
WESTERN NEVADA COLLEGE FOUNDATION

FINANCIAL STATEMENTS

JUNE 30, 2023

WESTERN NEVADA COLLEGE FOUNDATION
JUNE 30, 2023

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Western Nevada College Foundation

We have reviewed the accompanying financial statements of Western Nevada College Foundation, a component unit of Western Nevada College, as of June 30, 2023, which comprise the statement of net position as of June 30, 2023 and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Western Nevada College Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report of 2022 Financial Statements

The 2022 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated August 25, 2022. We have not performed any auditing procedures since that date.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Management has omitted the budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Supplementary Information

The accompanying supplementary information included in the accompanying Schedule of Supporting Administrative Expenses on page 18 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Barnard Vogler & Co

Reno, Nevada
September 8, 2023



WESTERN NEVADA COLLEGE FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023

This section of Western Nevada College Foundation's ("WNCF") annual financial report presents discussion and analysis of the Foundation's financial activity for the year ending June 30, 2023. Please review this discussion in conjunction with the accompanying financial statements and related footnotes. Foundation management is responsible for this discussion, analysis and its corresponding completeness and fairness.

During the past year, Western Nevada College (WNC) Foundation has continued to focus on cultivating community partnerships, investing in workforce development through the ROADS program, supporting key college initiatives around access and success, student experience, infrastructure and visibility and special events with the intent of stewarding investments into WNC. WNC Foundation prioritized donor development and fundraising events to support both WNC and students. The WNC Foundation's efforts are aligned with the WNC leadership and the strategic plan, and FY 2022-2023 represents one of the top years for investing directly in WNC and its students. Western Nevada College Foundation reports the following accomplishments for the fiscal year ending June 30, 2023.

Scholarship Support

Student scholarship dollars awarded through the WNC Foundation for the 2022-2023 academic year were \$827,704 for the year. Highlights include:

- Gloria Pieretti bequeathed Western Nevada College Foundation \$1,250,000 from her estate to be designated for the Testolin Pieretti Scholarship Endowment. Throughout her life, Gloria was a big proponent of education, whether it be in the trades, nursing school or to complete a college degree. The Testolin Pieretti Scholarship supports five students with financial needs annually.
- William N. Pennington Foundation generously funded \$300,000 toward Workforce Career and Technical Education scholarships designed to prepare students for respectable living-wage careers and strengthen northern Nevada's talent pipeline for local employers. Individuals looking to advance their career can receive the necessary financial support for their education. The WNC Foundation was able to award this scholarship to 181 students enrolled in 2,185 credit hours.
- William N. Pennington Foundation generously funded 25 first year Nursing students who are seeking careers as Registered Nurses. There continues to be a high demand and numerous job opportunities across the state of Nevada for Registered Nurses. The William N. Pennington Foundation's investment in Nursing scholarships ensures the WNC Nursing Program continues to produce capable and caring nurses the community and local hospitals require, now, more than ever.
- A donor wishing to remain anonymous created an endowment with a \$125,000 donation to support Emergency Medical Technician, Paramedic and Fire Science students with a scholarship that will support two students over two years at WNC.
- Dr. Andrea Weed and the Carson Tahoe Hospital Medical Staff Fund, Inc. chose to convert their scholarship to an endowment to support two students pursuing an associate of arts degree in science at WNC. The scholarship will be awarded to a student with an interest in astronomy. This scholarship was created to honor the memory of Jack L. Davis.
- The 2023 WNC Foundation scholarship magazine, We Are Western, recognizes WNC scholarship donors as well as 490 students who received 631 scholarships through the WNC Foundation during the 2022-2023 academic year.

WESTERN NEVADA COLLEGE FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

Campus Improvements

Improvements to Western Nevada College's beautiful campuses continue to enhance students' experiences. Highlights include:

- NV Energy Foundation generously donated \$25,000 to reestablish the Veterans Resource Center (VRC) on campus. The revitalized center provides a dedicated space for veterans to study, relax, and connect with each other. The VRC is open to any current WNC student who is a veteran, active-duty military, reservist, National Guard member, or military family member.
- Western Nevada College received a \$50,000 grant from the E.L. Cord Foundation to help fund the renovation of the Child Development Center Playground.

