

A photograph of two young boys sitting on a large log in a wooded area next to a stream. The boy on the left is wearing a teal shirt and khaki shorts, while the boy on the right is wearing a blue and white plaid shirt and dark jeans. They are both smiling at the camera. Between them is a framed black and white photograph of two people fishing in a similar setting. A wicker picnic basket sits on the ground in front of them. The background shows a stream flowing through a forest of bare trees.

ANNUAL REPORT 2019



MONTANA
COMMUNITY
FOUNDATION

all about Montana's future

LETTER FROM OUR BOARD CHAIR & PRESIDENT

DEAR FRIENDS,

The impact of philanthropy is even more evident over the last few months as our world has faced a global pandemic caused by the virus COVID-19. As nonprofits in Montana experience an increased demand for their services or face a loss of revenue or fear of closure, philanthropy has helped to provide crucial resources so they can continue effectively serving their communities. Local communities and nonprofit partners have established funds to mobilize resources to where they're needed most. Neighbors are helping neighbors. This is a picture of philanthropy and community at its best.

Here at the Montana Community Foundation (MCF), we are committed to helping Montana communities flourish through philanthropy. We're here for Montana today and will be here for Montana tomorrow and forever. We know that our state will continue to experience both periods of prosperity and periods of hardship. Yet philanthropy can help bridge the gap between the two, wielding the power of generosity across our state while providing valuable resources when regular streams of support are affected.

The power of philanthropy comes not just from the value of our assets or through our grantmaking. Those are substantial, and critical. The impact of philanthropy is amplified by our network of supporters and partners that makes philanthropy happen.

In the following pages, you will see highlights of our work in 2019. You will read stories of generosity and discover the different ways philanthropy is supporting resilient communities in Montana now and forever.

As a community foundation, we often say "we are here for good forever." Our focus is on the power philanthropy has to impact communities over multiple generations. Like you, we care deeply for Montana and want to create a strong future for our state. This work is not possible without you. Your foresight and willingness to be a part of this process has a huge impact. We are honored to be your partner in philanthropy.

THANK YOU.



Laura Brehm

Laura Brehm
Board Chair



Mary K. Rutherford

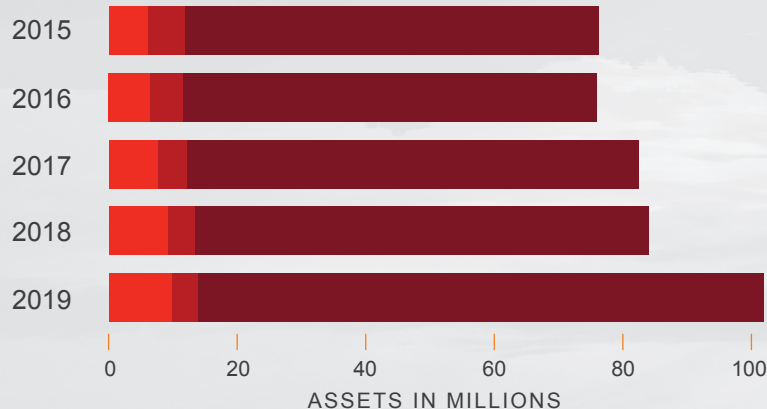
Mary K. Rutherford
President and CEO

2019 HIGHLIGHTS

OUR MISSION: Cultivate a Culture of Giving so **MONTANA** Communities can **FLOURISH**

Ensuring Montana's Future

TOTAL ASSETS: \$101.9 MILLION



● Planned Gifts ● Non-Permanent Assets ● Endowed Assets



TOTAL FUNDS

682



NEW FUNDS

20



TOTAL CONTRIBUTIONS

\$8.5M



GRANTS MADE

\$3M



SCHOLARSHIPS AWARDED

\$332,396



TOTAL # OF PLANNED GIFTS

532



TOTAL BEQUEST EXPECTANCIES

\$49M



We think about the **NEXT GENERATION** and the **NEXT** after that.

