

Return of Organization Exempt From Income Tax

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

2007

Open to Public Inspection

Department of the Treasury Internal Revenue Service(77)

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

A For the 2007 calendar year, or tax year beginning 7/01, 2007, and ending 6/30, 2008

- B Check if applicable: Address change, Name change, Initial return, Termination, Amended return, Application pending

C The 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 (a) Is this a group return for affiliates? No
H (b) If 'Yes' enter number of affiliates
H (c) Are all affiliates included? No
H (d) Is this a separate return filed by an organization covered by a group ruling? No

G Web site: N/A

J Organization type (check only one): 501(c) 3

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000

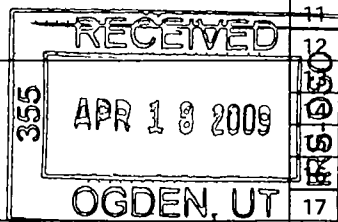
I Group Exemption Number, M Check if the organization is not required to attach Schedule B

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 62,709,801

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Table with 21 rows and 3 columns: Description, Sub-part, Amount. Includes revenue from contributions, program services, and expenses.

SCANNED APR 27 2009



Handwritten mark '22'

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 (See instructions)

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
22a Grants paid from donor advised funds (attach sch) (cash \$ _____) non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a				
22b Other grants and allocations (att sch) See Stmt 3 (cash \$ 8637571. non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b	8,637,571.	8,637,571.		
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc listed in Part V-A	25a	581,942.	0.	296,883.	285,059.
b Compensation of former officers, directors, key employees, etc listed in Part V-B	25b	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c	0.	0.	0.	0.
26 Salaries and wages of employees not included on lines 25a, b, and c	26	1,803,966.		577,889.	1,226,077.
27 Pension plan contributions not included on lines 25a, b and c	27	146,364.		45,521.	100,843.
28 Employee benefits not included on lines 25a - 27	28	194,484.		68,457.	126,027.
29 Payroll taxes	29	187,993.		63,848.	124,145.
30 Professional fundraising fees	30				
31 Accounting fees	31	26,060.		26,060.	
32 Legal fees	32	19,796.	5,731.	14,065.	
33 Supplies	33	451,726.	407,415.	36,615.	7,696.
34 Telephone	34	59,725.	4,375.	17,724.	37,626.
35 Postage and shipping	35	57,125.	6,642.	14,872.	35,611.
36 Occupancy	36				
37 Equipment rental and maintenance	37	32,126.	6,961.	23,841.	1,324.
38 Printing and publications	38	115,393.	51,578.	27,575.	36,240.
39 Travel	39	704,389.	598,301.	27,826.	78,262.
40 Conferences, conventions, and meetings	40	21,654.		5,928.	15,726.
41 Interest	41	297,738.	15,104.	282,634.	
42 Depreciation, depletion, etc (attach schedule)	42	105,192.		105,192.	
43 Other expenses not covered above (itemize)					
a See Statement 4	43a	3,709,986.	2,718,975.	719,949.	271,062.
b -----	43b				
c -----	43c				
d -----	43d				
e -----	43e				
f -----	43f				
g -----	43g				
44 Total functional expenses Add lines 22a through 43g (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	17,153,230.	12,452,653.	2,354,879.	2,345,698.

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 (See the instructions)

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.

What is the organization's primary exempt purpose? ▶ <u>See Statement 5</u> 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) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
a <u>To provide scholarship and awards to the Univeristy of Montana students.</u> ----- ----- ----- (Grants and allocations \$ <u>3,513,964.</u>) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	3,513,964.
b <u>To provide support for the University of Montana's capital projects.</u> ----- ----- ----- (Grants and allocations \$ <u>1,034,300.</u>) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	1,034,300.
c <u>To provide academic and institutional support for the University of Montana's programs, and projects.</u> ----- ----- ----- (Grants and allocations \$ <u>4,089,307.</u>) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	7,904,389.
d ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
e Other program services (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶	12,452,653.

