Your Partner in Philanthropy
Dear Friends,

After an incredible year of generosity, grants and growth in 2014, it was difficult to imagine an even better 2015. But it was. You made that possible. In 2014, we talked about our great building and growth successes; likewise, 2015 was another dramatic year for Montana Community Foundation (MCF). Our staff increased, adding key support in areas including planned giving, operations, local community foundations, and donor services. Our board grew as well, bringing incredible expertise and greater representation for small towns and Eastern Montana. Most importantly? Our grants and distributions grew, meaning more money for nonprofits and the communities they support. This fiscal year, we distributed more than $4 million for the benefit of Montanans – a tremendous return to cities, towns and communities for them to use locally on what matters most.

At MCF, we feel incredibly privileged and humbled to play a part in this important work. The fact is, however, our work simply wouldn’t be possible without all of you. Our donors, fund representatives, professional advisors, nonprofit organization partners, local community foundations, and so many more people contribute to our work and ultimately, contribute to ensuring the future of this place we all love called Montana.

One of our favorite Montana quotes comes from Sara Walsh: “Montana is just a small town with really long streets.” As Montanans, we come from small towns and “big” cities, ranches and farms, reservations and tribal lands, and everything in between. We’re natives and transplants. Some of us put on a suit and tie to go to work, others a pair of boots and jeans. While there’s no end to the variety in our backgrounds and everyday lives, we share something in common we all hold dear – Montana. No matter where we come from or what we do, Montana brings us together. After all, it’s just a small town with really long streets.

Yours truly,

Mary Craigle
Board Chair

Mary K. Rutherford
President & CEO

MCF by the Numbers
(as of June 30, 2015)

- $12 billion estimated intergeneration transfer of wealth in Montana by 2020
- $37 million reinvested in Montana through scholarships, grants and endowment distributions since 1988
- $33 million in contributions in last 10 years
- 84 affiliated funds serving 44 communities
- $79.2 million in total assets
- $64.5 million in endowed assets
- 310 planned gifts totaling more than $8.1 million

Ensuring Montana’s Future

Mary K. Rutherford
President & Chief Executive Officer

Mary Craigle
Board Chair

*Some photos are courtesy of the Montana Office of Tourism
Making Good on Giving

For the Montana Community Foundation, our donors and our nonprofit organization partners, 2015 was an amazing year of giving. Millions of dollars were generously donated and millions of dollars were granted for the benefit of Montana. That means there are thousands of stories to tell about the good work accomplished this year. While we don’t have the space to share them all, here are a few highlights.

Camp Mak-A-Dream
Camp Mak-A-Dream is a charitable organization that provides cost-free Montana experiences in an intimate community setting for children, teens, young adults, women and families affected by cancer, as well as programs for children who have a sibling or a parent with cancer. Camp Mak-A-Dream was in the process of raising funds to construct its new wellness center and was approximately $156,000 short of their $1,430,000 million goal. The 6,700-square-foot center is dedicated to helping courageous cancer survivors gain independence and live life to its fullest. It adds much-needed space to create new programs and expand current services, housing a teaching kitchen, a community room and more. Learning about this need, an anonymous donor(s) made a $200,000 grant to provide the full amount needed as well as some additional funding for the deserving organization.

“We are so thankful for this wonderful generosity,” said Laura Bianco Hanna, Executive Director of Camp Mak-A-Dream. “While we don’t know who the anonymous donor is, we want them to know their gift is going to make a huge difference in helping the people we serve.”

St. Ann’s Cathedral
Originally commissioned in 1904 by Great Falls’ first Catholic bishop, St. Ann’s Cathedral’s 35-year-old leaking and hail-damaged roof was in need of replacement for approximately eight years. With $2.1 million in restoration costs already invested in the cathedral’s precious interior in a project completed in 2004, repairs to the roof were critical in preventing damage. A generous Montana Community Foundation donor came through with a gift covering nearly half the $342,000 cost.

“A great deal of money and effort was already invested in restoring the cathedral and that was at risk due to the damaged roof,” said Rev. Oliver Doyle, pastor of St. Ann’s. “This generous gift is a huge blessing and is certainly what made the repairs possible.”

Freezers, Printers and a Little Yoga
Big grants are always the ones to make the news – their impact is often more readily apparent. But in the grand scheme of things, big grants are few and far between and no more important or impactful than the hundreds and hundreds of smaller grants we and our local community foundation partners make each year. From the new freezer for the Carter County Food Bank and the new printer at the William K. Kohrs Memorial Library in Deer Lodge, to yoga mats for the Healthy Mind and Body program at Morrison Elementary School in Troy, the generosity of donors is having a powerful and positive effect on the lives of Montanans each and every day.

