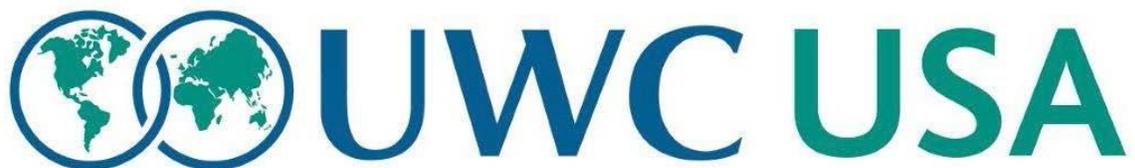


**Meeting of the
Board of Trustees**

**October 15, 2016
Montezuma, New Mexico**



UWC makes education a force to unite people, nations, and cultures for peace and a sustainable future.

United World Colleges

**UWC Atlantic
1962**

**Pearson UWC
1974**

**UWC South East Asia
1975**

**Waterford Kambala UWC
1981**

**UWC Adriatic
1982**

**UWC USA
1982**

**Li Po Chun UWC
1992**

**Red Cross Nordic UWC
1995**

**Mahindra UWC
1997**

**UWC Costa Rica
2006**

**UWC Mostar
2006**

**UWC Maastricht
2009**

**UWC Dilijan
2014**

**UWC Robert Bosch College
2014**

**UWC Changshu China
2015**

**UWC Thailand
2016**

ARMAND HAMMER UNITED WORLD COLLEGE OF THE AMERICAN WEST NOTICE OF MEETING OF THE BOARD OF DIRECTORS

October 2016

NOTICE is hereby given of a Meeting of the Board of Directors of the Armand Hammer United World College of the American West (the "College") to be held on Saturday, October 15, 2016 in the board room of the UWC-USA Castle commencing at 9:00 am.

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Harald Lesti, Design Technology	15
Lauren Mabry, Library	17
Shaun Mabry MC'01, Global Politics/TOK	22
Diana Padilla, Counselor	28
Judi Ruprecht, Dance, Field House	30
Melinda Russial, Music	34
Ellen Thompson, Math	37
Tara Trudell, RT	39
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Schedule of Events
October 14-16, 2016 Montezuma, NM

Friday, October 14

- 12:00pm Lunch with students in the Dining Hall
- 1:00-5:00 Time to meet with assigned students (note: first-years are off campus)
- 2:00-4:30 Finance/Investment Committee Meeting in Board Room
- 5:00pm Advancement Committee Meeting in Board Room
- 7:00pm Dinner with faculty/students in Anixter/Hebner Rooms (1st Floor Castle)
- 8:30pm Drinks in president's house or location TBD

Saturday, October 15 – All events will be in the Castle Boardroom unless specified otherwise

- 8:00am Breakfast in the Dining Hall
- 9:00-10:00 Board Meeting: Executive Session
- 10:00-12:30 Board Meeting
- 12:30-1:30 Lunch in Dining Hall
- 1:30-4:00 Board Meeting
- 4:00-5:00 Board Meeting: Executive Session
- 5:30-7:15 Dinner to honor Virginia Dwan, with her guests and SLT in Sasakawa
- 7:30pm Performance in Dwan Light Sanctuary, open to public
- 9:00pm Drinks in president's house or location TBD

President's Report

First Impressions:

I am now officially just over two months into my work on behalf of UWC-USA. Entry into the school has been welcoming and smooth enough, with key members of the board involved and many faculty and staff helpful. However, there has been no real systematic approach, structure, or “sense” to the onboarding and orientation. While specific circumstances pertinent to my transition have likely exacerbated the challenges accompanying my particular entry into the community (cycles of short-term leadership over the last few years, no presidential hand off, new governance model with president and head of school, relatively new Senior Leadership Team, no executive assistant to provide continuity), I don't believe the essence of my experience to be unique. In fact, based on conversations with many members of the community, I would say that my early experience reveals at least two key challenges the board and management team must focus on in the short and intermediate term if we are to stabilize UWC-USA and take it to the next level—both crucial steps toward long-term sustainability and securing the human and financial resources it will take to achieve it.

- The need to develop cross-college management systems, tools and processes that are
 - informed by the values of the school
 - reinforcing of those values
 - promulgated, understood and shared throughout the community
- The need to reinforce and/or develop a consistent “big picture” approach at the level of the Senior Leadership Team and across the various functions of the school including
 - Clear, simple values-based policies, plans, and procedures
 - Core programming that expresses and reinforces UWC-USA values and identity as well as takes advantage of our unique location
 - Transparent, vigorously upheld shared governance mechanisms
 - Organizationally-driven rather than individual/personality-driven centers of leadership, planning, and responsibility

Two important notes:

First, I do not mean to suggest that none of the above is in progress or even in place to some degree. It is clear that many people have been working very hard long before my arrival, including toward some of these goals. But first impressions tell a lot. We have much to do to get to a place where we might bring members into our community with a clarity of vision, purpose, and approach that would be commensurate with the excellence and ideals to which we aspire.

Second, the steps I mention above are necessary but not sufficient for the task at hand. They are part of the need for a larger culture shift if we are to address not only the needs listed above but also the crucial, longer-term need to

- Develop a sustainable financial model
- Provide the most excellent, balanced, “signature” student learning and living experience we can
- Transform an aging and challenging campus infrastructure
- Tap and support the tremendous asset that is our alumni body
- Plan and execute a comprehensive fundraising campaign

All of the above is possible, but it will take time and commitment from all members of our college community. I trust I can expect such time and commitment, for in the words of Shelby Davis during my recent visit with him, “What is there better?” on behalf of which we can combine our efforts?

