year</b>	<u>1,263,316</u>	<u>3,147,859</u>	<u>7,121,022</u>	<u>11,532,197</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,371,938</u>	<u>\$ 3,492,484</u>	<u>\$ 7,619,080</u>	<u>\$ 12,483,502</u>

The Notes to Financial Statements are an integral part of this statement.

**University of Montana-Western Foundation**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support and Revenue</b>				
Contributions	\$ 15,478	\$ 2,384,812	\$ 126,820	\$ 2,527,110
Special events	6,969	-	-	6,969
Management income	48,398	-	-	48,398
Rental income	-	25,860	-	25,860
Net investment income	(26,060)	51,812	(625,133)	(599,381)
Net assets released from restrictions	<u>1,391,678</u>	<u>(1,391,678)</u>	<u>-</u>	<u>-</u>
<b>Total Support and Revenue</b>	<u>1,436,463</u>	<u>1,070,806</u>	<u>(498,313)</u>	<u>2,008,956</u>
<b>Expenses</b>				
University support				
Scholarships given	456,508	-	-	456,508
Academics and institutional	<u>749,618</u>	<u>-</u>	<u>-</u>	<u>749,618</u>
<b>Total University Support</b>	1,206,126	-	-	1,206,126
Supporting services				
Fundraising	223,155	-	-	223,155
General and administrative	<u>40,041</u>	<u>-</u>	<u>-</u>	<u>40,041</u>
<b>Total Expenses</b>	<u>1,469,322</u>	<u>-</u>	<u>-</u>	<u>1,469,322</u>
<b>Change in Net Assets</b>	(32,859)	1,070,806	(498,313)	539,634
<b>Net Assets, Beginning of Year</b>	<u>1,296,175</u>	<u>2,077,053</u>	<u>7,619,335</u>	<u>10,992,563</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,263,316</u>	<u>\$ 3,147,859</u>	<u>\$ 7,121,022</u>	<u>\$ 11,532,197</u>

The Notes to Financial Statements are an integral part of this statement.

**University of Montana-Western Foundation**  
**Statement of Functional Expense**  
**For the Year Ended June 30, 2023**

	<u>University Support</u>	<u>Fundraising</u>	<u>Administrative and General</u>	<u>Total</u>
Direct University support	\$ 1,205,266	\$ -	\$ -	\$ 1,205,266
Accounting and auditing	1,350	-	8,250	9,600
Advertising and promotion	2,899	223,214	-	226,113
Dues and subscriptions	6,075	-	454	6,529
Entertainment and meetings	13,071	-	987	14,058
Gifts	3,837	-	695	4,532
Insurance	18,336	-	2,800	21,136
Office supplies, printing and postage	2,350	-	7,698	10,048
Salaries and fringe benefits	38,599	43,071	43,071	124,741
Travel and meals	10,800	-	2,931	13,731
	<u>1,302,583</u>	<u>266,285</u>	<u>66,886</u>	<u>1,635,754</u>
Total	<u>\$ 1,302,583</u>	<u>\$ 266,285</u>	<u>\$ 66,886</u>	<u>\$ 1,635,754</u>

The Notes to Financial Statements are an integral part of this statement.



**University of Montana-Western Foundation**  
**Statement of Functional Expense**  
**For the Year Ended June 30, 2022**

	<u>University</u>		<u>Administrative</u>	
	<u>Support</u>	<u>Fundraising</u>	<u>and General</u>	<u>Total</u>
Direct University support	\$ 1,065,697	\$ -	\$ -	\$ 1,065,697
Accounting and auditing	1,080	-	7,650	8,730
Advertising and promotion	4,564	203,079	-	207,643
Dues and subscriptions	11,395	-	433	11,828
Entertainment and meetings	5,630	-	3,452	9,082
Gifts	590	-	1,482	2,072
Insurance	20,346	-	100	20,446
Office supplies, printing and postage	1,812	-	3,517	5,329
Salaries and fringe benefits	82,455	20,076	20,076	122,607
Travel and meals	<u>12,557</u>	<u>-</u>	<u>3,331</u>	<u>15,888</u>
 Total	 <u>\$ 1,206,126</u>	 <u>\$ 223,155</u>	 <u>\$ 40,041</u>	 <u>\$ 1,469,322</u>

The Notes to Financial Statements are an integral part of this statement.