The Nest
The Nest, a new Montana 501(c)(3) was in the process of raising funds to purchase a home to pursue their mission of providing a safe, secure environment for young pregnant and parenting moms and their children in Lake County and on the Flathead Indian Reservation. When a Montana Community Foundation donor heard about The Nest, they came through with a grant to help finalize the purchase of the home and more. While The Nest is still in need of funding for staffing and operations, the generous grant was what they needed to get their important mission jump started.

“We are overwhelmed and very grateful for the incredible show of support this enormous check represents,” said Jenifer Blumberg, Executive Director of The Nest. “Many people are celebrating this gift with us, because this is truly a grassroots project and so many folks across Lake County and the Flathead Indian Reservation understand the need for The Nest.”
Above and Beyond

Philanthropic donors are incredible people. Through their generosity, they make the world we live in a better place. What’s so amazing about Arnold (Arne) and Stephanie (Steffi) Siegel however, is that their contributions to making the world we live in a better place go above and beyond their generous monetary donations.

Arne’s contributions to the transportation safety industry are far-reaching and groundbreaking. From pioneering the world’s first experimental full-scale automotive crash program and design and construction of the early versions of anthropometric dummies, to rear-facing infant car seats used by families around the world, Arne’s work has directly or indirectly led to a host of advances in transportation safety design that keep us safe when traveling each and every day. Steffi’s contributions are remarkable as well. She is an accomplished psychotherapist, having earned her doctorate in the field. She has lectured at universities across the country and is a distinguished author who has published several books on raising adopted children.

While the Siegels’ contributions to philanthropy extend to a national and even international scale, their work as philanthropists in Montana is particularly important. Arne and Steffi both served as board members of the Montana Community Foundation and were an integral part of its founding. They also are the founders of the West Yellowstone Foundation which became Montana’s first local community foundation and MCF’s first affiliated local community foundation in 1992. The West Yellowstone Foundation has grown from an initial gift from Arne and Steffi of $5,000 to more than $1.3 million today.

The Siegels’ other contributions to philanthropy in Montana are numerous. Through their efforts and others, a number of historic railroad buildings including the Union Pacific Depot in West Yellowstone were preserved. This building now houses the Yellowstone Historic Center which explores the heritage of travel to Yellowstone National Park. They also helped with the establishment of the West Yellowstone Veterans Memorial and a local children’s park. One of their greatest legacies will likely be in the field of technical workforce development, which they began in the early 90s. Known today as STEM (Science, Technology, Engineering and Math) education, the Rocky Mountain AWIM (A World in Motion) Initiative the Siegels helped create is now in nearly half the schools in Montana and has expanded to Wyoming, Colorado, Utah, New Mexico and Idaho. Their latest efforts are focused on creating an endowment benefiting MontanaPBS. The Siegels’ generosity in Montana has supported everything from scholarships and community development, to arts, culture, children’s causes, history and much, much more.

“Community foundations are an incredible tool and resource everybody should learn about and use,” said Arne. “Early on, we recognized the power of endowment funds and their ability to provide sustainable funding for the charitable purposes that are so crucial to Montana. Our relationship with MCF is a long-standing one and one that continues to grow stronger. We know MCF is in good hands and philanthropy in Montana is therefore in good hands. Our goal has always been doing good better. It’s a great comfort to have MCF as our partner in that pursuit.”

Their Future’s So Bright

There’s probably no more palpable representation of Montana’s future and potential than that embodied by Montana’s students. We know the students of today will be in the positions of tomorrow to help ensure the Montana we know and love remains that way. One of the most important things we do here at MCF is scholarships. We’re incredibly fortunate to provide more than $350,000 each year to worthy recipients and Montana is fortunate to have donors with the generosity and foresight to understand the importance of scholarship. Once such donor was George Vucanovich.

A child of both the post-World War I Depression and the Great Depression, George grew up in an era when a college education was out of reach for most Montana kids. George was born in 1914, the son of eastern European immigrants scratching out a living in Butte. When he died nearly a century later in Helena, he left a self-made fortune of $1.325 million, entrusting MCF with $1 million for the continuing education of deserving high school graduates.