First Steps:

I have spent a good deal of time listening and learning for purposes of gaining an overview of where the school and community are and understanding the leadership needs of the school accordingly. My approach has been highly interactive, focused on specific observations and concerns for purposes of discovering patterns of challenge and opportunity. Completed or in progress, efforts to date include

- Open invitation for one-on-ones and written communications seeking views of leadership, faculty and staff: responsiveness has taken time but is mounting and productive
- Round table discussions by constituency/department
- Regular meeting with STUCO and Senior Leadership Team
- President’s Walks/Campus Home chats with students

At the Senior Leadership Level we have begun or will begin

- Internal audits of our areas, including
 - Organizational Structure and Staffing Assessment
 - Job Description Updates and Assessments
 - Policies Status Assessments
 - Strategic Planning/Execution Progress Reports
 - Zero-based Budgeting Assessment
- A cross-functional, team-informed approach to leadership and decision-making
 - Campus-wide calendaring and planning
 - Campus-wide consideration of staffing needs
 - Organizational approach to program delivery
 - Strategic, coordinated, values-driven approach to budgeting and resource allocation
 - Establishment of key shared-governance mechanisms to begin targeted assessments and planning (e.g., Campus Planning Committee, Compensation Committee, President’s Advisory Committee)

- Development of communication/feedback loops to make sure all members of the UWC-USA community are informed and working from a common set of values and goals

At the international level, meetings with the IO and with various heads of school, including two campus visits, have been excellent resources for opening my imagination to what is possible going forward. Our head of school will also be making visits for purposes of forming a broad understanding of the variety possible within the UWC system and movement.

First Cause:

The mission of UWC-USA is clear and the conduit through which it is realized in the world is the students. It has been a pure joy beginning to get to know them. The welcoming and matriculation ceremonies were inspiring. The daily energy is electric. The openness with which our students approach their education, community, activities and leadership is exemplary. We will keep our students clearly in view as we work to take UWC-USA forward in the coming years. My thanks to all committed to make the UWC-USA experience possible. I look forward to our continued work together on its behalf.

Victoria Mora
President

**Minutes of the Armand Hammer United World College of the American West (UWC-USA)
Board of Trustees Meeting
May 21, 2016**

A meeting of the Board of Trustees of the United World College of the American West was held at the College campus in Montezuma, New Mexico commencing at 9:00 a.m. Mountain Daylight time, Saturday, May 21, 2016 and adjourning at 6:15 p.m. Trustees present were Mark Alexander, Barbara Ann Bernard LPC'99, Marc Blum, Leigh Ann Brown, Sebastien de Halleux '96, Steven Dichter, Ben Jones AC'91, Marybeth Kravets, KC Kung '87, Justin Lee '95, James Leonard, Jonathan Schneider, Thomas Schwingeler '86, Monique Seefried, Subitha Subramaniam '88 (by video conference), Michael Taylor '91, Tyler Tingley, and Melanie Weston '86. These 18 trustees constituted a quorum.

Also present by invitation for portions of the meeting were the following members of the College administration: Christie Baskett, Melanie Brennand, Jonathan Ehrlich, Mukul Kumar '89, and Martina Moetz. Dan Willms, a member of the faculty, Di-Zhen Ye, the summer youth programs director, and Ange-Vanessa Nsanzineza a first-year student from Belgium, joined as observers. Steve Dichter presided as Chairman.

On Friday, May 20, the new trustees met for an orientation with Steve Dichter, Jonathan Schneider, Christie Baskett, and Martina Moetz from 1:00 to 4:00 p.m. in the Board Room. From 4:30 to 5:30 the Finance Committee met and the Education Committee, including faculty and student members, met from 5:30 to 6:30. At 6:30 the trustees hosted an open meeting with faculty and staff to discuss leadership transition and a number of other faculty concerns. Following that meeting the trustees and many of the faculty and staff had dinner in Sasakawa.

On May 21, Mr. Dichter called the meeting to order. Upon motion duly made, seconded, and unanimously approved, it was

RESOLVED, that the minutes of the meeting of January 30, 2016 be, and hereby are adopted.

Mr. Dichter placed in nomination the name of Maria Isabel Leon '87 to join the board at the current meeting.

RESOLVED, that Maria Isabel Leon '87 be, and hereby is, elected to serve a three-year term on the Board of Trustees of UWC-USA, until May 31, 2019.

Mr. Dichter asked Head of School Moetz to make her report.

Head of School Moetz noted that she had delivered many elements of her report to the Education Committee on May 20 and that her complete report was included in the Board Book. Some of the highlights of that report include the creation of a "Head of Groups" team (known colloquially as "HOGS") to better support the faculty in the six IB groups; the implementation of a comprehensive appraisal system for faculty; strengthening of the mental health support system; a review of campus housing; the reduction of the teacher student ratio to 1:9 from 1:11;

and the move from a semester system to a trimester system in the 2016–2017 academic year.

Head of School Moetz noted that two full-time faculty were leaving the school this spring and that 117 new students with exceptional international diversity were accepted and confirmed for the coming year. The IB class selections available have been improved in a number of areas and the timetable has been revised to provide more time for some of the more difficult courses, as well as to reduce student stress.

Mr. Dichter and the board acknowledged the very great accomplishments that Ms. Moetz had made since assuming the role of Head of School in January of 2016. The Head of School report concluded with a brief discussion of a possible administrative organization going forward.

