

Return of Organization Exempt from Income Tax

2002

Open to Public Inspection

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2002 calendar year, or tax year beginning 7/01, 2002, and ending 6/30, 2003

- B** Check if applicable
- Address change
 - Name change
 - Initial return
 - Final return
 - Amended return
 - Application pending

Please use IRS label or print or type See specific instructions

University of Montana Foundation
600 Connell Avenue
Missoula, MT 59807-7159

D Employer Identification Number
81-0362989

E Telephone number
(406) 243-2593

F Accounting method Cash Accrual
 Other (specify) _____

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

H and I are not applicable to section 527 organizations

H (a) Is this a group return for affiliates? Yes No

H (b) If Yes, enter number of affiliates _____

H (c) Are all affiliates included? Yes No
(If No attach a list. See instructions.)

H (d) Is this a separate return filed by an organization covered by a group ruling? Yes No

G Web site N/A

J Organization type (check only one) 501(c) 3 (insert no) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

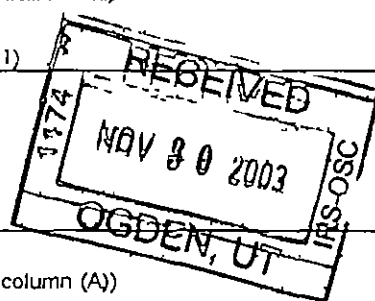
I Enter 4 digit GEN _____

M Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF)

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 23,223,765

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

REVENUE	1 Contributions, gifts, grants, and similar amounts received				
	a Direct public support	1a	<u>18,343,392</u>		
	b Indirect public support	1b			
	c Government contributions (grants)	1c			
	d Total (add lines 1a through 1c) (cash \$ <u>18,093,392</u> noncash \$ <u>250,000</u>)	1d		<u>18,343,392</u>	
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		<u>141,000</u>	
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4		<u>586,929</u>	
	5 Dividends and interest from securities	5		<u>2,042,537</u>	
	6a Gross rents	6a			
	b Less rental expenses	6b			
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c			
	7 Other investment income (describe <u>See Statement 1</u>)	7		<u>1,428,482</u>	
8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
	8a				
	8b Less cost or other basis and sales expenses				
	8c Gain or (loss) (attach schedule)				
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d				
9 Special events and activities (attach schedule)	a Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a			
	b Less direct expenses other than fundraising expenses	9b			
	c Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
10a Gross sales of inventory, less returns and allowances	10a				
	b Less cost of goods sold	10b			
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
11 Other revenue (from Part VII, line 103)	11		<u>681,425</u>		
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		<u>23,223,765</u>		
EXPENSES	13 Program services (from line 44, column (B))	13		<u>8,016,765</u>	
	14 Management and general (from line 44, column (C))	14		<u>727,385</u>	
	15 Fundraising (from line 44, column (D))	15		<u>1,955,439</u>	
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses (add lines 16 and 44, column (A))	17		<u>10,699,589</u>	
18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		<u>12,524,176</u>		
ASSETS	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		<u>97,453,706</u>	
	20 Other changes in net assets or fund balances (attach explanation) <u>See Statement 2</u>	20		<u>-2,949,997</u>	
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		<u>107,027,885</u>	



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Part II Statement of Functional Expenses All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (att sch) (cash \$ 5354804 non cash \$)	5,354,804	5,354,804		
23	Specific assistance to individuals (att sch)				
24	Benefits paid to or for members (att sch)				
25	Compensation of officers, directors, etc				
26	Other salaries and wages	1,605,907		322,980	1,282,927
27	Pension plan contributions	133,607		31,992	101,615
28	Other employee benefits	139,224		36,515	102,709
29	Payroll taxes	129,389		23,780	105,609
30	Professional fundraising fees				
31	Accounting fees	22,650		22,650	
32	Legal fees	9,067		7,493	1,574
33	Supplies	339,172	295,609	38,933	4,630
34	Telephone	45,730	10,977	9,595	25,158
35	Postage and shipping	52,670	13,057	13,071	26,542
36	Occupancy				
37	Equipment rental and maintenance	36,534	28,254	6,215	2,065
38	Printing and publications	115,667	75,570	8,745	31,352
39	Travel	725,362	647,963	21,894	55,505
40	Conferences, conventions, and meetings	41,669	37,359	1,236	3,074
41	Interest	31,142	29,892		1,250
42	Depreciation, depletion, etc (attach schedule)	135,370		135,370	
43	Other expenses not covered above (itemize)				
a	Expense	1,781,625	1,523,280	46,916	211,429
b					
c					
d					
e					
44	Total functional expenses (add lines 22-43) Organizations completing columns (B) - (D), carry these totals to lines 13-15	10,699,589	8,016,765	727,385	1,955,439