BAA

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year	
ASSETS	45 Cash – non-interest-bearing	500.	45	500.	
	46 Savings and temporary cash investments	15,515,298.	46	15,422,427.	
	47a Accounts receivable				
	b Less allowance for doubtful accounts		47c		
	48a Pledges receivable	22,777,008.			
	b Less allowance for doubtful accounts	240,420.	13,545,097.	48c	22,536,588.
	49 Grants receivable			49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)			50b	
	51a Other notes and loans receivable (attach schedule) See St 6	462,426.			
	b Less allowance for doubtful accounts		216,309.	51c	462,426.
	52 Inventories for sale or use			52	
	53 Prepaid expenses and deferred charges		145,235.	53	68,344.
	54a Investments – publicly-traded securities Stmt 7 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		131,076,459.	54a	126,332,450.
	b Investments – other securities (attach sch) Stmt 8 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		1,034,189.	54b	1,457,292.
55a Investments – land, buildings, & equipment basis	4,970,608.				
b Less accumulated depreciation (attach schedule) Statement 9	885,960.	4,423,688.	55c	4,084,648.	
56 Investments – other (attach schedule) See Stmt 10		13,787,286.	56	15,506,610.	
57a Land buildings and equipment basis	370,942.				
b Less accumulated depreciation (attach schedule) Statement 11	283,837.	77,839.	57c	87,105.	
58 Other assets, including program-related investments (describe ▶ See Statement 12)		515,673.	58	501,890.	
59 Total assets (must equal line 74) Add lines 45 through 58		180,337,573.	59	186,460,280.	
LIABILITIES	60 Accounts payable and accrued expenses	317,745.	60	656,585.	
	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)		338,573.	64b	213,842.
	65 Other liabilities (describe ▶ See Statement 13)		27,257,383.	65	25,079,202.
66 Total liabilities. Add lines 60 through 65		27,913,701.	66	25,949,629.	
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	6,720,732.	67	6,561,957.	
	68 Temporarily restricted	67,894,838.	68	70,593,269.	
	69 Permanently restricted	77,808,302.	69	83,355,425.	
	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 and column (B) must equal line 21)	152,423,872.	73	160,510,651.	
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73		180,337,573	74	186,460,280.

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

a	Total revenue, gains, and other support per audited financial statements		a	25,581,530.
b	Amounts included on line a but not on Part I, line 12			
	1 Net unrealized gains on investments	b1		-12,281,333.
	2 Donated services and use of facilities	b2		
	3 Recoveries of prior year grants	b3		
	4 Other (specify) _____ See Stmt 14	b4		-3,568.
	Add lines b1 through b4		b	-12,284,901.
c	Subtract line b from line a		c	37,866,431.
d	Amounts included on Part I, line 12, but not on line a:			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify) _____	d2		
	Add lines d1 and d2		d	
e	Total revenue (Part I, line 12) Add lines c and d		e	37,866,431.

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

a	Total expenses and losses per audited financial statements		a	17,450,995.
b	Amounts included on line a but not on Part I, line 17			
	1 Donated services and use of facilities	b1		
	2 Prior year adjustments reported on Part I, line 20	b2		
	3 Losses reported on Part I, line 20	b3		
	4 Other (specify) _____ See Stmt 15	b4		319,643.
	Add lines b1 through b4		b	319,643.
c	Subtract line b from line a		c	17,131,352.
d	Amounts included on Part I, line 17, but not on line a:			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify) _____ See Stmt 16	d2		21,878.
	Add lines d1 and d2		d	21,878.
e	Total expenses (Part I, line 17) Add lines c and d		e	17,153,230.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated) (See the 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 plans	(E) Expense account and other allowances
See Statement 17		501,847.	72,120.	7,975.

Part VI Other Information (continued)		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)		
82 b	N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
83 b			
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
84 b	N/A		
85 a	501(c)(4), (5), or (6) Were substantially all dues nondeductible by members?		N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?		N/A
	If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year		
c	Dues, assessments, and similar amounts from members		N/A
85 c			
d	Section 162(e) lobbying and political expenditures		N/A
85 d			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		N/A
85 e			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		N/A
85 f			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		N/A
85 g			
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		N/A
85 h			
86	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12		
86 a			N/A
b	Gross receipts, included on line 12, for public use of club facilities		N/A
86 b			
87	501(c)(12) organizations Enter a Gross income from members or shareholders		
87 a			N/A
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		N/A
87 b			
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Part XI		X
88 b			
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 ▶ 0. , section 4912 ▶ 0. , section 4955 ▶ 0.		
b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction		X
89 b			
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0.		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization ▶ 0.		
e	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89 e			
f	All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89 f			
g	For supporting organizations and sponsoring organizations maintaining donor advised funds Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
89 g			
90 a	List the states with which a copy of this return is filed ▶ None		
b	Number of employees employed in the pay period that includes March 12, 2007 (See instructions)		50
90 b			
91 a	The books are in care of ▶ Jamie Stanton Telephone number ▶ 406-243-2593 Located at ▶ 600 Connell Avenue Missoula MT ZIP + 4 ▶ 59807-7159		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account securities account, or other financial account)? If 'Yes,' enter the name of the foreign country ▶		X
91 b			
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States? Yes No