**University of Montana-Western Foundation**  
**Statement of Cash Flows**  
**For the Years Ended June 30, 2023 and 2022**

	2023	2022
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 951,305	\$ 539,634
Adjustment to reconcile change in net assets to net cash used in operating activities:		
(Increase) decrease in pledges receivable, net	256,409	(389,845)
(Increase) decrease in accrued investment income	(6,913)	(9,624)
Increase (decrease) in accounts payable	344,805	(1,877)
Net realized and unrealized (gains) losses on investments	(540,369)	828,789
Permanently restricted contributions	(123,217)	(126,820)
Net cash provided by operating activities	882,020	840,257
<b>Cash Flows From Investing Activities:</b>		
Purchase of investment securities	(4,416,607)	(3,628,776)
Proceeds from redemption of investment securities	3,315,063	3,279,965
Net cash used in investing activities	(1,101,544)	(348,811)
<b>Cash Flows From Financing Activities:</b>		
Permanently restricted contributions	123,217	126,820
Net cash provided from financing activities	123,217	126,820
Net increase (decrease) in cash and cash equivalents	(96,307)	618,266
<b>Cash and cash equivalents, beginning of year</b>	<b>1,152,241</b>	<b>533,975</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,055,934</b>	<b>\$ 1,152,241</b>
<b>Supplementary Data:</b>		
Interest Paid	\$ -	\$ -

The Notes to Financial Statements are an integral part of this statement.

**University of Montana-Western Foundation**  
**Notes to Financial Statements**  
**June 30, 2023**

**NOTE 1. Summary of Significant Accounting Policies**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**Nature of Activities**

University of Montana-Western Foundation (the Foundation) was formed as a non-profit corporation under the laws for the State of Montana to promote the educational objectives of University of Montana-Western.

**Basis of Accounting**

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP), as codified by the Financial Accounting Standards Board.

**Basis of Presentation**

The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Accordingly, net assets of the Foundation are classified and reported as follows:

*Unrestricted net assets* – net assets that are not subject to donor-imposed restrictions.

*Temporarily restricted net assets* – net assets subject to donor-imposed restrictions that may or will be met either by actions of the Foundation and/or the passage of time.

*Permanently restricted net assets* – net assets subject to donor-imposed restrictions that they be maintained permanently by the Foundation.

**Revenue Recognition**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of donor restrictions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**University of Montana-Western Foundation**  
**Notes to Financial Statements-continued**  
**June 30, 2023**

**NOTE 1. Summary of Significant Accounting Policies - continued**

**Income Taxes**

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

**Cash and Cash Equivalents**

The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Investments**

Investments are composed of securities as managed by Stockman Wealth Management and real estate. All investments with readily determinable fair values are stated at fair value based upon quoted market prices. Unrealized gains and losses are included in the change in net assets. Restricted gains and investment income are generally reported as increases to temporarily restricted investment income and upon expiration of the restrictions are reclassified to unrestricted investment income. Investments with no readily determinable fair values are carried at cost.

**Pledges Receivable**

The Foundation reports unconditional promises to give (pledges) at net realizable value. An allowance for uncollectible pledges is estimated based upon the Foundation's collection history and is netted against the gross pledges receivable.

**Fair Value of Financial Instruments**

Cash, receivables and accounts payable, as reflected in the financial statements, approximate fair value due to the short-term nature of those instruments. The fair value of the Foundation's investments is estimated based on quoted market prices or other third party information for those investments, and are disclosed in NOTE 4.

**Depreciation**

The Foundation's vehicle is depreciated using the straight-line method of accounting for financial reporting purposes and amounted to \$0.

**Fees**

The Foundation assesses an administrative fee on the endowment investments based on the 18-month average of the endowment's market value. The annual fee was 1%. Total Foundation fees for the year ending June 30, 2023, and 2022, were \$65,080 and \$54,968 respectively.