Joint Costs Check if you are following SOP 98 2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to program services \$ _____, (iii) the amount allocated to management and general \$ _____, and (iv) the amount allocated to fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) & (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants & allocations to others)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
a Academic and Institutional support to the University of Montana Faculty and Administration So the University can continue their strive for excellence (Grants and allocations \$)	5,312,769
b Scholarships and Awards made to the University of Montana Financial aid Department and Academic Departments to benefit UM students (Grants and allocations \$)	2,703,996
c (Grants and allocations \$)	
d (Grants and allocations \$)	
e Other program services (Grants and allocations \$)	
f Total of Program Service Expenses (should equal line 44, column (B), program services)	8,016,765

Part IV Balance Sheets (See Instructions)

Note <i>Where required, attached schedules and amounts within the description column should be for end of year amounts only</i>		(A) Beginning of year		(B) End of year	
ASSETS	45 Cash – non interest bearing	500	45	500	
	46 Savings and temporary cash investments	6,664,105	46	7,252,873	
	47a Accounts receivable	47a			
	b Less allowance for doubtful accounts	47b		47c	
	48a Pledges receivable	48a 11,065,448			
	b Less allowance for doubtful accounts	48b	6,727,126	48c 11,065,448	
	49 Grants receivable			49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)			50	
	51a Other notes & loans receivable (attach sch)	51a 184,632			
	b Less allowance for doubtful accounts	51b	161,600	51c 184,632	
	52 Inventories for sale or use			52	
	53 Prepaid expenses and deferred charges			53	
	54 Investments – securities (attach schedule)	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV	83,520,486	54	91,555,013
	55a Investments – land, buildings, & equipment basis	55a 2,254,951			
	b Less accumulated depreciation (attach schedule) Statement 3	55b	1,446,766	55c 2,254,951	
56 Investments – other (attach schedule)			56		
57a Land, buildings, and equipment basis	57a 4,216,191				
b Less accumulated depreciation (attach schedule) Statement 4	57b 769,715	3,576,345	57c 3,446,476		
58 Other assets (describe ▶ See Statement 5)		584,713	58	401,904	
59 Total assets (add lines 45 through 58) (must equal line 74)		102,681,641	59	116,161,797	
LIABILITIES	60 Accounts payable and accrued expenses	158,769	60	164,359	
	61 Grants payable		61		
	62 Deferred revenue		62		
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63		
	64a Tax exempt bond liabilities (attach schedule)		64a		
	b Mortgages and other notes payable (attach schedule)		651,164	64b 580,525	
	65 Other liabilities (describe ▶ See Statement 6)		4,418,002	65	8,389,028
66 Total liabilities (add lines 60 through 65)		5,227,935	66	9,133,912	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74				
	67 Unrestricted	5,939,496	67	5,489,041	
	68 Temporarily restricted	24,294,999	68	31,525,940	
	69 Permanently restricted	67,219,211	69	70,012,904	
	Organizations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 70 through 74				
	70 Capital stock, trust principal, or current funds		70		
	71 Paid in or capital surplus, or land, building, and equipment fund		71		
	72 Retained earnings, endowment, accumulated income, or other funds		72		
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)		97,453,706	73	107,027,885
	74 Total liabilities and net assets/fund balances (add lines 66 and 73)		102,681,641	74	116,161,797

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

BAA

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions)

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total revenue, gains, and other support per audited financial statements	a	25,162,807
b	Amounts included on line a but not on line 12, Form 990		
(1)	Net unrealized gains on investments \$ 1,939,042		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify)		
	----- \$		
	Add amounts on lines (1) through (4)	b	1,939,042
c	Line a minus line b	c	23,223,765
d	Amounts included on line 12, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify)		
	----- \$		
	Add amounts on lines (1) and (2)	d	
e	Total revenue per line 12, Form 990 (line c plus line d)	e	23,223,765

a	Total expenses and losses per audited financial statements	a	10,699,589
b	Amounts included on line a but not on line 17, Form 990		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify)		
	----- \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	10,699,589
d	Amounts included on line 17, Form 990 but not on line a .		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify)		
	----- \$		
	Add amounts on lines (1) and (2)	d	
e	Total expenses per line 17 Form 990 (line c plus line d)	e	10,699,589