*By capturing just **5%** of Montana's **\$123 billion** predicted wealth transfer through permanent endowments that benefited Montana nonprofits, schools, and communities, Montana would have a collective endowment worth **\$6.1 billion**.*

Walk outside on a bluebird day in Montana and you can tell why Montana is called "Big Sky Country." We have our own bit of paradise here in Montana, this place we call home. At the Montana Community Foundation (MCF), we are committed to holding onto that bit of paradise and helping Montana communities thrive not just from one year to the next, but from generation to generation.

According to the 2011 Transfer of Wealth Study commissioned by MCF, \$123 billion will transfer from one generation to the next in Montana by 2060. Unfortunately, Montana experiences a high rate of individuals leaving Montana for bigger urban hubs, taking a lot of our state's

wealth with them. This is especially true in rural Montana counties where they are experiencing their peak years of wealth transfer now due to outmigration. Montana's unique circumstances – children moving out of state and a rapidly aging population – makes capturing some of this wealth transfer absolutely critical if our communities are to remain places where people want to live, work, and raise children.

At MCF, we are helping secure a strong future for Montana through a focus on endowments, funds held in perpetuity for a charity's benefit, and the generosity of individuals and businesses dedicated to taking care of the state we love, now and forever.

Thank you to our Local Community Foundation Affiliates for all you do in our communities!

A The Seeley Lake Community Foundation has turned a 3,700 square-foot log building into a hub for community activities and a centralized location for residents and visitors to access important services.

B The Community Foundation of Northern Rosebud County awarded a grant to the Forsyth Woman's Club to support a commemorative sign in Pioneer Park, highlighting the life and ambitions of Thomas Alexander—a rancher, prospector, and one of the most influential founders of Forsyth.

C Troy Public Schools received funding from the Lincoln County Community Foundation to support their after-school program and the school garden.

D The Creative Arts Council in Eureka constructed a Little Free Library at their Center thanks to support from the Tobacco Valley Community Foundation.

E Jolly Janes of Gildford, in partnership with Bear Paw Development, was able to fund several “Art in the Park” projects in their community through a grant received from Hill County Community Foundation.



Local Community Foundations

BRINGING MONTANA COMMUNITIES TOGETHER

Local Community Foundations are uniquely situated to improve their communities by supporting innovative solutions and creating powerful partnerships.

From the far corners of the Flathead and the Hi-Line to the southern border of Montana, over 75 Local Community Foundations are hard at work in Montana, supporting the efforts that will help the place we call home continue to flourish and grow. They bring together the financial resources of individuals, families, and businesses to support effective nonprofits in their communities.

The Montana Community Foundation partners with 45 Local Community Foundation Affiliates to further philanthropy throughout Montana through grantmaking to support stronger and more resilient communities.



\$261,000

TOTAL GRANTS MADE
BY LOCAL COMMUNITY
FOUNDATION AFFILIATES



Local Community Foundations THE COWAN LEGACY

Generous philanthropists, like John and Elaine Cowan, choose to leave their legacy by supporting their local community even after they're gone.


John and Elaine Cowan moved to Polson, Montana in 1997 from Wyoming after a fateful fishing trip and visit to see old friends. They were awed by the beauty and quality of life they found there. It quickly became home. John and Elaine put their love of Montana into action and played an integral part in the founding and growth of the Greater Polson Community Foundation (GPCF) alongside their dear friends, Chuck and Penny Jarecki. Each year, GPCF grants over \$600,000 to local nonprofits helping meet community needs. After the passing of his wife in 2009, John established a bequest which benefits, in part, the Greater Polson Community Foundation, an affiliate partner of the Montana Community Foundation. Though John



John and Elaine Cowan

passed away in 2019, the Cowans' legacy will remain in Montana forever. John believed community foundations were a "conduit for change" and "if you give money to a community foundation, they can channel it to where the need is greatest as society changes."

It is because of people like John and Elaine that communities like Polson will continue to thrive, long after those people are gone. It's because of people like John and Elaine, that we are so thankful to be a part of creating a legacy of philanthropy for Montana.