**NOTE 2. Cash**

The total cash held by the Foundation at June 30, 2023 and 2022, includes \$511,065 and \$816,868 respectively in monies that are not covered by insurance provided by the federal government. It is the opinion of management that the solvency of the referenced financial institution is not of particular concern at this time.

**University of Montana-Western Foundation**  
**Notes to Financial Statements-continued**  
**June 30, 2023**

**NOTE 3. Pledges Receivable**

Pledges receivable represent amounts due from donors for multiyear unconditional pledges. Pledges receivable are shown net of a discount on future collections. Payments on the pledges are expected to be received as follows:

	<u>2023</u>	<u>2022</u>
Amounts due in:		
Less than one year	\$371,290	\$542,299
One to five years	213,821	329,201
Five years or more	-	-
Total pledges receivable	585,111	871,500
Less unamortized discount	(21,778)	(38,758)
Less allowance for uncollectible pledges receivable	(29,000)	(42,000)
Pledges receivable, net	<u>\$534,333</u>	<u>\$790,742</u>

Pledges receivable outstanding at June 30, 2023 and 2022, totaled \$534,333 and \$790,742, respectively.

**NOTE 4. Investments and Fair Value Measurements**

The FASB defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market in an orderly transaction between market participants on the measurement date.

The standard establishes a fair value hierarchy which requires valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets as of the measurement date.
- Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Significant unobservable price inputs where there is little or no market activity for the asset or liability at the measurement date.

There are three general valuation techniques that may be used to measure fair value, as described below:

- *Market Approach* – Uses prices and other relevant information generated by market transaction involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sales transactions, market trades or other sources;

**University of Montana-Western Foundation**  
**Notes to Financial Statements-continued**  
**June 30, 2023**

**NOTE 4. Investments and Fair Value Measurements - continued**

- *Cost Approach* – Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
- *Income Approach* – Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Investments are stated at fair value, determined based on quoted market prices, if available, or estimated using quoted market prices for similar securities. Cost is determined using the specific identification method. The Foundation determined the fair value of its marketable securities through the application of GAAP.

As required by GAAP, investments are classified within the level of lowest significant input considered in determining fair value. Investments classified within Level 3 whose fair value measurement considers several inputs may include Level 1 or Level 2 inputs as components of the overall fair value measurement.

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices with active markets. Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Financial assets valued using Level 3 inputs are based on significant unobservable prices or inputs where there is little or no market activity for the asset at the measurement date. Level 3 assets include real estate fair value which was based on original purchase cost.

Investments measured at fair value at June 30, 2023, are summarized below:

	2023			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Unrestricted investments				
Cash and cash equivalents	\$ 23,937	\$ -	\$ -	\$ 23,937
Government obligations	-	275,339	-	275,339
Corporate bonds	-	249,235	-	249,235
Mortgage pools & asset backed	-	6,063	-	6,063
Equity securities and mutual funds				
Corporate stocks	531,824	-	-	531,824
ETF	123,271	-	-	123,271
Mutual funds	-	-	-	-
Real estate	-	-	137,519	137,519
	<u>\$679,032</u>	<u>\$530,637</u>	<u>\$137,519</u>	<u>\$1,347,188</u>
Total unrestricted investments				