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see instructions)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
Warren Cox 44 Brookside Missoula, MT 598025	Treasurer 2	0	0	0
Deborah Doyle McWhinney 98 Hacienda Drive Tiburon, CA 94920	President 2	0	0	0
John Olson 530 - 5th Street SE Sidney, MT 59270	Vice President 1	0	0	0
Gary Chumrau P O Box 7909 Missoula, MT 59807-7909	General Counsel 1	0	0	0

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? Yes No

If 'Yes,' attach schedule - see instructions

Part VII Analysis of Income-Producing Activities (See instructions)

Note Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a University Contract					141,000
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					586,929
96 Dividends & interest from securities					2,042,537
97 Net rental income or (loss) from real estate					
a debt financed property					
b not debt financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income					1,428,482
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a					681,425
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))					4,880,373
105 Total (add line 104, columns (B), (D), and (E))					4,880,373

Note Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See instructions)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
N/A	


Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See instructions)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End of year assets
N/A				

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See instructions)

- a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Please  Date 11/14/2003

Secretary

Date	Check if	Preparer's SSN or PTIN (see General Instruction W)
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SCHEDULE A
(Form 990 or 990-EZ)

**Organization Exempt Under
Section 501(c)(3)**

OMB No 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

2002

Department of the Treasury
Internal Revenue Service

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

University of Montana Foundation

Employer identification number

81-0362989

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See instructions List each one If there are none, enter 'None')

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
Laura Brehm 600 Connell Street/Brantly	President 60 hours	134,000	3,609	0
Jane Ratzlaff 600 Connell Street/Brantly	Director BA 60 hours	75,750	11,942	0
Ted Delaney 600 Connell Street	Vice President 60 hours	75,000	11,859	0
John Scibek 600 Connell Street/Brantly	Director of Dev 60 Hours	71,487	11,473	0
Adele Valois 600 Connell/Brantly	Director of Law 60 Hours	69,360	11,239	0
Total number of other employees paid over \$50,000 ▶	12			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See instructions List each one (whether individuals or firms) If there are none, enter 'None')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services ▶	0	

Part III Statements About Activities (See instructions)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities \$ 35,826 (Must equal amounts on line 38, Part VI A, or line 1 of Part VI B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI A. Other organizations checking 'Yes,' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities	X	
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e Transfer of any part of its income or assets?		X
3 Does the organization make grants for scholarships, fellowships, student loans, etc? (See Note below)		X
4 Do you have a section 403(b) annuity plan for your employees?		X
Note Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs 'qualify' to receive payments		

Part IV Reason for Non-Private Foundation Status (See instructions)

The organization is not a private foundation because it is (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6 A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8 A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV A)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV A)
- 11b A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV A)
- 12 An organization that normally receives (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc, functions - subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV A)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) *Use cash method of accounting*

Note You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	10,600,992	17,685,201	14,983,814	5,807,114	49,077,121.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	2,463,816	2,307,278	2,091,309	1,919,829	8,782,232
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
23 Total of lines 15 through 22	13,064,808	19,992,479	17,075,123	7,726,943	57,859,353
24 Line 23 minus line 17	13,064,808	19,992,479	17,075,123	7,726,943	57,859,353
25 Enter 1% of line 23	130,648	199,925	170,751	77,269	
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24				26a 1,157,187
	b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1998 through 2001 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.				26b 10,896,151
	c Total support for section 509(a)(1) test. Enter line 24, column (e).				26c 57,859,353
	d Add: Amounts from column (e) for lines 18 8,782,232 19 19,992,479 22 199,925 26b 10,896,151.				26d 19,678,383
	e Public support (line 26c minus line 26d total)				26e 38,180,970
	f Public support percentage (line 26e (numerator) divided by line 26c (denominator))				26f 65.99%
27 Organizations described on line 12	N/A				
	a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year: (2001) _____ (2000) _____ (1999) _____ (1998) _____				
	b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2001) _____ (2000) _____ (1999) _____ (1998) _____				
	c Add: Amounts from column (e) for lines 15 13,064,808 16 17,685,201 17 17,075,123 20 7,726,943 21 _____ 22 _____				27c _____
	d Add: Line 27a total _____ and line 27b total _____				27d _____
	e Public support (line 27c total minus line 27d total)				27e _____
	f Total support for section 509(a)(2) test. Enter amount from line 23, column (e)				27f _____
	g Public support percentage (line 27e (numerator) divided by line 27f (denominator))				27g _____%
	h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))				27h _____%
28 Unusual Grants	For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.				