Harold Lasater, Honor Flight participant in 2012, of Forsyth smiles while a crowd cheers for veterans as they return home from their Big Sky Honor Flight.

Photo Credit: Billings Gazette

Montana Veterans Fund

In Service to our Veterans

The Montana Veterans Fund honors the legacy of the Big Sky Honor Flights and supports veteran causes in Montana.

Bill Kennedy can still recall the palpable excitement of the WWII veterans aboard Big Sky Honor Flights as they headed to see the Washington monuments and the World War II Memorial for the first time. Started in 2012, the Big Sky Honor flight transported 750 WWII veterans on nine flights to Washington, D.C. as a way to honor local veterans and celebrate their service. The last flight took off in 2014 as Big Sky Honor Flight's mission was complete; all WWII veterans in Montana, who could physically make the trip and had the desire, were able to visit our nation's capital.

In 2019, the **MONTANA VETERANS FUND**, an endowed fund at Montana Community Foundation, was

created to continue the good work of the honor flights and support veterans in Montana forever. Of the remaining funds from the Big Sky Honor Flight Fund, \$10,000 was sent to the National Honor Flight Hub organization to help transport Montana veterans on their national waiting list to Washington, DC. The rest was used to establish the new Montana Veterans Fund.

"I'm thrilled we can finally do this," says Bill Kennedy, who was present on all nine flights and an integral part of fundraising efforts for the fund. "Through the new Montana Veterans Fund, the dollars raised through Big Sky Honor Flight and future gifts to the new fund will continue to honor and support our veterans here in Montana."



With funding from the AT&T Public Hero Scholarship, volunteer firefighters Mark Brown and Dennis Kreatz, at Red Lodge Fire Rescue, attended a four-day training in stabilizing and extricating people from tractor-trailers, buses, trains and other large vehicles using realistic rescue scenarios.

Montana Disaster Relief Fund Ready to Respond

Thanks to the support from hundreds of people, and businesses like AT&T, the Montana Disaster Relief Fund has continued to support communities in times of disaster and beyond.


In 2017, wildfires ravaged Montana, consuming over 1.4 million acres across the state. The Montana Community Foundation responded by setting up what is now known as the **MONTANA DISASTER RELIEF FUND**, a nonpermanent fund at MCF, as a vehicle for charitable giving to support those affected by the fires.

Though the 2017 wildfires have since flamed out, MCF has maintained an ongoing partnership with groups like Montana Volunteer Organizations Active in Disaster (VOAD) and Montana Disaster and Emergency Services. The fund has continued to provide philanthropic support during Montana disasters such as floods and blizzards.

Many Montana communities also rely heavily on volunteer EMTs and firefighters in times of emergency and disaster. Established by AT&T Service, Inc. in 2019 through the Montana Disaster Relief Fund, the AT&T Public Hero Scholarship is designed for training for those pursuing careers and long-term volunteer work as first responders.

Local organizations received funding from the scholarship to support first responders and firefighters in rural parts of Montana.

- Volunteer firefighters, Mark Brown and Dennis Kreatz, at Red Lodge Fire Rescue, were able to attend a four-day training at the Big Rig and Mass Transit Rescue Academy in Round Rock, Texas. "Training with other professional firefighters and first responders in real-life scenarios allowed us to add to our current skills in a way that we don't usually have access to," says Mark, an eight-year Lieutenant at Red Lodge Fire Rescue.
- Lincoln Volunteer Ambulance Service Corporation was able to purchase books and training materials for six volunteers to attend EMT training and get certified in CPR through the American Heart Association.
- Libby Volunteer Ambulance Service will be able to train five new ambulance volunteers.



For 20 years, the Women's Foundation of Montana has been working to give women and girls the training and opportunities they need to thrive while pushing for cultural changes to break down barriers in their way.

Women's Foundation of Montana A Voice for Women and Girls in Montana

The Women's Foundation of Montana is advancing economic independence and creating a brighter future for women and girls.

What began 20 years ago with a vision from founding donor Merle Chambers has ignited change for women and girls across our state. Today the **WOMEN'S FOUNDATION OF MONTANA** (WFM) is working harder than ever to ensure Montana's daughters have what they need to succeed.