Mr. Dichter called upon President Kumar to discuss his work on the UWC Skills Diploma. The details of the diploma are fully described in a PowerPoint deck that is appended to the minutes. After careful discussion the Trustees reached consensus that

1. The Trustees believe the direction of the development of a 21st Century Skills Diploma has promise;
2. Given the priority of managing leadership transition at the school, the pace and specifics of any implementation of the 21st Century Skills Diploma is still to be determined;
3. The Board is willing to commit resources to the further development of the 21st Century Skills Diploma consistent with the staff's ability to absorb the challenge of this implementation.

The trustees briefly discussed President Kumar's strategic assessment and asked the Strategic Planning Committee to review and lead further discussion of this document at a future meeting. The Board applauded President Kumar's final statement and thanked him for his service to his alma mater.

From 11:00 to 12:30 the Board met in Executive Session.

The Board discussed the candidacy of Dr. Victoria Mora to become President of UWC-USA. Mr. Dichter and Mr. Schneider reviewed the history of Dr. Mora's involvement with the College and a number of Trustees reflected on their impressions of her qualifications, their interviews, and reference checks. The Trustees discussed the concerns faculty had expressed about the speed of change and tabled further discussion until the final Executive Session of the day.

The Board reconvened at 1:00 p.m. for the committee and administrative reports.

Head of School Moetz delivered the Education report and noted that four new subjects had been added to the curriculum. Mandarin Chinese will be taught remotely, since the enrollment has fallen to three or four students. She also noted that the school's ISAS accreditation visit would take place in the fall of 2019 and thus the faculty and staff would be working on the self-study during the 2017–2018 school year. The next IB visiting committee will be in May or June of 2019.

Melanie Brennand delivered the Admissions report. 138 offers were made to national

committees this year. In the incoming class the gender split is almost exactly 50–50. There are 28 “unique” countries represented. (A “unique” country is one for which there is no second-year representation.) Enrollment for next year will be 236 students.

Following the report on admissions statistics, there was considerable discussion about communication with the national committees and how UWC-USA could ensure that the national committees have a clear understanding of what kinds of students will thrive in Montezuma.

Mr. Dichter called upon Jonathan Ehrlich to deliver the Finance and Facilities report. The College is tracking well on the current year budget, although decisions to increase expenditures for facilities at the October meeting will force the College to spend from reserves. The Trustees reviewed the current update of the long-range financial model, which shows the reserves built to respond to the Armand Hammer Trust coming to an end in the 2019–2020 academic year.

No tuition increase is planned for next year. The decision on a tuition increase needs to be made in the summer months in order to give the National Committees appropriate notice. This may necessitate Executive Committee approval, since this is out of the normal sequence of Board meetings.

Mr. Ehrlich noted that he was waiting for a written proposal on the sale of the hot springs. He updated the Board on the current state of the negotiations to connect the College waste water system to the Las Vegas Waste Water system. The Board reaffirmed the earlier Board vote to use reserve funds to enable the College connection to the Las Vegas Waste Water system.

Mr. Ehrlich proposed that the College construct two houses as faculty residences. He noted that the College cannot currently meet the demand for faculty housing and that some of the existing housing is sub-optimal. The projected cost of the houses is \$100 per square foot and the houses will be sized at 1200 to 1500 square feet. In the long term the College needs an additional five or six houses.

Upon motion duly made, seconded and unanimously approved, it was

RESOLVED, that the construction of two additional houses on College property should proceed.

Mr. Ehrlich discussed the purchase of a plot of 169 acres to the east of the campus that has recently become available and on which the College has the right of first refusal. The College already heavily uses the plot through the generosity of its owner and its purchase offers considerable opportunity for nature study, camping and hiking, housing and extending the farm. Faculty member Ben Gillock described the potential uses of the land and the potential risk of another person buying it and closing its borders.

Upon motion duly made, seconded and unanimously approved, it was

RESOLVED, that the College should purchase the parcel to the east of the campus of approximately 169 acres for \$159,000 from the College’s unrestricted reserve funds.

Mr. Ehrlich noted that the College had received a favorable audit. There are a number of material weaknesses noted in the audit and plans are being put in place to clean these up.

Mr. Dichter called upon Christie Baskett to deliver the Advancement, Alumni and Communications report. Full details of the report are included in the Board Book. Ms. Baskett announced that the total amount raised for the year was approximately \$3,500,000, with the Annual Fund at \$1,800,000. The Annual Fund is approximately \$300,000 above target due to a large gift that has been repeated for the coming fiscal year. This announcement was met with applause. The Annual Fund has also seen a significant increase in younger donors.

Ms. Basket reminded the Board that we had met the Davis-UWC IMPACT Challenge. Upon motion duly made, seconded and unanimously approved, it was

RESOLVED, that the \$1,000,000 Davis-UWC IMPACT challenge grant be allocated for one new scholarship (preferably for a student from a conflict region) each year for the next three school years (total of \$224,995), and the remaining amount (\$775,005) be added to the Conflict Scholarship Endowment to endow a student in perpetuity.

Mr. Dichter called upon Thomas Schwingeler to deliver the Investment report. The endowment currently stands at approximately \$110,000,000. Mr. Schwingeler reported on continuing discussions regarding mix of active and index funds and the potential for significant savings.

Mr. Dichter called upon Jon Schneider to deliver the Governance report. Upon motion duly made, seconded and unanimously approved, it was

RESOLVED, that the following persons be, and they hereby are, elected to serve as officers of the Board of Trustees of UWC-USA, until May 31, 2017:

Steve Dichter	Chair
Mukul Kumar	President
KC Kung	Treasurer
Ty Tingley	Secretary

It was noted that Mukul Kumar’s term as President will be terminated upon election of a new President.