**University of Montana-Western Foundation**  
**Notes to Financial Statements-continued**  
**June 30, 2023**

**NOTE 4. Investments and Fair Value Measurements - continued**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Temporarily restricted investments				
Cash and cash equivalents	\$ 44,232	\$ -	\$ -	\$ 44,232
Government obligations	-	508,736	-	508,736
Corporate bonds	-	460,505	-	460,505
Mortgage pools & asset backed	-	11,202	-	11,202
Equity securities and mutual funds				
Corporate stocks	982,636	-	-	982,636
ETF	227,764	-	-	227,764
Mutual funds	-	-	-	-
Real estate	-	-	-	-
Total temp restricted investments	<u>\$1,254,632</u>	<u>\$980,443</u>	<u>\$ -</u>	<u>\$2,235,075</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Permanently restricted investments				
Cash and cash equivalents	\$147,213	\$ -	\$ -	\$ 147,213
Government obligations	-	1,693,157	-	1,693,157
Corporate bonds	-	1,532,634	-	1,532,634
Mortgage pools & asset backed	-	37,280	-	37,280
Equity securities and mutual funds				
Corporate stocks	3,270,370	-	-	3,270,370
ETF	758,035	-	-	758,035
Mutual funds	-	-	-	-
Real estate	-	-	163,605	163,605
Total perm restricted investments	<u>\$4,175,618</u>	<u>\$3,263,071</u>	<u>\$163,605</u>	<u>\$ 7,602,294</u>
Total investments	<u>\$6,109,282</u>	<u>\$4,774,151</u>	<u>\$301,124</u>	<u>\$11,184,557</u>

The table below rolls forward balances for Level 3 assets from July 1, 2022, through the year ended June 30, 2023:

	<u>Real Estate</u>
Balance as of July 1, 2022	\$ 301,124
Interest and dividends	-
Withdrawals	-
Unrealized gain	-
Balance as of June 30, 2023	<u>\$ 301,124</u>

**University of Montana-Western Foundation**  
**Notes to Financial Statements-continued**  
**June 30, 2023**

**NOTE 4. Investments and Fair Value Measurements - continued**

Transfers between levels due to changes in inputs are considered to take place at the end of the reporting period. There were no transfers between levels during 2023 or 2022. Unrealized gains on investments held at June 30, 2023 and 2022, were \$1,260,341 and \$799,692 respectively.

Investment returns for the year ended June 30, 2023, consisted of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest and dividends	\$ 45,425	\$ 187,889	\$ 2,572	\$ 235,886
Net realized gain	28,301	35,293	16,127	79,721
Net change in unrealized gains	<u>76,850</u>	<u>27,655</u>	<u>356,142</u>	<u>460,647</u>
	<u>\$ 150,576</u>	<u>\$ 250,837</u>	<u>\$ 374,841</u>	<u>\$ 776,254</u>

Investment advisory fees are netted against interest and dividends. These fees totaled \$36,098 for the year ended June 30, 2023.

Investments measured at fair value at June 30, 2022, are summarized below:

	<u>2022</u>			<u>Total Fair Value</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
<b>Unrestricted investments</b>				
Cash and cash equivalents	\$ 11,849	\$ -	\$ -	\$ 11,849
Government obligations	-	249,179	-	249,179
Corporate bonds	-	191,604	-	191,604
Mortgage pools & asset backed	-	9,880	-	9,880
Equity securities and mutual funds				
Corporate stocks	497,026	-	-	497,026
ETF	102,267	-	-	102,267
Mutual funds	27,245	-	-	27,245
Real estate	<u>-</u>	<u>-</u>	<u>137,519</u>	<u>137,519</u>
 Total unrestricted investments	 <u>\$638,387</u>	 <u>\$450,663</u>	 <u>\$137,519</u>	 <u>\$1,226,569</u>



**University of Montana-Western Foundation**  
**Notes to Financial Statements-continued**  
**June 30, 2023**

**NOTE 4. Investments and Fair Value Measurements - continued**

	Total Fair Level 1	Level 2	Level 3	Value
Temporarily restricted investments				
Cash and cash equivalents	\$ 14,190	\$ -	\$ -	\$ 14,190
Government obligations	-	298,375	-	298,375
Corporate bonds	-	229,432	-	229,432
Mortgage pools & asset backed	-	11,830	-	11,830
Equity securities and mutual funds				
Corporate stocks	595,155	-	-	595,155
ETF	122,457	-	-	122,457
Mutual funds	32,624	-	-	32,624
Real estate	-	-	-	-
Total temp restricted investments	<u>\$764,426</u>	<u>\$539,637</u>	<u>\$ -</u>	<u>\$1,304,063</u>
	Level 1	Level 2	Level 3	Total Fair Value
Permanently restricted investments				
Cash and cash equivalents	\$ 74,521	\$ -	\$ -	\$ 74,521
Government obligations	-	1,566,942	-	1,566,942
Corporate bonds	-	1,204,884	-	1,204,884
Mortgage pools & asset backed	-	62,128	-	62,128
Equity securities and mutual funds				
Corporate stocks	3,125,509	-	-	3,125,509
ETF	643,095	-	-	643,095
Mutual funds	171,328	-	-	171,328
Real estate	-	-	163,605	163,605
Total perm restricted investments	<u>\$4,014,453</u>	<u>\$2,833,954</u>	<u>\$163,605</u>	<u>\$ 7,012,012</u>
Total investments	<u>\$5,417,266</u>	<u>\$3,824,254</u>	<u>\$301,124</u>	<u>\$ 9,542,644</u>