Representing more than $60,000 a year and over 40 scholarships, The George and Emily Vucanovich Educational Trust is a truly amazing example of philanthropy.
Montana Gives Big for Give Local

If there’s a great representation of Montanans’ ability to come together in support of a good cause, it’s Give Local. While expectations were certainly high for the one-day event of giving to nonprofits, few could have imagined the outstanding result. Local community foundations including Flathead, Glendive, Bozeman, Helena and Missoula led efforts in their communities to raise more than $640,000 for local nonprofits across the state. More than 370 nonprofits benefited from over 6,800 donations.

While the Montana Community Foundation took the lead in helping organize and sponsor Give Local in 2015, our efforts on behalf of the 2016 event have grown considerably. With dedicated staff and resources and ever-growing support from communities across the state, the newly named MTGives promises to be one of the most important philanthropic events in Montana’s history. We hope you’ll mark May 3rd on your calendars and help us “raise a million for Montana!”

A New Place for Giving

As an organization serving all of Montana, it’s important for us to continue building our presence at a statewide level. It’s also important for us to meet the growing demand for our services by being in the places we need to be to help foster philanthropy in Montana. We took another big step in this direction in 2015 with the addition of a new office in Missoula. Located downtown at 110 W. Front Street in the historic Florence Hotel building, the office is home to the Montana Office of Gift Planning and the Women’s Foundation of Montana, both important components of MCF. The Missoula Community Foundation has also relocated to share this new space. Like our office in Helena, the Missoula office gives donors, charitable organizations, professional advisors and others a place to meet with our staff in person to discover how we can help them and in turn, help Montana.
Growing Philanthropy and Building Capacity

The growth of an organization is always a tricky process to manage. While you must grow to meet the demand for your services, you also must do so strategically and with the best interests of those you serve in mind. As you may know, MCF underwent significant growth in 2015. Our board now numbers 17 with five new additions, including Jo Ann Eder of Red Lodge, Greg Hanson of Philipsburg, Karen Latka of Helena, Mary Ann Phipps of Glendive and Cami Skinner of Sidney. This group brings diverse backgrounds, incredible talent, and most importantly, their personal commitment to strengthening philanthropy for the future of Montana. We’re particularly excited to increase our board representation from small towns and Eastern Montana.

Our staff has also increased. We’ve added Nick Dietzen and Joanne MacIsaac to our planned giving team at the Montana Office of Gift Planning, which has greatly increased our capacity to create endowed funds to benefit Montana forever. We also have a full-time position now dedicated to serving local community foundations in Jenifer Gursky. Cathy Cooney, who many of you know, is now committed entirely to donor services.

The work we do requires a highly-trained professional staff, a place of business, equipment, specialized software and much more. We have grown very quickly over the past two years, but that growth has been strategic and purposeful. Our intent and the results of this growth have not only met the needs of our constituents, but allowed us to increase our level of service, professionalism and effectiveness in cultivating a culture of giving so Montana communities can flourish. As together we continue to grow philanthropy in Montana, our commitment to you is to continue building our capacity in a prudent and considered way to meet and exceed your expectations in ensuring Montana’s future.

Giving Tech

Two additions to the Montana Community Foundation this year weren’t key staff positions or board members. Instead, they were technological tools designed to provide people with the information they need about MCF, our services and philanthropy in Montana. The first of these is our new website – www.mtcf.org – launched in May. The website is packed with resources on everything from planned giving and finances, to local community foundations, professional advisors and more. As the Internet has become the go-to place for information, the new MCF website is the go-to place to learn about philanthropy in Montana.

The second technology addition is our new online donor portal. Accessed by clicking the “MyFund” link found on every page of the new website, the portal is a comprehensive online tool for fund representatives to make grants, check account information, receive and review financial statements and much, much more.
Funds for Montana’s Future

Endowed Funds
(541 endowment funds at MCF representing more than $65.1 million)

Agency Funds
Agency endowed funds are permanent funds established by a charity that designates itself as the beneficiary. Agency endowments help ensure the continuity of programs and can provide resources to meet emergencies and occasional financial deficits. Agency endowments free the charity from administrative burdens of managing endowed assets, by turning over responsibility for asset investment and administration to MCF staff skilled in these areas.

Designated Funds
A designated fund provides permanent support through an annual distribution for specified charitable organizations. For many donors, this is an ideal way to provide ongoing support for organizations that they have supported over the years.

Donor Advised Funds
A donor advised fund is defined as one in which the donor, or a committee designated by the donor, may recommend to MCF grants to eligible charitable recipients. Such funds are designed to encourage the participation and involvement of a wide range of living donors in the philanthropic interests and activities of MCF.