Part V Private School Questionnaire (See instructions)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

		N/A	
		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe, if 'No,' please explain (If you need more space, attach a separate statement) ----- ----- -----		
32	Does the organization maintain the following		
32a	a Records indicating the racial composition of the student body, faculty, and administrative staff?		
32b	b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
32c	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
32d	d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered 'No' to any of the above, please explain (If you need more space, attach a separate statement) ----- -----		
33	Does the organization discriminate by race in any way with respect to		
33a	a Students' rights or privileges?		
33b	b Admissions policies?		
33c	c Employment of faculty or administrative staff?		
33d	d Scholarships or other financial assistance?		
33e	e Educational policies?		
33f	f Use of facilities?		
33g	g Athletic programs?		
33h	h Other extracurricular activities? If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement) ----- -----		
34a	a Does the organization receive any financial aid or assistance from a governmental agency?		
34b	b Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes' to either 34a or b, please explain using an attached statement		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75 50, 1975 2 C B 587, covering racial nondiscrimination? If 'No,' attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked 'a' and 'limited control' provisions apply.

Limits on Lobbying Expenditures

(The term 'expenditures' means amounts paid or incurred)

	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount. Enter the amount from the following table -		
If the amount on line 40 is -		
Not over \$500,000		
Over \$500,000 but not over \$1,000,000		
Over \$1,000,000 but not over \$1,500,000		
Over \$1,500,000 but not over \$17,000,000		
Over \$17,000,000		
The lobbying nontaxable amount is -		
20% of the amount on line 40		
\$100,000 plus 15% of the excess over \$500,000		
\$175,000 plus 10% of the excess over \$1,000,000		
\$225,000 plus 5% of the excess over \$1,500,000		
\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36. Enter 0 if line 42 is more than line 36	43	
44 Subtract line 41 from line 38. Enter 0 if line 41 is more than line 38	44	

Caution If there is an amount on either line 43 or line 44, you must file Form 4720

4 -Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4 -Year Averaging Period				
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non taxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI A) (See instructions)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (add lines c through h)

Yes	No	Amount
	X	
X		
	X	
	X	
	X	
	X	30,826
	X	5,000
	X	
		35,826.

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities

Client UMF

University of Montana Foundation

81-0362989

11/17/03

09 21AM

Statement 1
Form 990, Part I, Line 7
Other Investment Income

Investments & Trusts

	\$ 1,428,482
Total	<u>\$ 1,428,482</u>

Statement 2
Form 990, Part I, Line 20
Other Changes in Net Assets or Fund Balances

Reclass net asset prior year

	\$ -2,949,997
Total	<u>\$ -2,949,997</u>

Statement 3
Form 990, Part IV, Line 55b
Investments - Land, Buildings, and Equipment

Category	Basis	Accum Deprec	Book Value
Land	\$ 2,254,951		\$ 2,254,951
Total	<u>\$ 2,254,951</u>	<u>\$ 0</u>	<u>\$ 2,254,951</u>

Statement 4
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

Category	Basis	Accum Deprec	Book Value
Furniture and Fixtures	\$ 4,216,191	\$ 769,715	\$ 3,446,476
Total	<u>\$ 4,216,191</u>	<u>\$ 769,715</u>	<u>\$ 3,446,476</u>

Statement 5
Form 990, Part IV, Line 58
Other Assets

Various

	\$ 401,904
Total	<u>\$ 401,904</u>

Statement 6
Form 990, Part IV, Line 65
Other Liabilities

Other Liabilities

	\$ 8,389,028
Total	<u>\$ 8,389,028</u>

11/17/03

09 21AM

Federal Statements

Statement 7
Form 990, Part IV, Line 51a
Other notes & loans

Contract and notes receivable	\$ 13,312 00
Student loans and other receivables	\$171,320 00
Total	\$184,632 00

Federal Statements

Statement 8
Form 990, Part VI-B,
Lobbying Activities by Nonelecting Public Charities

The Montana legislative meets every two years and it met in calendar year 2003. The \$5,000.00 represents the cost for certain employee's to travel to Helena to testify on behalf of Higher Education for certain bills.

The Foundation help fund the Alliance for Montana's Future in the amount of \$30,826.00. This was to educate Montanan's on the importance of higher education in our state.