If 'Yes,' enter the name of the foreign country _____

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here N/A N/A

and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A

Part VII Analysis of Income-Producing Activities (See the 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 _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					400,000.
94 Membership dues and assessments			3	156,898.	
95 Interest on savings & temporary cash invmnts			1	1,491,273.	
96 Dividends & interest from securities			14	2,926,288.	
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					
100 Gain or (loss) from sales of assets other than inventory			18	1,220,553.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a _____					
b Admin Fee Revenue					442,358.
c Misc. revenue			1	673,547.	
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				6,468,559.	842,358.
105 Total (add line 104, columns (B), (D), and (E))					7,310,917.

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the 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)
1	See Statement 18

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

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13)

	Yes	No
106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity		X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
Totals				

	Yes	No
107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity		X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
Totals				

	Yes	No
108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?		X

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here		Date April 6, 2009
	Signature of officer Heath N. Kuhn Type or print name and title VP - Finance - Operations	

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See General Instruction X) N/A
	Firm's name (or yours if self-employed) address, and ZIP + 4	EIN		Phone no
	Univ. of Montana Foundation 600 Connell Ave. Missoula, MT 59807-7159		N/A	(406) 243-4296

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 4947(a)(1) Nonexempt Charitable Trust

2007

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: The 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
<u>See Statement 19</u>		<u>338,733.</u>	<u>53,858.</u>	<u>0.</u>
Total number of other employees paid over \$50,000 ▶	<u>5</u>			

Part II - A 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
<u>Merchant Design</u> <u>6624 S 196th St U107 Kent, WA 98032</u>	<u>Advertising Design</u>	<u>56,412</u>
<u>OZ Architects</u> <u>125 Bank Street Suite 200 Missoula, MT 59802</u>	<u>Design</u>	<u>86,734.</u>
Total number of others receiving over \$50,000 for professional services ▶	<u>0</u>	

Part II - B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter 'None.' See instructions)

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

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 ▶ \$ N/A
(Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B)

1 X

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

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)

See Statement 20

a Sale, exchange, or leasing of property?

2a X

b Lending of money or other extension of credit?

2b X

c Furnishing of goods, services, or facilities?

2c X

See Form 990, Part V

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

2d X

e Transfer of any part of its income or assets?

2e X

3a Did the organization make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how the organization determines that recipients qualify to receive payments)

Stmnt 21

3a X

b Did the organization have a section 403(b) annuity plan for its employees?

3b X

c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes ' attach a detailed statement

3c X

d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?

3d X

4a Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g

4a X

b Did the organization make any taxable distributions under section 4966?

4b N/A

c Did the organization make a distribution to a donor, donor advisor, or related person?

4c N/A

d Enter the total number of donor advised funds owned at the end of the tax year ▶ N/A

e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ N/A

f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ 13

g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ 1,028,114.

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

I certify that 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)
- 11 a 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)
- 11 b 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 otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization ▶
 Type I Type II Type III-Functionally Integrated Type III-Other

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

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					0.

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

BAA

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		
	a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
	b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
	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) ----- -----	32d	
33	Does the organization discriminate by race in any way with respect to		
	a Students' rights or privileges?	33a	
	b Admissions policies?	33b	
	c Employment of faculty or administrative staff?	33c	
	d Scholarships or other financial assistance?	33d	
	e Educational policies?	33e	
	f Use of facilities?	33f	
	g Athletic programs?	33g	
	h Other extracurricular activities? If you answered 'Yes' to any of the above please explain (If you need more space, attach a separate statement) ----- ----- -----	33h	
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
	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	34b	
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	35	

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		(a) Affiliated group totals	(b) To be completed for all electing organizations
(The term 'expenditures' means amounts paid or incurred)			
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	41	
	\$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) 2007	(b) 2006	(c) 2005	(d) 2004	(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 (See instructions)
 (For reporting only by organizations that did not complete Part VI-A) N/A

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	Yes	No	Amount
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.)			

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

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Statement 1
Form 990, Part I, Line 8
Net Gain (Loss) from Noninventory Sales

Publicly Traded Securities

Gross Sales Price: 26,063,923.
 Cost or Other Basis: 24,843,370.