Field of Interest Funds
A field of interest fund provides grantmaking within a particular area – such as human services, affordable housing, public education, or the performing arts.

Scholarship Funds
A scholarship fund provides a tangible link to the future. The gift of education a scholarship bestows benefits not just the student, but the community as well.

Community Impact Funds
Community Impact Funds are the most flexible type of fund and the most responsive to changing community needs. These funds are ideal for donors who want to build maximum versatility into their charitable giving and place responsibility for selecting the most appropriate grantees with MCF’s board.

Non-Permanent Funds
(28 non-permanent funds at MCF representing more than $4.5 million)
Donors have the option to start non-permanent funds that are designated, donor advised, field of interest, scholarship or unrestricted funds. Non-permanent funds may be established to spend down in a specified amount of time. With a non-permanent fund, donors often are interested in affecting change as quickly as possible. With non-permanent funds, the assets may or may not be invested in MCF’s pooled portfolio, depending on the size of the fund and the length of time that the money will remain in the fund.

New Funds to Benefit Montana

- Trailhead Christian Fellowship Church Endowment
- MontanaPBS Endowment
- Padlock Ranch Fund
- Ulm Community Education Non-Permanent Fund
- Round Up For Open Land Fund
- Watson Children’s Shelter Agency Endowment Fund
- Cancer Coalition Agency Endowment
- TransCanada Fund
- Big Hearts Under the Big Sky Endowment
- Montana Outfitters & Guides Education Institute Agency Endowment Fund

New Planned Gifts: 74
New Bequests: 31

*As of June 30, 2015

Other Options

Fiscal Sponsorship
MCF assumes the fiscal/accounting responsibility for a funded project for a non-501(c)(3) organization. These arrangements are not permanent; they must have a finite lifetime. The mission of the organization must be aligned with the mission of MCF. Generally, MCF will accept fiscal sponsorships only if the project has a statewide impact. Smaller, local projects needing a fiscal sponsor will be referred to a local community foundation, if available.

Supporting Organization
A supporting organization is a 509(a)(3) organization established to support MCF. The supporting organization enjoys many of the benefits of a private foundation – its own board, its own grantmaking and investment programs, and a sense of autonomy and visibility – while receiving access to the benefits and services of MCF. Moreover, as a supporting organization of MCF, its donors receive all the tax benefits of a gift to a 501(c)(3) public charity. Establishing a new supporting organization requires MCF board approval.
Where Generosity is at Work

The generosity of our donors is making a difference in communities throughout the great state of Montana. Below you’ll find a map denoting the locations where more than $4 million in grants and distributions were made last year, including the hometowns of scholarship recipients.

*As of June 30, 2015

*Each star and circle may represent multiple grants or scholarships in that location.
**Statement of Financial Position**

*As of June 30*

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,829,555</td>
<td>$2,730,292</td>
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<tr>
<td>Accrued interest receivable</td>
<td>121,523</td>
<td>114,790</td>
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<tr>
<td>Prepaid expenses and other</td>
<td>32,130</td>
<td>28,331</td>
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<tr>
<td>Beneficial interest in pooled income fund</td>
<td>682,106</td>
<td>1,073,774</td>
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<tr>
<td>Pooled investments</td>
<td>75,186,425</td>
<td>70,169,411</td>
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<tr>
<td>Cash surrender value of life insurance</td>
<td>269,256</td>
<td>256,009</td>
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<tr>
<td>Property and equipment, net of accumulated depreciation of $244,544 and $235,931, respectively</td>
<td>91,319</td>
<td>53,002</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$79,212,314</td>
<td>$74,425,609</td>
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</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>2015</th>
<th>2014</th>
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</thead>
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<tr>
<td>Accounts payable</td>
<td>$44,684</td>
<td>$48,973</td>
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<tr>
<td>Accrued expenses</td>
<td>53,660</td>
<td>71,737</td>
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<tr>
<td>Capital lease payable</td>
<td>7,414</td>
<td>0</td>
</tr>
<tr>
<td>Grants and distributions payable</td>
<td>779,534</td>
<td>740,436</td>
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<tr>
<td>Planned gift liabilities</td>
<td>2,073,533</td>
<td>1,941,744</td>
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<tr>
<td>Funds held as agency endowments</td>
<td>9,074,214</td>
<td>8,625,135</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$12,033,039</td>
<td>$11,428,025</td>
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<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted net assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted - for operating purposes</td>
<td>$1,100,697</td>
<td>$969,221</td>
</tr>
<tr>
<td>Unrestricted - deficit in endowment assets</td>
<td>(6,041)</td>
<td>(3,719)</td>
</tr>
<tr>
<td><strong>Total unrestricted net assets</strong></td>
<td>1,094,656</td>
<td>965,502</td>
</tr>
<tr>
<td>Temporarily restricted net assets</td>
<td>15,293,554</td>
<td>14,030,078</td>
</tr>
<tr>
<td>Permanently restricted net assets</td>
<td>50,791,065</td>
<td>48,002,004</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>67,179,275</td>
<td>62,997,584</td>
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<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$79,212,314</td>
<td>$74,425,609</td>
</tr>
</tbody>
</table>