Fundraising Events

WNC Foundation continues to produce quality events that engage the local community while producing important revenue to meet college and student needs. Highlights include:

- The fifth annual "Reach for the Stars Black Tie Gala" returned in August of 2022. This was the first time the Gala was held since 2019 due to COVID-19 event restrictions. This highly anticipated event generated over \$142,000 in unrestricted revenue and represents a key source of funding for the WNC Foundation. The presenting sponsor was Wells Fargo.
- The annual WNC Golf for Education Tournament was, once again, supported by local community sponsors and leaders, with a focus on workforce development. Funds from the tournament exceeded \$40,000, drawing strong support from many local organizations and community members. The tournament was sold out with 144 players participating at Toiyabe Golf Club.
- 2023 marked the 20th anniversary of WNC's Jack C. Davis Observatory. A series of community and donor events celebrated this important milestone. Additionally, a commemorative silver coin was commissioned and note cards were printed to honor the 20th Anniversary. Funds raised will be used to support the Observatory.

Program Support

Western Nevada College is known for its innovative approaches to learning and allows the college to offer a high-quality educational experience. WNC Foundation is proud to support the college in this endeavor, offering the following key points:

- The Realizing Opportunities for the American Dream to Succeed (ROADS) program supports unemployed and under-employed students working towards certificates or degrees in Workforce Continuing Education Training. This program has been supported through a partnership with DETR and grants from Wells Fargo and Bank of America.
- Western Nevada College received \$150,000 in grant funding from the Lumina Foundation to engage students digitally. The first \$50,000 grant enabled the college to develop a new website which made the site easier to navigate and more reliable. The second grant for \$100,000 included updating all of the television monitors on campus, live-streaming equipment, and a digitally led and interactive student tour.
- A scholarship supporting the new Commercial Driver's License program was established to support students pursuing a truck driving career. This skill set is in high demand with local and national employers. Western Nevada College has received over \$1,000,000 in grant funding through the Department of Labor and the Governor's Office of Economic Development to support the establishment of the CDL program.

WESTERN NEVADA COLLEGE FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

Financial Statements

The basic financial statements of the Foundation are the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, the Statement of Cash Flows and the notes to the financial statements. The Statement of Net Position includes all assets, deferred outflows, liabilities, deferred inflows and net position. It is prepared under the accrual basis of accounting, regardless of when cash is exchanged. The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and expenses incurred during the year. The Statement of Cash Flows presents information related to cash inflows and outflows resulting from the Foundation's operating activities and investing activities for the year ended June 30, 2023.

Statement of Net Position

This statement is presented in three major categories, namely assets, liabilities and net position. The Foundation does not have amounts that meet the criteria of deferred outflows or deferred inflows. The assets are classified between current and non-current assets. The current assets primarily consist of cash and cash equivalents while the non-current assets include restricted investments. Current liabilities represent obligations due within one year and unexpended contributions. The Foundation has no long-term debt.

The following is a summary of the Statements of Net Position for the fiscal years ended June 30:

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>Percentage</u>
Current assets	\$ 838,773	\$ 706,687	\$ 132,086	19%
Non-current assets	<u>6,793,657</u>	<u>4,730,021</u>	<u>2,063,636</u>	44%
Total assets	7,632,430	5,436,708	2,195,722	40%
Current liabilities	<u>7,213,761</u>	<u>5,165,383</u>	<u>2,048,378</u>	40%
Net position-Unrestricted	<u>\$ 418,669</u>	<u>\$ 311,800</u>	<u>\$ 106,869</u>	34%

Assets and liabilities increased primarily due to a \$1,250,000 donation to an existing endowment, the performance of the investment account and the return of the Reach for the Stars Gala.

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position reflects the results of operations for the fiscal year. The statement is broken down into three categories: operating revenues, operating expenses and nonoperating revenues which consist of investment income (loss).

WESTERN NEVADA COLLEGE FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

The following is a summary of the operating results for the fiscal years ended June 30:

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>Percentage</u>
Operating Revenues				
Contributions	\$ 1,415,731	\$ 2,029,212	\$ (613,481)	-30%
Other Contributions	35,683	752	34,931	4645%
Special Events Revenue	167,055	52,702	114,353	217%
Management Fess	<u>20,891</u>	<u>21,907</u>	<u>(1,016)</u>	<u>-5%</u>
Total operating revenues	1,639,360	2,104,573	(465,213)	-22%
Operating expenses				
Program Expenses				
Scholarships	827,704	876,021	(48,317)	-6%
College programs	335,296	112,009	223,287	199%
Capital investments	<u>-</u>	<u>811,009</u>	<u>(811,009)</u>	<u>-100%</u>
Total program expenses	1,163,000	1,799,039	(636,039)	-35%
Administrative and special events	<u>414,942</u>	<u>337,862</u>	<u>77,080</u>	<u>23%</u>
Total operating expenses	1,577,942	2,136,901	(558,959)	-26%
Operating income (loss)	61,418	(32,328)		
Investment income (loss)	<u>45,451</u>	<u>(82,750)</u>	<u>128,201</u>	<u>-155%</u>
Change in net position	106,869	(115,078)	221,947	-193%
Net position, beginning of year	<u>311,800</u>	<u>426,878</u>	<u>(115,078)</u>	<u>-27%</u>
Net position, end of year	<u>\$ 418,669</u>	<u>\$ 311,800</u>	<u>\$ 106,869</u>	<u>34%</u>

Contributions decreased year over year primarily due to the completion of the biology/chemistry lab expansion and the creation of an HVAC lab at the WNC Fallon campus which was completed in 2022. Net Position for the year increased primarily due to unrestricted contributions raised from fundraising activities.