WFM is committed to serving as an advocate for women and girls in Montana and striving to identify women's needs and challenges through statewide research and meet those needs through policy-change and grantmaking efforts. In 2019, WFM held listening sessions with 16 groups of Montanans, focusing on rural and tribal communities from Wolf Point to Eureka. The message was clear that women and girls continue to suffer from a lack of economic opportunities and access to basic

needs, especially in the most rural parts of Montana. These sessions also showed positive improvements: more women leaders and women-owned businesses are starting to emerge.

WFM also continues to be an advocate for equal pay as the average Montana woman currently makes only 74 cents for every dollar that a man makes. On Equal Pay Day 2019, WFM released its Women in the Workforce report*, in partnership with the University of Montana, which summarizes results from surveys, focus groups, and interviews with diverse women in the Montana workforce over the past three years. The report illuminated the prevalence of sexual harassment at work and the impact it has on women's economic prospects.

*For a copy of the report, visit wfmontana.org/learn/research/wfm-final-reportmarch2019

Megan Ayers in front of University of Montana where she will graduate in Spring 2020 with a B.A. in Sociology with a focus in Criminology and minors in Psychology and Women, Gender & Sexuality Studies. In addition, she will receive a certificate in Forensic Science.

Scholarship Fund Supporting Our Students

The Scholarship Fund at Montana Community Foundation provides support to local students as they pursue their education and their dreams.

Each year, the Montana Community Foundation provides nearly \$350,000 in scholarships to over 150 Montana students to support their post-secondary education and technical certifications.

During the spring scholarship season, MCF receives hundreds of requests for scholarships, but is unable to fulfill every request, leaving some students without the support they need to attend college or a technical school.

Last year, 632 qualified students, applied for scholarship funding, yet MCF was only able to provide scholarships to 161 students.

The **MONTANA COMMUNITY FOUNDATION SCHOLARSHIP FUND** was created to provide scholarship funding to Montana students by augmenting other existing scholarship funds at MCF in the hope of supporting more Montana students in their educational endeavors.

Megan Ayers is a graduating senior at the University of Montana and a recipient of the Dearborn Ranch Montana Highway Patrol Scholarship at the Montana Community Foundation that provides scholarships to children of active uniformed officers employed by the Montana Highway Patrol.

Megan has always been inspired by her dad, who recently retired after over 20 years of service as a Highway Patrol Officer. He sparked her interest in studying criminology and forensic science, among other degrees and certificates she will graduate with after just three years of college.

Megan says, "The scholarship took away the financial stress of going to college so I could focus on my education and allowed me to graduate without student loans!" Upon graduation, she hopes to become a child protective services investigator and aspires to one day work for the Behavioral Analysis Unit of the Federal Bureau of Investigation (FBI).

Grants & Scholarships Generosity at Work

Thank you to the generous individuals
and companies who supported Montana
communities and scholars in 2019.