**Statement of Activities**

*For year ended June 30*

<table>
<thead>
<tr>
<th>SUPPORT AND REVENUE</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$6,050,455</td>
<td>$4,009,431</td>
</tr>
<tr>
<td>Revenue and other additions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative fees</td>
<td>149,217</td>
<td>138,110</td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>1,538,863</td>
<td>1,564,462</td>
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<tr>
<td>Realized and unrealized gains and losses on investments</td>
<td>1,848,140</td>
<td>7,384,080</td>
</tr>
<tr>
<td>Change in value of beneficial interest in pooled income fund</td>
<td>(155,740)</td>
<td>237,719</td>
</tr>
<tr>
<td>Change in value of planned gift liabilities</td>
<td>(170,566)</td>
<td>(198,305)</td>
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<tr>
<td><strong>Total revenue and other additions</strong></td>
<td>3,209,914</td>
<td>9,126,066</td>
</tr>
<tr>
<td><strong>Total support and revenue</strong></td>
<td>$9,260,369</td>
<td>$13,135,497</td>
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<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and philanthropic distributions</td>
<td>$3,386,857</td>
<td>$2,964,286</td>
</tr>
<tr>
<td>Endowment expenses</td>
<td>362,054</td>
<td>323,574</td>
</tr>
<tr>
<td>Operating and administrative expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td>648,101</td>
<td>600,927</td>
</tr>
<tr>
<td>Development and fund-raising</td>
<td>303,925</td>
<td>94,681</td>
</tr>
<tr>
<td>Program support</td>
<td>377,741</td>
<td>922,779</td>
</tr>
<tr>
<td><strong>Total operating and administrative expenses</strong></td>
<td>1,329,767</td>
<td>1,618,387</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>$5,078,678</td>
<td>$4,906,247</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>CHANGE IN NET ASSETS</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in net assets</td>
<td>$4,181,691</td>
<td>$8,229,250</td>
</tr>
<tr>
<td>Net Assets, beginning of year</td>
<td>62,997,584</td>
<td>54,768,334</td>
</tr>
<tr>
<td>Net Assets, end of year</td>
<td>$67,179,275</td>
<td>$62,997,584</td>
</tr>
</tbody>
</table>

The financial statements of Montana Community Foundation are audited annually by Moss Adams, LLP, an independent public accounting firm. A copy of the Report of Independent Auditors and Financial Statements and Form 990 tax return may be obtained on our website at www.mtcf.org or by contacting the Montana Community Foundation office.
Assets, Disbursements and Contributions

of the Montana Community Foundation.

Total Assets
(in Millions)

Endowed Assets
(in Millions)

Grants and Distributions
(in Millions)

Contributions
(in Millions)

As of June 30, 2015

As of June 30, 2015

Fiscal Year

Fiscal Year
Meet the People of MCF

Like you, we love Montana. That’s why we serve as board members and staff. Every day, we get to help preserve the things we love about our state forever.

Board Members

Mary Craigle
Board Chair
Helena

Kelly Bruggeman
Billings

Jo Ann Eder
Red Lodge

Casey Lozar
Helena

Mary Ann Phipps
Glendive

Cynthia R. Woods
Treasurer
Billings

Laura Brehm
Missoula

Barbara Byrne
Ulm

Greg Hanson
Philipsburg

Scott Pankratz
Missoula

Tawnya Rupe
Wilsall

Camila (Cami) Skinner
Sidney

Jeff Bretherton
Missoula

Dan Clark
Bozeman

Karen Latka
Helena

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President & Chief Executive Officer
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Office of Gift Planning
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Jennifer Gursky
Program Officer, Local Community
Foundations
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Foundation of Montana
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Mary Ann MacIsaac
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Montana Office of Gift Planning
joanne@mtcf.org

MCF ANNUAL REPORT 2015