And further

RESOLVED, that the following persons be, and they hereby are, elected to serve a one-year term on the Board of Trustees of UWC-USA, until May 31, 2017 by virtue of their positions on the Board:

Marc Blum	Trustee, Chair of Advancement Committee
Steve Dichter	Trustee, Chair of the Board
Jon Schneider	Trustee, Chair of the Governance Committee
Ty Tingley	Trustee, Secretary

And further

RESOLVED, that the following persons be, and thereby are, formally thanked for their service to the board, which ends May 31, 2016:

Amin Badr-El-Din
James Leonard
Peter Ruggiero
Michael C. Taylor '91

And further

RESOLVED, that Michael C. Taylor, be designated as Distinguished Trustee for his extraordinary years of service and friendship to the school, the mission, and the Board of Trustees.

At the conclusion of the Governance committee report, Mr. Dichter called the Board into Executive Session. The discussion of College leadership continued, and at its conclusion, upon motion duly made, seconded, and unanimously approved, it was

RESOLVED, the Board endorses Dr. Victoria Mora as next President and delegates to the Governance Committee authority to negotiate a contract, along terms presented, and to determine the process/timing for assumption of role by the start of the 2016–2017 school year, with final vote by the board in the coming weeks.

There being no further business to come before the meeting it was, upon motion duly made and seconded, adjourned.

Tyler Tingley, Secretary of the Meeting

Academic/Residential/Experiential Education Report
Academic Performance*IB scores (see Appendix):***Table 1: UWC-USA Average Diploma Scores**

2011	2012	2013	2014	2015	2016
35	33	34	34	35	33

*Note: The global average points (2016) were 30.07.***Table 2: Number of Students Scoring 36 or above (average of 6 in each subject)**

2011	2012	2013	2014	2015	2016
44	28	38	37	49	31

School Statistics

Number of candidates registered in the session:	139
Number of diploma and retake candidates registered in the session:	111
Number of candidates who successfully passed the diploma:	108
Average points obtained by candidates who passed the diploma:	33
Highest diploma points awarded to a candidate:	40
Average grade obtained at the school by candidates who passed the diploma:	5.19

67% attending what are considered "highly selective" universities.

65% remained in North America (mostly US, only 2 went to Canada)

13% went to International Universities (again, many were highly selective, such as Yale/National University of Singapore, Minerva, Sciences Po)

9% went to UK universities

13% took a Gap Year or Military service

Accreditation:

- ISAS (Independent School Association of the South-West) re-accreditation information meeting November 5th-8th, Phoenix
- IB Accreditation not until 2019 (start of self-study)

IB Curriculum and Subject availability:

<u>Group 1</u> Studies in Language & Literature	<u>Group 2</u> Language Acquisition	<u>Group 3</u> Individuals & Societies
<ul style="list-style-type: none"> - Chinese A HL /SL (2nd years only) - English A HL / SL (English Lang/Lit; English Lit) - French A HL / SL - German A HL / SL - Spanish A HL / SL - Self-Taught A SL (Over 55 languages available) 	<ul style="list-style-type: none"> - Chinese B HL/SL (2nd year only) - English B HL / SL - French B HL / SL - Spanish B HL / SL - French Ab initio SL - Spanish Ab Initio SL - Mandarin Ab Initio SL (only 2nd years) - German Ab Initio SL 	<ul style="list-style-type: none"> - Economics HL / SL - History HL / SL - Social & Cultural Anthropology HL / SL - Global Politics SL (only 1st years)
<u>Group 4</u> Sciences	<u>Group 5</u> Mathematics	<u>Group 6</u> The Arts & Electives
<ul style="list-style-type: none"> - Biology HL /SL - Chemistry HL /SL - Environmental Systems SL - Physics HL / SL - Sports, Exercise & Health - Science SL (1st Years only) - Design Technology SL (1st Years only) 	<ul style="list-style-type: none"> - Mathematics HL / SL - Mathematical Studies SL 	<ul style="list-style-type: none"> - Dance HL / SL - Music HL / SL - Theatre HL / SL - Visual Arts HL /SL

Note: Average class size is 13.3 students

Experiential Education:

- Naomi Swinton out on leave of absence (health issue within the family); redistribution of responsibilities within the department;
- Introduction of digital student portfolios for CAS requirements (IB pilot)
- Organization and logistics for SWS trips (Oct 8th - 15th)
- First- year retreat Nov 5th-6th

Residential life:

	<u>First years</u>	<u>Second years</u>	
Aconcagua (RT Codou)	14	15	
Kosciusko (RT Eyad)	12	13	
Mont Blanc (RT Graham)	22	24	
Chumolungma (RT Tara)	23	22	
Kilimanjaro (RT Shirleen)	22	21	
Denali (RT Nina)	<u>22</u>	<u>25</u>	
	115	120	= total of 235

- Successful beginning of the year dorm inspections
- Fire drills in all dorms
- Information evening on consent
- Food service meeting with Sodexo
- Wellness program/Sexual harassment and awareness policy (project between SWEET and a pilot project of Community Justice for Survivors of Sexual Violence Project)

IMPACT Workshop

Staff: October 5, 1:00pm, Faculty: October 5, 2:30pm, Students: November 7, 9:00-5:00pm
Everyday Interventions: Dismantling Myths & Increasing Action

While a large number of individuals in our communities will unfortunately experience sexual violence, all of us are in positions to act as bystanders and agents of change. This curriculum addresses the power of community members to act to prevent violence and create change. By using role play scenarios, experiential activities and storytelling, instructors engage youth and explore rape myths and social norms supportive of sexual violence and rigid gender roles, while increasing empathy, prosocial behavior and life and interpersonal skills.