We are not sure if this is a lobbying expense for the 990, but in pursuit of full disclosure it is included.

			This Year	Last Year
Column B				
601	511 Contracted Services	Fund Group C	30,826 09	40,000 00
601	511 Contracted Services	Fund Group E	37,348.50	22,054 76
601	511 Contracted Services	Fund Group S	115,818.73	206,392 62
601	512 Honorariums	Fund Group S	6,514 00	10,725 00
601	532 Advertising and	Fund Group E	7,742 65	3,252 30
601	532 Advertising and	Fund Group Q	4,439.40	2,007 90
601	532 Advertising and	Fund Group S	83,465 13	117,841 59
601	543 Dues and Publications	Fund Group E	8,515.72	4,364 67
601	543 Dues and Publications	Fund Group S	10,149 90	12,314 49
601	546 Gift-In-Kind Expense	Fund Group E	7,001 00	31,500 00
601	546 Gift-In-Kind Expense	Fund Group S	482,744.01	621,891 57
601	549 Graphics	Fund Group S	6,702.50	6,550 00
601	553 Insurance	Fund Group S	2,090 70	336.46
601	554 Instructional	Fund Group E	124,121 49	104,570 25
601	554 Instructional	Fund Group Q	5,079 39	7,919.30
601	554 Instructional	Fund Group S	10,582 22	9,770 95
601	561 Licenses and Taxes	Fund Group C	28 59	106 88
601	561 Licenses and Taxes	Fund Group E	323,049 76	9 90
601	561 Licenses and Taxes	Fund Group S	150.00	981 98
601	565 Miscellaneous Expense	Fund Group S	38,307 78	19,158 06
601	569 Payment to	Fund Group C	37,717 60	23,585 80
601	569 Payment to	Fund Group E	.00	351,043 29
601	569 Payment to	Fund Group I	92,067 16	10,024 68
601	569 Payment to	Fund Group R	7,508 52	5,024 25
601	569 Payment to	Fund Group S	8,724 58	28,878 19
601	575 Professional and	Fund Group E	30,908 96	6,825 05
601	576 Software/Acquisition,	Fund Group S	20,797 88	1,606 00
601	582 Special Events	Fund Group S	19,727 33	33,900 86
601	590 Uncollectable Pledges	Fund Group I	1,150 41	578 64
Total Column B			1,523,280.00	1,683,215 44

Column C

681	511 Contracted Services	Fund Group C	.00	41,453 54
681	512 Honorariums	Fund Group C	75 00	100 00
681	532 Advertising and	Fund Group C	2,497 16	9,267 97
681	543 Dues and Publications	Fund Group C	4,012 33	5,648 03
681	546 Gift-In-Kind Expense	Fund Group C	2,983 11	500 00
681	549 Graphics	Fund Group C	4,001 50	1,154 00
681	553 Insurance	Fund Group C	5,239 00	12,942 34

			This Year	Last Year
681	556 Management Fee	Fund Group C	4,872 57	4,356 84
681	556 Management Fee	Fund Group E	.00	952,761 28
681	556 Management Fee	Fund Group I	337 54	764 74
681	556 Management Fee	Fund Group Q	13,117 10	97,476 26
681	556 Management Fee	Fund Group R	14,339.24	12,889 42
681	556 Management Fee	Fund Group S	.00	47,034 58
681	561 Licenses and Taxes	Fund Group C	101 76	113 13
681	575 Professional and	Fund Group C	783 79	4,200 00
681	576 Software/Acquisition,	Fund Group C	.00	38,237 72
681	582 Special Events	Fund Group C	.00	14,904 51
681	590 Uncollectable Pledges	Fund Group C	-127 00	-84 00
		Total Column C	46,916.00	1,243,720 36
Column D				
671	511 Contracted Services	Fund Group C	135,663 15	25,479 75
671	512 Honorariums	Fund Group C	11,650.46	500 00
671	532 Advertising and	Fund Group C	8,296 95	8,784 86
671	543 Dues and Publications	Fund Group C	1,673 68	3,207 00
671	546 Gift-In-Kind Expense	Fund Group C	25,606 66	26,532 25
671	549 Graphics	Fund Group C	10,903 75	12,262 95
671	576 Software/Acquisition,	Fund Group C	9,977 50	9,575 00
671	582 Special Events	Fund Group C	17,656 85	24,781 96
		Total Column D	221,429.00	111,123 77
Total Column A			1,781,625.00	3,038,059 57