**University of Montana-Western Foundation**  
**Notes to Financial Statements-continued**  
**June 30, 2023**

**NOTE 5. Net Assets**

Restrictions placed upon net assets as of June 30, 2023, and June 30, 2022, are as follows:

Temporarily restricted net assets are available for the following purposes as of June 30, 2023, and June 30, 2022:

	<u>2023</u>	<u>2022</u>
Scholarships	\$ 848,882	\$ 720,408
Booster	2,046,255	1,820,864
Alumni	38,366	41,084
Birch Creek Center	321	321
Faculty Development	2,474	596
Chancellor's Special Projects	5,998	7,394
Director's Special Projects	3,367	3,817
Growth	272	243
Campaign	6,663	29,428
Clubs, Departments & Other Programs	<u>539,886</u>	<u>523,704</u>
Total temporarily restricted net assets	<u>\$ 3,492,484</u>	<u>\$ 3,147,859</u>

Net assets were permanently restricted for the following purposes as of June 30, 2023, and June 30, 2022:

	<u>2023</u>	<u>2022</u>
Scholarships	\$ 7,117,538	\$ 6,633,628
Booster	69,064	66,240
Growth	43,155	41,321
Alumni	99,505	97,528
Clubs, Departments & Other Programs	<u>289,818</u>	<u>282,305</u>
Total permanently restricted net assets	<u>\$ 7,619,080</u>	<u>\$ 7,121,022</u>

**NOTE 6. Leases in the Financial Statements of Lessors**

On November 21, 2012, the Foundation (lessor) executed a new twenty-three year agreement to lease the property and equipment known as the Sparky's Garage (Restaurant) effective as of October 1, 2012. The monthly lease payments are \$1,800. The rate of \$1,800 will increase 2% on each anniversary of the lease. The lease payments were waived from January 1, 2013, to March 31, 2013.

Future minimum lease payments to be received are as follows:

<u>Year</u>	<u>Amount</u>
6/30/2024	\$26,724
6/30/2025	\$27,261
6/30/2026	\$27,810
6/30/2027	\$28,371
6/30/2028	\$28,944

**University of Montana-Western Foundation**  
**Notes to Financial Statements-continued**  
**June 30, 2023**

**NOTE 7. D.I. Emerick & M.B. Emerick Trusts**

The D.I. Emerick and M.B. Emerick Trusts are separate legal entities and were established in 1981 in keeping with the Last Will and Testament of Mary Baker Emerick for the purposes of providing an art scholarship fund for needy students of high scholastic standing who desire to enter the teaching profession and in obtaining additional equipment and procuring library books for the use and benefit of the Art Department of the University of Montana – Western.

The trustees are independent of the University of Montana-Western Foundation and consist of the President, Academic Dean (or its equivalent office) and the Chairperson of the Art Department of the University of Montana – Western.

In the event the University of Montana – Western should be closed, removed from the City of Dillon, or reduced from the status of a post-secondary academic institution of higher learning, for the preparation of teachers, the residual of the Trusts are to be paid to the Barrett Memorial Hospital and to the City of Dillon for the benefit of its public library.

The University of Montana-Western Foundation manages the investments on behalf of the Trusts and assesses an administrative fee based on the 18-month average of the trusts' market value. The annual fee was 1%. Total Foundation fee for the trusts for the year ending June 30, 2023 and 2022, were \$42,213 and \$38,398 respectively.