- IDENTIFICATION of the role rape myths can play in community reactions to sexual violence
- EMPATHY for those who have experienced or are experiencing sexual violence
- UNDERSTANDING of the role bystanders and community members can play in preventing and interrupting sexual violence
- SKILLS and increased language for how to have difficult conversations and act as a bystander

New External Investigator:

Margaret Claire Harwell, J.D., Project Director, Albuquerque, NM
Community Justice for Survivors of Sexual Violence Project
New Mexico Coalition of Sexual Assault Programs

Faculty and Residential Life Employees**Did not return**

Douglas Baskett – TOK
Gita Eglite-Wilson '05 – IB DP SEHS
Kathleen Kingsley - IB DP Dance
Judi Land - IB DP Mathematics
Li Li - IB DP Chinese
Elise Manning - Counselor
Ron Maltais - IB DP Music
Hollie Nelson – Ass't RT

New faculty/residential life employees

Nandita Dinesh MC'02 - IB DP Theater
Nancy Ellington – Ass't to Dean of Students, Ass't RT
Brett Gilland - IB DP Math, IB DP Computer Science, TOK
Erin Gilland - IB DP SEHS
Harald Lesti - IB DP Design Technology
Lauren Mabry – Library, Ass't RT
Shaun Mabry MC'01 - IB DP Global Politics, TOK
Diana Padilla - Counselor
Judi Ruprecht - IB DP Dance, Field House Supervisor, Ass't RT
Melinda Russial - IB DP Music
Ellen Thompson - IB DP Mathematics
Tara Trudell - RT
Nanyue Zhu – IB DP Chinese

Faculty Appraisal system:

Goal setting process for all faculty
School learning principles
Pre-announced observation (HOS) on all new faculty members
Professional Development Committee (in process)

Goals for 2016/17:

Faculty Handbook
Emergency Response Plan
Schoolwide database/monitor student achievement in academics, ex ed and residential life

Martina Moetz
Head of School

Admissions Office Report

Current composition of the Class of 2018: Based on the 135+ offers made last year, we enrolled the first-year class of 115 students.

A few partial and even fully funded offers were unable to be filled by National Committees, indicating a movement-wide challenge to recruit enough talented and qualified students that meet the needs put forth in the offers from colleges. The increasing numbers of colleges challenges this further; all of this was a major topic of discussion addressed at a meeting of Admissions Directors at Pearson College in June. This will likely be another major focus of the meetings between the IO, National Committees, College leadership, and Admissions Directors at the UWC Congress in October.

Of the 115 first-year students:

26% are unfunded

- either family or National Committee is paying the full fee; 3 of them are “direct applicants”

33% are partially funded

41% are fully funded

- of these, 26, or 57% of our fully funded students are US Davis Scholars

Demographics by world region/country

26% represent North America

15% represent Latin/South America

4% represent the Caribbean

20% represent Asia

10% represent the Middle East

12% represent Africa

28% represent Europe

Gender: 52% Female, 48% Male

Offers made for Class of 2019: For the first time, the IO maintained a central role in collecting, reviewing and re-distributing offers from colleges. The intent was to give every National Committee at least one fully funded offer, to more evenly distribute geographic representation across colleges, and to begin creating a more equitable and transparent system of offers between colleges and National Committees. Results (and opinions on these results) are mixed, and again sure to be a major source of discussion and debate at Congress.

UWC-USA made the following offers for the Class of 2019:

25 unfunded – 18%

62 partially funded (needs-based) – 46%

19 “up to fully” funded (needs-based) – 14%

30 up to fully funded (merit-based, included 26 Davis Scholars for UWC-USA) – 22%

National Committees had until Oct. 1 to accept these offers, but negotiations and clarifications continue. Offers that were not accepted or that National Committees do not believe they will be able to fill will be re-allocated within regions, or to completely different parts of the world based on demographic needs.

US National Committee/Davis Scholars Selections Process: The US National Committee launched the application in mid-August. As before, recruitment through the HOBY list (Hugh O'Brien Youth Foundation) provides a very strong applicant pool; this year, coordination between the US National Committee and HOBY was much more deliberate than ever before. We leveraged the many current Davis students here at UWC-USA and at other campuses, featuring one of them in the HOBY alumni newsletter, and the timing of communication was coordinated. Further demographic detail of the HOBY list was negotiated, allowing us to more carefully target males, and underrepresented groups. We are now also able to better track high schools from which our applicants come through the list as well.

Social media advertising was utilized for the first time ever in this recruitment cycle, with targeted ads featured on Facebook and through Google ads.

On September 24th, UWC-USA was one of the 87 independent boarding schools present at the 12th Annual School Fair hosted by Inspiring Young Minds (IYM) in New York City. The fair was attended by very prestigious schools such as Phillips Exeter Academy, Phillips Andover Academy, Deerfield Academy, and The Masters School, just to mention a few. During the fair, 26 families took with them an informational brochure about the Davis Scholarships, and 12 students and parents subscribed to receive information about UWC Davis Scholarships and our Summer Program. Demographics of attendees (from IYM) were: family incomes of < \$50,000, minority backgrounds, and first in the family to (in the near future) attend college.