GRANTS, SCHOLARSHIPS,
AND ANNUAL ENDOWMENT
DISTRIBUTIONS

\$3.3M



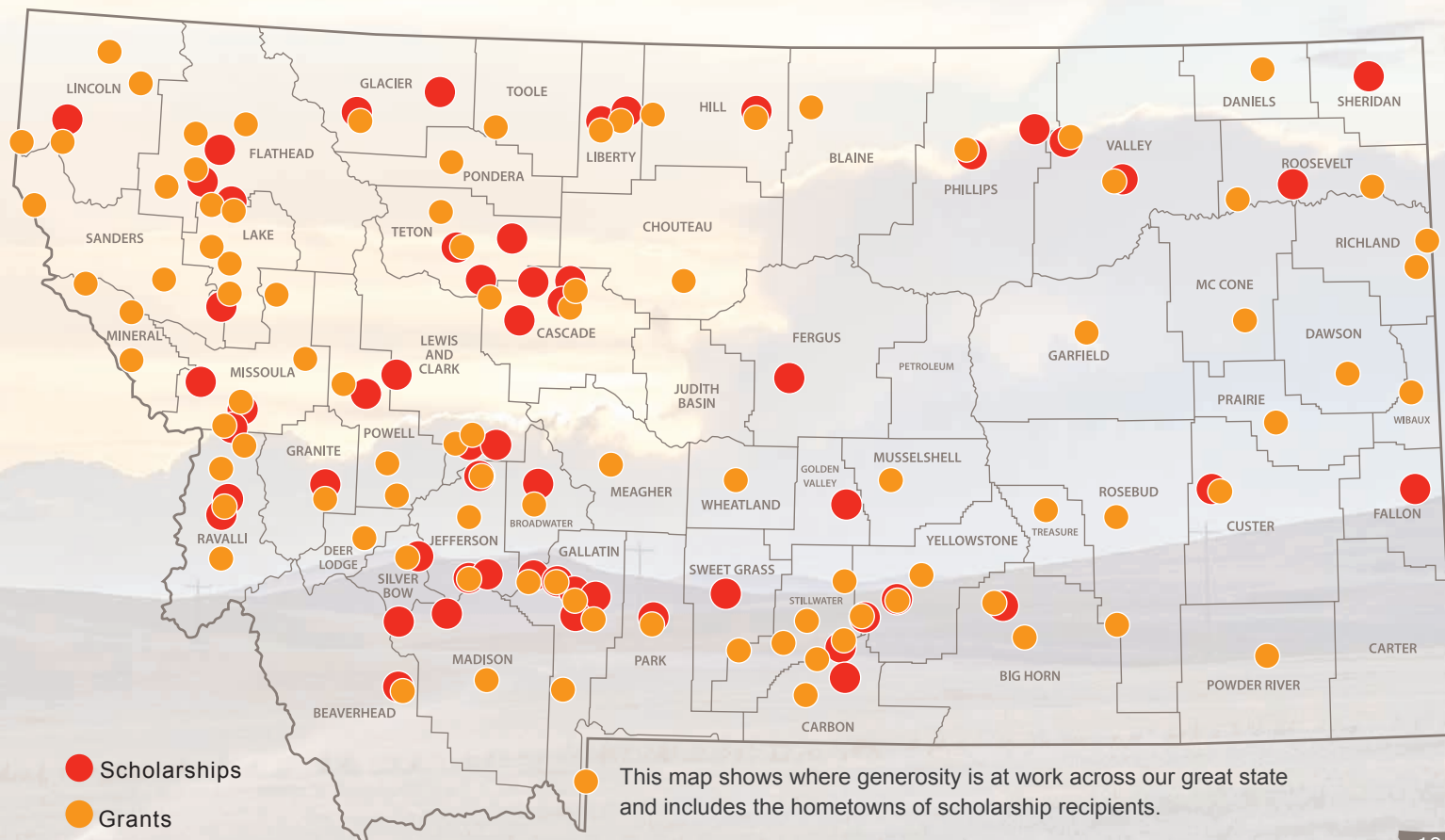
TOTAL
SCHOLARSHIPS
AWARDED

187



TOTAL
GRANTS
MADE

987





Sam McDonald Endowment Fund

The Gift that Keeps on Giving

Endowment funds provide a sustainable source of support for nonprofit organizations and are a way for generous individuals, like Sam McDonald, to help those less fortunate.

The Sam McDonald Family Endowment Fund was opened at Montana Community Foundation in 2012 after the passing of Sam McDonald, a respected real estate businessman and Wendy's franchisee, also known for his philanthropic desire to help those less fortunate. Through the Sam McDonald Endowment Fund, both Family Service and Family Support Network in Billings receive an annual distribution that supports their work of helping individuals and families in need.

"The funding is vital to our operation," said Shawn Byrne, Executive Director of Family Support Network. "This allows our general operating dollars to be spread further as we work with young people and families in the child welfare system."

"Family Service has seen a significant increase in the number of households we serve over the last six fiscal years, from 5,600 to 15,200 households," explains Jane McCracken, Senior Director of Development and Campaign at Family Service.