Total Gain (Loss) Publicly Traded Securities \$ 1,220,553.

Total Net Gain (Loss) From Noninventory Sales \$ 1,220,553.

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

Loss on Sale of Assets	\$ -3,568.
Payments to Beneficiaries	-319,643.
Reclassification of net assets	-21,878.
Unrealized gain and loss	-12,281,333.
Total	<u>\$ -12,626,422.</u>

Statement 3
Form 990, Part II, Line 22b
Other Grants and Allocations

Cash Grants and Allocations

Amount Given: \$ 8,637,571.

Total Grants and Allocations \$ 8,637,571.

Statement 4
Form 990, Part II, Line 43
Other Expenses

	(A) Total	(B) Program Services	(C) Management & General	(D) Fundraising
Advertising and Promotion	347,223.	244,351.	14,137.	88,735
Bank Fees	121,479.	48,077.	73,026.	376.
Capital Expense	382,475.	325,244.	56,680.	551
Contracted Services	1,505,644.	1,339,035.	48,827.	117,782.
Entertainment	738,145.	452,229.	241,187.	44,729.
Instructional Materials	84,074.	83,699.	145.	230.
Insurance	14,946.	806.	14,140.	
Other Expense	91,599.	71,700.	14,637.	5,262.
Recruitment	51,197.		37,800.	13,397.
Rent	176,726.	35,786.	140,940.	
Software Acquist/Maintenance	101,246.	23,296.	77,950.	

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Statement 4 (continued)
Form 990, Part II, Line 43
Other Expenses

	(A)	(B)	(C)	(D)
	<u>Total</u>	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>
Uncollectible Pledges	95,232.	94,752.	480.	
Total	<u>\$ 3,709,986.</u>	<u>\$ 2,718,975.</u>	<u>\$ 719,949.</u>	<u>\$ 271,062.</u>

Statement 5
Form 990, Part III
Organization's Primary Exempt Purpose

The mission of the University of Montana Foundation is to gather, manage, and distribute assets for the benefit of the University of Montana.

Statement 6
Form 990, Part IV, Line 51
Other Notes and Loans Receivable

<u>Notes and Loans Reported Separately</u>	<u>Balance Due</u>	<u>Doubtful Accounts Allowance</u>
Borrower's Name: Sigma Chi Building Fund		
Borrower's Title: Foundation		
Date of Note: 6/09/2003		
Maturity Date: 12/31/2017		
Repayment Terms: \$500 a month		
Interest Rate: 6.00%		
Security Provided: N/A		
Purpose of Loan: Escrow		
Borrower Relationship:		
Consideration: N/A		
Consideration FMV:		
Original Amount: \$ 43,947.		
Balance Due:	\$ 24,229.	
Doubtful Acct. Allow.:		\$ 0.
Borrower's Name: The University of Montana		
Borrower's Title:		
Date of Note: 11/27/2007		
Maturity Date: 11/30/2017		
Repayment Terms: Ten equal annual payments		
Interest Rate: 5.02%		
Security Provided:		
Purpose of Loan: Purchase of house		
Borrower Relationship:		
Consideration:		
Consideration FMV:		
Original Amount: \$ 232,589.		
Balance Due:	\$ 232,589.	
Doubtful Acct. Allow.:		\$ 0.
Total Notes and Loans Reported Separately	<u>\$ 256,818.</u>	<u>\$ 0.</u>

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Statement 6 (continued)
Form 990, Part IV, Line 51
Other Notes and Loans Receivable

Other Notes and Loans	Balance Due	Doubtful Accounts Allowance
Student Loans	\$ 205,608.	\$ 0.
Total Other Notes and Loans	<u>\$ 205,608.</u>	<u>\$ 0.</u>
Total Net Receivables		<u>\$ 462,426.</u>

Statement 7
Form 990, Part IV, Line 54a
Investments - Publicly Traded Securities

Publicly Traded Securities \$ 126332450.