Melanie Brennan
Director of Admissions and College Counseling

Business Office Report

The following documents support items in this report:

1. Statements of financial position as of end of fiscal year, May 31, 2016 – balance sheet and income statement
2. Budget summary FY16
3. Budget summary FY17 operating budget – approved and revised
4. Five year forecast, including scenario model and detail
5. Revenue model by tuition source – FY17
6. Investment asset allocation as of July 31, 2016
7. Comparison of fees at UWC schools
8. Capital expenditures - review of summer projects and plans for the upcoming year
9. Resolution: Capital Funds Carry-Forward

Preliminary statement of end of year 2016 financial position – The statements include a balance sheet and an income statement. As they are prepared prior to the completion of the audit they might not tie in precisely with the audit, but are believed to be correct in all material aspects. This past year revenues exceeded expenditures, permitting a positive year-end balance to be transferred to the reserve fund.

Summary

Total revenues	11,852,829
Total operating expenses	11,064,408
Net operating balance before adding capital expenditures	788,421
Capital expenses	338,827
Net operating balance after including capital expenditures, which transfers to reserve fund	449,594
Reserve balance	3,470,381

Note: Please see accompanying spreadsheet, Budget Summary 2016, for more details.

- a. At the bottom of the Statement of Financial Activity for July 31, it shows Excess Revenue over Expenses of \$4,881,700. This figure appears high because 100% of tuition revenue is booked on August 1, and we are only reporting 2 months of expense. This amount will be reduced as more expenses occur during the fiscal year.

FY2017 Operating Budget – The revised bottom line of the projected 2017 budget does not differ greatly from the approved budget, projecting a \$60,000 improvement. While net tuition revenues show a decrease of approximately \$60,000, due to a lower student count than anticipated, expenses also decreased due to re-budgeting of security, transportation, and food service. At this time a year-end operating deficit is projected; figures will be readjusted monthly based on actual performance and trends.

Note: Please see accompanying spreadsheet, Budget Summary 2017, for more details.

A look ahead – five year budgetary projection

We have updated our long-range financial model. While many of the individual assumptions have changed over time, the overall picture has remained remarkably constant: The reserves (from underspending endowment draw) built up in anticipation of expiration of the Armand Hammer Trust will be drawn down by 2020.

We will always need to maintain tight financial discipline but “cost-cutting” will not solve the upcoming budget gap. Salaries and benefits represent 58% of our on-campus budget (excluding Davis Scholars abroad). Facility maintenance and transportation, campus security, and food service constitute an additional 31%. With the need to invest more in the core elements of education, including technology, academic personnel costs, and the growing maintenance needs of an aging campus, cost cutting efforts across other lines alone cannot bridge our operational cash flow gap.

We have only a few big levers to meet operational funding gaps, including the following:

- Increase annual fund-raising.
- Increase the endowment and/or the annual draw (now at 5%)
- Increase revenue from tuition,

Other actions include:

- Evaluate less costly endowment management options.
- Increase net revenue from summer programs. Historically, the IB program was most profitable when the program was conducted on-campus.
- Continually reevaluate all expenditures as to the value they add to the school. This year we are using zero-based budgeting which will require budget managers to build their budget requests from the ground up. Whether this results in a change in overall campus expenditures is unknown, but at the minimum it should result in the alignment of expenditures in their proper areas.

Note: Please see accompanying spreadsheets, 5 Year View and Scenario Model, for more details.

Investment Asset Allocation as of July 31, 2016

FYE 5/31/16 SUMMARY by QUARTER						
	QTR 1	QTR 2	QTR 3	QTR 4		
	June - August	Sept - Nov	Dec - Feb	Mar - May		ANNUAL
Beginning Market Value	112,377,827.30	115,622,987.60	117,993,112.51	98,702,233.72		112,377,827.30
plus: gains/losses	(6,529,559.71)	2,273,960.08	(10,154,932.84)	10,305,039.31		(4,105,493.16)
plus: income	435,716.12	200,747.36	352,921.82	195,535.81		1,184,921.11
plus: net additions/withdrawals	9,339,003.89	(104,582.53)	(9,488,867.77)	5,781,260.41		5,526,814.00
Ending Market Value	115,622,987.60	117,993,112.51	98,702,233.72	114,984,069.25		114,984,069.25

Capital expenditures - review of summer projects and plans for the upcoming year

163 Acres – At the last Board meeting approval was granted to proceed with the purchase of 163 acres adjacent to the campus. Since that time the school’s attorney has been working with the seller’s realtor and attorney on the legalities of this purchase. Unfortunately, the seller had this land pledged as security against a large preexisting loan held jointly by two banks, and these banks will not release their interest in the land, preventing its sale. At this time all legal measures have been exhausted, and the school will not be able to acquire the land.

Central Monitoring of Buildings – This fall all academic and residential buildings (excluding DLS and the Poole building) have been connected to central station fire monitoring. Until this time all buildings only had local fire alarms. Now, if the central monitoring company receives a signal, it will try to reach campus Security to check it out, and if Security cannot be reached it will contact 911 directly.

Montezuma Hot Springs – Discussions are continuing with Luna Community College whereby UWC USA would lease, sell, or donate the hot springs property to Luna Community College. LCC is proposing that it would work in conjunction with UWC to upgrade facilities at the springs, manage the hot springs, and maintain the property. UWC USA would continue to monitor the property and provide security assistance as necessary. Legal counsel has confirmed that though a lease contract could assign the liability risk to the lessee, as the owner, the school would still be held liable in the case of legal issues. I have requested the LCC submit a design concept and a written proposal, and am waiting for this document.

Connection to the City of Las Vegas’s Waste Water Treatment Plant – This past summer the school contracted with Molzen Corbin Engineering and the City of Las Vegas, to oversee connecting the school’s waste water system to the city’s waste water treatment plant. The engineered total cost ranges from \$700,000 to \$900,000 (the upper cost includes a 20% contingency factor). Surveying of the exact route is underway, final design work is in process, and work should commence in the near future. It is projected to take six to nine months.