Requests of Information

This financial report is designed to provide interested parties a general overview of the Foundation's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Foundation office:

WNC Foundation
2201 W. College Parkway
Carson City, NV 89703
Niki.Gladys@wnc.edu
775-445-3240
775-445-4472 Fax

WESTERN NEVADA COLLEGE FOUNDATION
STATEMENT OF NET POSITION
JUNE 30, 2023 AND 2022

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	<u>2023</u> <u>(Unaudited)</u>	<u>2022</u> <u>(Audited)</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 434,430	\$ 407,222
Restricted cash and cash equivalents	404,093	279,591
Prepaid expenses	<u>250</u>	<u>19,874</u>
Total current assets	<u>838,773</u>	<u>706,687</u>
NONCURRENT ASSETS		
Restricted investments	<u>6,793,657</u>	<u>4,730,021</u>
Total noncurrent assets	<u>6,793,657</u>	<u>4,730,021</u>
Total assets	<u>\$ 7,632,430</u>	<u>\$ 5,436,708</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Unearned revenue	\$ 53,730	\$ 40,475
Unexpended contributions	<u>7,160,031</u>	<u>5,084,433</u>
Total current liabilities	<u>7,213,761</u>	<u>5,124,908</u>
NET POSITION		
Unrestricted	<u>418,669</u>	<u>311,800</u>
Total liabilities and net position	<u>\$ 7,632,430</u>	<u>\$ 5,436,708</u>

See accompanying notes

WESTERN NEVADA COLLEGE FOUNDATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

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	2023 (Unaudited)	2022 (Audited)
REVENUES		
Operating revenues		
Scholarships	\$ 827,704	\$ 876,021
College programs	335,296	112,009
Capital investments	-	811,009
College support	252,731	230,173
Other contributions	35,683	752
Special events	167,055	52,702
Management fees	20,891	21,907
	<u>1,639,360</u>	<u>2,104,573</u>
EXPENSES		
Operating expenses		
Program services		
Scholarships	827,704	876,021
College programs	335,296	112,009
Capital investments	-	811,009
Total operating expenses	<u>1,163,000</u>	<u>1,799,039</u>
Supporting services		
Administrative	352,913	316,442
Special events	62,029	21,420
Total supporting services	<u>414,942</u>	<u>337,862</u>
Total expenses	<u>1,577,942</u>	<u>2,136,901</u>
Operating income (loss)	61,418	(32,328)
NONOPERATING REVENUES		
Investment income (loss)	<u>45,451</u>	<u>(82,750)</u>
Change in net position	106,869	(115,078)
NET POSITION, beginning of year	<u>311,800</u>	<u>426,878</u>
NET POSITION, end of year	<u>\$ 418,669</u>	<u>\$ 311,800</u>

See accompanying notes

WESTERN NEVADA COLLEGE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

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	2023 (Unaudited)	2022 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from contributions	\$ 2,726,592	\$ 1,192,017
Receipts from special events	180,310	29,929
Receipts from management fees	20,891	21,907
Payments for college scholarships and programs	(827,704)	(965,257)
Payments for capital investment	(335,296)	(811,009)
Payments for administrative	(100,182)	(86,269)
Payments for special events	(42,405)	(41,294)
Net cash provided (used) by operating activities	<u>1,622,206</u>	<u>(659,976)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales and maturities of investments	641,862	533,732
Purchases of investments	(2,412,096)	(1,186,597)
Investment earnings	299,738	364,860
Net cash provided (used) by investing activities	<u>(1,470,496)</u>	<u>(288,005)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	151,710	(947,981)
CASH AND CASH EQUIVALENTS, beginning of year	<u>686,813</u>	<u>1,634,794</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 838,523</u>	<u>\$ 686,813</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 61,418	\$ (32,328)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Noncash donation	(128,049)	-
Change in assets and liabilities:		
(Increase) decrease in:		
Prepaid expenses	19,624	(19,874)
Increase (decrease) in:		
Unearned revenue	13,255	32,975
Unexpended contributions	1,655,958	(640,749)
Net cash provided (used) by operating activities	<u>\$ 1,622,206</u>	<u>\$ (659,976)</u>
Operating income includes in-kind contributions and associated operating expenses of:		
Contribution for college program	\$ 85,184	\$ 22,773
College support for employee costs	227,647	215,625
College support operating expenses	25,084	14,548
	<u>\$ 337,915</u>	<u>\$ 252,946</u>
Non-cash investing activities:		
Unrealized gain (loss)	<u>\$ 348,125</u>	<u>\$ (703,403)</u>

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Western Nevada College Foundation (the "Foundation") is a nonprofit corporation incorporated in the State of Nevada in 1992. The purpose of the Foundation is to solicit, receive and manage funds for the benefit of the Western Nevada College (the "College") and its affiliates, which are exempt from federal income taxation. The contributors to the Foundation are located primarily in northern Nevada.