Statement 8
Form 990, Part IV, Line 54b
Investments - Other Securities

Other Securities	Valuation Method	Amount
Private Equity Securities	Market Value	\$ 1,457,292.
Total		<u>\$ 1,457,292.</u>

Statement 9
Form 990, Part IV, Line 55b
Investments - Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value
Buildings	\$ 3,852,000.	\$ 885,960.	\$ 2,966,040.
Land	1,118,608.		1,118,608.
Total	<u>\$ 4,970,608.</u>	<u>\$ 885,960.</u>	<u>\$ 4,084,648.</u>

Statement 10
Form 990, Part IV, Line 56
Investments - Other

Description of Investment	Valuation Method	Book Value
Alternative Investments	Market Value	\$ 15,506,610.
Total		<u>\$ 15,506,610.</u>

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Statement 11
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value
Furniture and Fixtures	\$ 370,942.	\$ 283,837.	\$ 87,105.
Total	<u>\$ 370,942.</u>	<u>\$ 283,837.</u>	<u>\$ 87,105.</u>

Statement 12
Form 990, Part IV, Line 58
Other Assets

Insurance cash values& gifts in kind	\$ 501,890.
Total	<u>\$ 501,890.</u>

Statement 13
Form 990, Part IV, Line 65
Other Liabilities

Custodial Funds	\$ 22,279,840.
Liabilities to External Beneficiaries	2,799,362.
Total	<u>\$ 25,079,202.</u>

Statement 14
Form 990, Part IV-A, Line b(4)
Other Amounts

Loss on sale of assets	\$ -3,568.
Total	<u>\$ -3,568.</u>

Statement 15
Form 990, Part IV-B, Line b(4)
Other Amounts

Payment to Beneficiaries	\$ 319,643.
Total	<u>\$ 319,643.</u>

Statement 16
Form 990, Part IV-B, Line d(2)
Other Amounts

Reclassification of net assets	\$ 21,878.
Total	<u>\$ 21,878.</u>

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Statement 17
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
Laura Brehm 600 Connell Street Missoula, MT 59801	President & CEO 50.00	\$ 153,955.	\$ 19,014.	\$ 7,975.
Keith Kuhn 600 Connell Street Missoula, MT 59801	Vice President 50.00	127,628.	18,787.	0.
Richard Thomas 600 Connell Street Missoula, MT 58901	Vice President 50.00	93,659.	15,049.	0.
Dana Wier 600 Connell Street Missoula, MT 59801	Vice President 50.00	2,019.	0.	0.
Warren Wilcox Missoula, MT	Chairman 0	0.	0.	0.
Charles Bultmann Colleyville, TX 76034	Treasurer 0	0.	0.	0.
Mickey Cummings Sogard Bigfork, MT 59911	Vice Chairman 0	0.	0.	0.
Gary Chumrau Missoula, MT	Legal Counsel 0	0.	0.	0.
Marlys Barrett Wenatchee, WA	Trustee 0	0.	0.	0.
William Beecher Great Falls, MT	Trustee 0	0.	0.	0.
Rockwood Brown Billings, MT	Trustee 0	0.	0.	0.
Scott Brown Beverly Hills, CA	Trustee 0	0.	0.	0.

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Statement 17 (continued)
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
Robert Burke Missoula, MT	Trustee 0	\$ 0.	\$ 0.	\$ 0.
Marva Christian Missoula, MT	Trustee 0	0.	0.	0.
Mack Clapp Redondo Beach, CA	Trustee 0	0.	0.	0.
Ellen Calnan 600 Connell Missoula, MT 59801	Secretary 50.00	49,774.	10,221.	0.
Mike Covey Spokane, WA	Trustee 0	0.	0.	0.
Suzanne Crocker Palo Alto, CA	Trustee 0	0.	0.	0.
Corey Edens Scottsdale, AZ	Trustee 0	0.	0.	0.
Bruce Flynn Mercer Island, WA	Trustee 0	0.	0.	0.
Richard Ford Walnut Creek, CA	Trustee 0	0.	0.	0.
Lyle Glascock Evans, GA	Trustee 0	0.	0.	0.
Louise Krumm Washington, DC	Trustee 0	0.	0.	0.
Matthew Levitan Chappaqua, NY	Trustee 0	0.	0.	0.

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Statement 17 (continued)
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
Mark Matsko Boise, ID	Trustee 0	\$ 0.	\$ 0.	\$ 0.
Ann Miller Billings, MT	Trustee 0	0.	0.	0.
Jerry Norskog Bigfork, MT	Trustee 0	0.	0.	0.
Dorn Parkinson Prescott, AZ	Trustee 0	0.	0.	0.
Kent Price San Fransico, CA	Trustee 0	0.	0.	0.
Joanne Ritvo Denver, CO	Trustee 0	0.	0.	0.
Jack Russell Chillicothe, IL	Trustee 0	0.	0.	0.
Marie Seidl Aspen, CO	Trustee 0	0.	0.	0.
Gerhard Von de Ruhr Brookfield, WI	Trustee 0	0.	0.	0.
Tony Wertz El Macero, CA	Trustee 0	0.	0.	0.
James Willits Fort Benton, MT	Trustee 0	0.	0.	0.
Dorcie Dvarishkis 600 Connell Missoula, MT 59801	Vice President 50.00	74,812.	9,049.	0.