(To review the basis of this action: Should the school decide NOT to connect to the city’s plant, it must replace its existing plant within three to five years, at a cost of \$1.5 to \$2.0 million; refurbishing the existing plant is not an option as the plant is outdated and could not meet state requirements. The current annual expense of continuing to operate the school’s own system is

close to \$100,000. Should the school connect to the city's plant the estimated annual operating cost would be reduced to \$20,000 to dispose of the school's waste.)

Campus Houses on Pine Forest Drive– Site work, including plan design, sewer system design, determining electric power requirements, and final surveying has been underway since July. Actual construction on the two houses which the Board approved is anticipated to start in October.

Note: Please see the attached list of repair and renovation projects, as well as capital investments, which were either undertaken this past summer or are planned/underway this fiscal year.

Comparison of fees at all UWC schools – see attached spreadsheet UWC Tuition and Fees

Audit FY2015 (June 1, 2014 – May 31, 2015)

On January 23, 2015 the law firm of Simpson Thacher & Bartlett LLP supplied to UWC - USA a legal opinion regarding various aspects of the tax law as it applies to not for profits in general and UWC-USA in particular acting as a conduit for funds which are then passed on to the non-U.S. schools. Based on that advice, as well as that of our auditors, the school made a number of changes to its practices. In the course of this year's audit, and presented to the school at a meeting on September 20, while the same auditors support and applaud the changes which were made, they felt that UWC should request further legal judgment and clarification as to how we might better handle donations meant for other UWC schools, in order to best protect the school's tax-exempt status and donors' eligibility to claim tax deductions.

The lawyer was asked to assess, based on the school's current gift receipt and transfer procedures, the following:

1. Has UWC-USA met the requirements related to retaining discretion and control over the funds?
2. What is the risk exposure, if any, to UWC related to –
 - a. Maintaining UWC's tax exempt status,
 - b. Deductibility of contributions for U.S. donors.
3. What further steps should UWC-USA take to mitigate risk?

Resolutions

- a. Capital funds carry-forward – see attached

Jonathan Ehrlich
Vice President, Finance and Operations

Advancement Office Report

Please see the following items in the Appendix:

- 1) Ten Year Giving Report
- 2) Annual Fund By Constituency Report
- 3) Events to Introduce Victoria Mora
- 4) Alumni Data
- 5) UWC Day Projects
- 6) Marketing Dashboard
- 7) Communication Plan

We welcomed Skylyn Bellender MC'08 in August as our new Advancement Services Manager, replacing Naomi Raine. In addition, Graham Rasmussen, Director of Annual Giving, has become the RT in Mont Blanc Dorm, and Jose-Pablo Salas Rojas has a new title: Associate Director of Alumni Relations and Admissions.

Fundraising (see Ten Year Giving Report)

In terms of major gift fundraising, since the last board meeting, we have:

- Received \$570,000 from MECT for our annual scholarship gift.
- Received \$150,000 from Barbara Ann Bernard for the purchase of the adjacent land. We recently found out the land cannot be sold and are in conversation with Barbara Ann about the use of her gift.
- Received a pledge from Gregor Andrade to continue funding a Brazilian scholarship for 2017-18 and 2018-19 at \$39,000 annually.
- Received a pledge from Paul & Yaffa Maritz for \$75,000 annually for two years to fund Selena Sermeno's work here and at UWC Costa Rica around social, emotional and mental health issues and further development of the 21st century skills program.
- Received \$20,000 from Dee Hines to fund a student from Poland again this year.
- Received a \$10,000 pledge from Mukul Kumar for the Class of '89 Endowment Fund.
- Received \$10,000 from the Bern Schwartz Family Foundation for the Mountbatten Prize.
- Received \$5,300 as a result of our request to the Santa Fe Community Foundation.

FY16 Annual Fund (see Annual Fund by Constituency Report): The fiscal year 2016 Annual Fund was by nearly every measure our most successful ever. Spurred by yet another \$1 million challenge from Shelby Davis, we were able to employ new fundraising strategies in concert with a strong solicitation calendar to raise nearly \$1,875,000 from more than 1,600 donors, 16% and 33% increases over the previous year, respectively.

Enlarging the donor bases of the UWCs was the key intention behind the Davis-UWC IMPACT Challenge, which we completed successfully after half a year, six months prior to any of our sister schools. To achieve this expansion in our maturing Annual Fund, we employed new fundraising tactics. We introduced a social-media friendly peer-to-peer fundraising platform and paired it with our first #GivingTuesday and our first Young Alumni Challenge. These initiatives helped us acquire 375 new donors, the most new donors in at least six years. No less important was strong

outreach to our existing base and we were able to renew 72.1% of the previous year's donors, another record.

FY17 Annual Fund (see Annual Fund by Constituency Report) is off to an excellent start with \$110,000 more raised than at the same time the previous year. In addition, we've acquired nearly 40 more donors (see appendix for detail). However, we face our first year in quite a few without some kind of challenge or incentive on the table, and so maintaining momentum will be our primary task.

Stewardship: Carl-Martin Nelson wrote a report to Shelby Davis on the 54 Davis Scholars (26 here and two each at our 14 sister schools) who started as first-years. Graham Rasmussen has almost completed interviews and preparing stewardship letters to donors who fund scholarships for 38 students.