"Endowments are a win-win-win for everyone involved. The organization receiving the distribution can consistently count on that operating income, and the state benefits by encouraging philanthropy to the most effective organizations, relieving taxpayers in the state of some of the costs for those in need."



Sam McDonald

Greg McDonald, Sam's son and representative for the fund, says the ongoing giving of the fund is in sync with his father's compassion. "Our father strongly believed in sharing his success and good fortune with those less fortunate. Both the mission of Family Service and Family Support Network meets the concern he had for serving homeless and indigent families. His favorite quote was, 'You make a living by what you earn, and you make a life by what you give'."

IN 2019: MCF donors contributed **\$8.5 MILLION** in support of a variety of causes, from conservation and the arts to senior services and early childhood education.

Brown Family Endowment Fund Philanthropy Highlight

As the agent of the philanthropist, Montana Community Foundation connects generous individuals, like Michelle and Loren Brown, with the causes they care about in order to impact our state for good.

Loren Brown remembers watching his parents, both teachers, modeling what it means to give back as he was growing up in Helena. “I remember my parents putting money in the offering plate at church and buying extra food at the grocery store to bring to the local food bank. It instilled in me a desire to help my community and the less fortunate.”

Loren and his wife, Michelle, share this value of generosity. Both have been active in their community since a young age, Loren as a Boy Scout and Michelle as an active member of 4-H. They continue to support local organizations with both their time and money through board service, volunteer work, and financial contributions.

In 2014, Loren and Michelle gave their first gift to the Montana Community Foundation in the form of a Deferred Gift Annuity (DGA) to provide future benefit to their Donor Advised Fund. Last year, after the 5-year waiting period, they were able to relinquish future rights to annuity payments and can now make grants from the newly opened Brown Family Endowment Fund.

“Though we continue to contribute to the immediate needs of our favorite charities, Michelle and I see this endowment as a way to provide another level of support to the organizations we care about, especially when hard times hit such as we’re seeing with the current crisis. The Montana Community Foundation provided the avenue for us to continually support our community, even on the years we don’t have the same capacity to give, and long after we’re gone. Plus, we get the added tax benefit through the Montana Endowment Tax Credit.”

Loren and Michelle have continued to make planned gifts each year to ultimately benefit their Donor Advised Fund. Each planned gift will help the endowment grow, increasing the impact it will have on Montana communities forever.



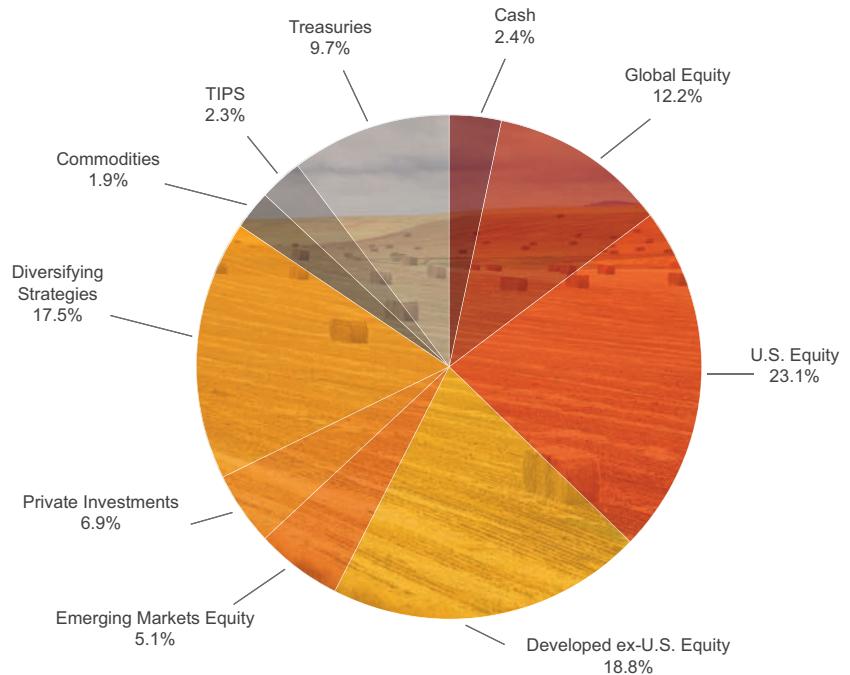
Loren Brown is the President & CEO at Ascent Bank in Helena. Michelle Brown is a licensed Real Estate Appraiser at Dalton Appraisal Services. They live in Helena with 3 horses, 2 cats, and a dog.