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Statement 17 (continued)
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
William Brodsky Missoula, MT	Trustee 0	\$ 0.	\$ 0.	\$ 0.
Lauren Descamps Missoula, MT	Trustee 0	0.	0.	0.
James Jones Billings, MT	Trustee 0	0.	0.	0.
Karen Kracher Paradise Valley, AZ	0	0.	0.	0.
Michael O'Neill Butte, MT	0	0.	0.	0.
Grant Schermer Missoula, MT	0	0.	0.	0.
Robert Seim Missoula, MT	0	0.	0.	0.
James Mountain New York, NY	0	0.	0.	0.
Joesph Whittinghill Seattle, WA	0	0.	0.	0.
Total		<u>\$ 501,847.</u>	<u>\$ 72,120.</u>	<u>\$ 7,975.</u>

Statement 18
Form 990, Part VIII
Relationship of Activities to the Accomplishment of Exempt Purposes

<u>Line #</u>	<u>Explanation of Activities</u>
93g	The University of Montana has a contractual agreement with the University of Montana where the Foundation performs development and other services for the University.
103b	The University of Montana Foundation charges an administrative fee to administer deposits and disbursements that benefit the University of Montana.

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**Statement 19
Schedule A, Part I
Compensation of Five Highest Paid Employees**

<u>Name and Address</u>	<u>Title & Average Hours Worked</u>	<u>Compen- sation</u>	<u>Contribut. EBP & DC</u>	<u>Expense Account</u>
Cindy Williams 600 Connell Street/Brantly Hall Missoula, MT 59807	Dir of Develop 40.00	73,100.	10,347.	0.
Julia Whalen Horn 600 Connell Street/Brantly Hall Missoula, MT 59807	Sr Dir Develop 40.00	71,612.	12,623.	0.
Curtis Cox 600 Connell Street/Brantly Hall Missoula, MT 59807	Dir of Develop 40.00	68,640.	12,297.	0.
Kent Haslam 600 Connell Street/Brantly Hall Missoula, MT 59807	Dir of Develop 40.00	64,648.	11,857.	0.
Jamie Stanton 600 Connell Street/Brantly Hall Missoula, MT 59807	Controller 40.00	60,733.	6,734.	0.
	Total	<u>\$ 338,733.</u>	<u>\$ 53,858.</u>	<u>\$ 0.</u>

**Statement 20
Schedule A, Part III, Line 2
Transactions with Trustees, Directors, Etc.**

Board member Lyle Knight is the CEO of First Interstate Bank. The Foundation uses First Interstate banking services for regular and payroll checking, as well as their investment management services. The Foundation also negotiated a million dollar line of credit with First Interstate Bank.

Board member Gary Chumrau is a partner in the Law Firm Garlington, Lohn and Robinson which provided legal services to the Foundation in the amount of \$17,065.

**Statement 21
Schedule A, Part III, Line 3a
Qualifications of Recipients Receiving Grants or Loans**

Guidelines for evaluation of recipients to receive payments: The University of Montana Foundation receives scholarships gifts for various purposes. These scholarship gifts typically are designated for a specific use by the donor (i.e. academic unit, student standing, year of schooling, etc). The University of Montana makes these scholarships available to the students of the University of Montana. The University of Montana through the selection committees typically makes the selection of scholarship recipients based on the designation from the donor. The University of Montana Foundation rarely makes selections.

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Statement 22
 Schedule A, Part IV-A, Line 22
 Other Income

<u>Description</u>	<u>(a) 2006</u>	<u>(b) 2005</u>	<u>(c) 2004</u>	<u>(d) 2003</u>	<u>(e) Total</u>
Other Income	\$ 1188500.	\$ 812,058.	\$ 829,684.	\$ 660,999.	\$ 3,491,241.
Total	<u>\$ 1188500.</u>	<u>\$ 812,058.</u>	<u>\$ 829,684.</u>	<u>\$ 660,999.</u>	<u>\$ 3,491,241.</u>