Events to Introduce Victoria Mora: Jose Pablo Salas Rojas and I are working on a calendar of events to introduce Victoria Mora to alumni and donors around the globe. So far she has met people in New York, San Francisco, and Hong Kong. See Appendix for the full list.

Alumni Relations (see Alumni Data in Appendix)

Reunion 2016 hosted the classes of 1986, 1987, 1996, and 1997 and was attended by 52 alumni and accompanied by 60 guests and children. The weekend was filled with dynamic alumni-led workshops, outdoor activities, and night-long reminiscing conversations. New this year, we hosted our first Pecha Kucha presentations; moreover, we also celebrated the 30th anniversary of Blue Moon Café.

Reunion 2017 will be held on July 28-31, 2017 and will welcome the classes of 1991, 1992, 1997, 2007, and 2008.

Reunion at Robert Bosch College: 20 UWC-USA alumni (plus families, close to 50 total) from 1992, 1993, and 1994 met at Robert Bosch College in Freiburg, Germany at the end of July for a mini reunion that included a tour of Freiburg, hikes in the Black Forest, family activities, chats with current staff, and a barbeque party.

Student Organization for Alumni Relations (SOAR): Five second-year and seven first-year students have joined SOAR this trimester. They will help plan and execute alumni activities on campus during the academic year, personally engage with alumni through a variety of organized activities, and support the Advancement office. SOAR will also host projects to help educate their peers about philanthropy, living the UWC Mission post UWC, and stewarding the movement.

Alumni Engagement Opportunities: We continue to foster many volunteer opportunities for alumni to engage on and off campus. Three alumni and their families joined us for Orientation this fall. Additionally, we hosted the first Fireside Chat of the year featuring Laura Taylor-Kale '96.

UWC Day: Students, faculty, and staff celebrated UWC Day with the execution of 24 projects on September 21 inspired by the theme of the upcoming UWC Congress: connect, challenge, and celebrate. See Appendix for full list of projects.

UWC Hub: On September 21 the International Office officially launched the UWC Hub. Our alumni, current faculty/staff, former faculty/staff, and board members have been invited to join the network. Currently there are over 350 connections to UWC-USA. Sign up!

Alumni Committee: The Alumni Committee will meet soon to discuss the following goals for FY2017:

1. Increase visibility of the Alumni Impact Award
2. Support alumni groups in major cities
3. Continue the support of alumni to engage on campus through volunteer opportunities
4. 100% participation of alumni committee members on one of the goals mentioned above

Working Remotely: Jose-Pablo is now working from Boston for most of the academic year. This allows him to engage with our alumni in the area while continuing his duties with admissions and alumni relations. So far he has represented our school at a recruitment fair in New York and a UWC Peace Conference at Brown University and plans to attend the UWC Retreat hosted by Wheaton College, and the UWC-USA alumni reunion at Harvard/Brown during Thanksgiving.

Marketing & Engagement (see Dashboard in Appendix)

Partnerships: The past several months have seen an effort to leverage partnerships to increase the impact of the UWC-USA marketing initiatives. Three partnerships in particular are emerging as productive:

New Mexico Highlands University – The Graphic and Media Arts Department at NMHU has seen a renaissance in recent years with a new building, new faculty and majors, and a vision for working with community members to increase their impact. Working with Melanie Brennan and a graphic design professor, a group of NMHU students will design a poster (for guidance counselor’s offices), a series of postcards, and a recruitment brochure for the admission cycle beginning in summer 2017.

The **Santa Fe Council on International Relations (CIR)** – Founded in 1965, CIR brings international visitors to the area and hosts programs promoting global citizenship. A particular focus is a youth-oriented program that seeks to develop the skills necessary for global leadership in New Mexico youth. By partnering with CIR on this and other initiatives we will have the opportunity to share email lists to promote events, explore development opportunities, and increase attendance at UWC-USA’s Annual Conference.

Rio Ranchos Schools – The Rio Ranchos School’s District Conservation, Energy, and Environmental Education Educator toured the Castle this summer and was eager to find ways for us to work together. She actively recruited Get-away families this fall, will likely bring students to the Annual Conference, and is interested in developing a formal MOU with UWC-USA to outline the ways that both schools can work together.

Website: Because the UWC-USA website is not mobile-friendly and employs a Content Management System (CMS) that is antiquated, our traffic has been declining each month. We are less likely to show up on searches and users find the experience on our website to be frustrating. The IO is eager for us to have a stronger website and we are clear on working within the parameters of the larger UWC brand. While a new website is not a silver bullet, it will be an

important tool to reach more potential applicants and donors in the coming years. The proposal for the new website is available upon request.

Specific Efforts: We have worked on a number of specific communications and marketing initiatives that bear further explanation:

Communication Plan – With the arrival of our new president, we have re-established a communication plan for the year that features communication to various constituents. Parents, alumni, and our wider community all want to hear what is happening. A particular effort is underway to emphasize the “news” in newsletter as we try to avoid simply sending information. The communication plan is in the appendix.

Presidential Transition – The communications around the appointment of Victoria Mora as the fifth president of UWC-USA was a large and complex effort that involved multiple messages, a variety of audiences, and a number of different platforms.

Global Leadership Forum (GLF) – With a new director for the GLF hired late in the enrollment cycle, there was little time to redefine the program and promote it to potential constituents. By marketing to and enrolling more students who can pay the full GLF tuition, the program saw a positive margin of \$39,000.

Online ads for Admissions – Working with a marketing firm in Albuquerque we made a small media purchase using Google adwords and Facebook ads. While the results will not be known until the data is finalized, early traffic reports are promising.

Christie Baskett
Vice President for Advancement