Investment Philosophy & Asset Allocation

As of December 31, 2019

Investment Philosophy

- A long-term investment horizon
- A consistent application of a strategic framework integrating the Foundation's unique needs
- High conviction active managers where we expect they will add value
- Modest valuation-based tactical tilts
- Risk management embedded in every step of the investment process



Portfolio Postioning

Consolidated Statements of Financial Position

As of June 30, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	\$2,023,587	\$2,523,146
Pooled investments	103,314,710	94,910,771
Net property and equipment	2,196,351	2,292,781
Other assets	680,841	809,346
TOTAL ASSETS	\$108,215,489	\$100,536,044
Liabilities and Net Assets		
Grants and distributions payable	\$1,092,693	\$1,115,753
Planned gift liabilities	3,069,346	3,078,137
Long-term debt	1,609,750	1,653,307
Funds held as agency endowments	10,795,194	10,608,229
Other liabilities	197,894	230,594
TOTAL LIABILITIES	\$16,764,877	\$16,686,020
Without donor restrictions	298,395	103,312
With donor restrictions		
Time or purpose	4,184,630	4,181,184
Unappropriated earnings	11,659,829	11,895,953
Perpetuity	75,307,758	67,669,575
Total with donor restrictions	91,152,217	83,746,712
TOTAL NET ASSETS	91,450,612	83,850,024
TOTAL LIABILITIES AND NET ASSETS	\$108,215,489	\$100,536,044

Consolidated Statements of Activities

For Years Ended June 30, 2019 & 2018

	2019	2018
Support and Revenue		
Contributions	\$8,154,708	\$11,167,739
Administrative fees	388,918	351,616
Net investment return	4,387,324	5,548,402
Change in value planned gifts and PIF	(25,078)	(300,718)
Rental and other income	273,340	219,118
TOTAL SUPPORT AND REVENUE	13,179,212	16,986,157
Expenses		
Total grant and philanthropic distributions	3,336,781	3,950,758
Total operating and administrative expenses	2,241,843	2,306,612
TOTAL EXPENSES	5,578,624	6,257,370
INCREASE IN NET ASSETS	7,600,588	10,728,787
NET ASSETS, beginning of year	83,850,024	73,121,237
NET ASSETS, end of year	\$91,450,612	\$83,850,024

Meet the People 2019 Board Members



Laura Brehm
Board Chair (Missoula)



Kelly Bruggeman
Vice Chair (Billings)



Mary Ann Phipps
Secretary (Glendive)



Karen Latka
Treasurer (Helena)



Ed Eck
(Missoula)



Jo Ann Eder
(Red Lodge)



Greg Hanson
(Phillipsburg)



Tom McGree
(Helena)



Scott Pankratz
(Missoula)



Bryson Pelc
(Kalispell)



Tawnya Rupe
(Wilsall)



Camila Skinner
(Sidney)



Leonard Smith
(Billings)



Cindy Woods
(Billings)



Dale Woolhiser
(Missoula)

Meet the People Staff Members



Mary Rutherford
President & CEO



Alison Munson
Database Manager



Cathy Cooney
Director, Donor Services



Daphne Kurtz
Office Manager



Erika Rasmussen
AmeriCorps Vista, WFM



Jen Euell
Program Director, WFM



Jenny Stark
Scholarship Manager



Jessica Stewart-Kuntz
Director, Operations/Grants



Joanne MacIsaac
Development Coordinator



Kacie Tollefson
Controller



Kay Gray
Senior Accountant



Maggie Sullivan
Program Associate



Teal Whitaker
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