Basis of Presentation and Accounting

The Foundation is a component unit of Western Nevada College and prepares its financial statements in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, requires the Foundation to apply all applicable GASB pronouncements and, unless they conflict with or contradict GASB pronouncements, all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989. Accordingly, the Foundation has not applied FASB pronouncements issued after that date.

Since the Foundation's funds are considered to be enterprise funds for financial reporting purposes, the Foundation follows the accrual basis of accounting, wherein revenues are recorded as earned and expenses are recorded as incurred.

The Foundation has implemented GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. Statement No. 35 establishes a fundamentally new financial reporting model for all public colleges and universities.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are recorded at fair value, which is based upon quoted market prices, and consist of mutual funds, and exchange traded funds.

Investment income consists of dividend and interest income and is shown net of investment management fees.

The net change in the fair value of investments consists of both realized and unrealized gain and loss on investments.

The Foundation is not limited by statute regarding the types of investments it may acquire; however, the Foundation has adopted a formal investment policy. The investment policy allows the Foundation to invest its portfolio in equities, fixed-income, alternative investments, and other investment strategies to maintain sufficient liquidity to meet projected distribution requirements.

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position Classification

Equity is classified as net position and displayed in the three following components, as applicable:

Net investment in capital assets – consists of capital assets, net of accumulated depreciation and reduced by any outstanding balance of bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – are those that have constraints placed on their use by the donor. They include both nonexpendable and expendable amounts.

- *Nonexpendable net position* – often referred to as endowments, hold assets that the donor has specified may not be expended by the Foundation. Earnings from these assets are generally expendable for restricted purposes and are included in the expendable category of net position.
- *Expendable net position* – amounts having constraints placed on their use by the donor, but may be spent at some time, either in the present or future.

Unrestricted net position – represent amounts held by the Foundation that are not restricted by the donor. These amounts are available for operations of the Foundation or any of its programs.

The Foundation considers donor contributions received for scholarships, college programs, and capital investments as liabilities until transferred to the College or used for their intended purpose and are reflected in unexpended contributions.

The Foundation receives many gifts that are restricted by the donors for various scholarships, college programs, and capital investments. Such amounts are included in liabilities as unexpended contributions in the accompanying financial statements until disbursements are approved by the Board of Regents and the funds are transferred to the pooled funds maintained by the Nevada System of Higher Education (NSHE) for the benefit of Western Nevada College. Once transferred, the donor funds are no longer reflected in the Foundation's financial statements and are subject to NSHE's investment policies.

Revenue Recognition

Unrestricted donations and gifts are generally recognized as income in the period in which they are pledged or received. Restricted donations and gifts that are specifically designated as being for a future period or purpose are initially recorded as unexpended contributions (a liability) and are then transferred to income in the period for which they are designated or utilized for their intended purpose. Restricted promises to give are reflected as unexpended contributions until actually received and used for their intended purpose. Amounts are reflected as current and noncurrent assets based upon the terms of the pledges. There are no restricted promises to give for the year ended June 30, 2023 and 2022.

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (continued)

The allowance for doubtful accounts is based upon management's estimation of collectability and payment histories. As there are no promises to give at June 30, 2023 and 2022 no allowance for doubtful accounts is included in the accompanying financial statements.

When both restricted and unrestricted resources are available for use, it is the Foundation's policy to use restricted resources first, then unrestricted resources as they are needed.

Unearned Revenue

Unearned revenue consists of contributions for the Reach for the Stars Gala and golf tournament that the Foundation has received in advance of the events.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made. The Internal Revenue Service classifies the Foundation as an organization other than a private foundation. The Foundation has not engaged in activities that result in unrelated business income tax.

Donated Assets, Services and Related Party Transactions

Donated assets are recorded at fair market value at the date of donation. Donated assets are not recorded if their current use by the Foundation has been denied until later periods. The Foundation recognizes the donation of services only if the services received (a) would be performed by salaried personnel if not contributed; (b) are controlled similar to employment; (c) have a clearly measurable basis; and (d) are not intended for the benefit of its members. The value of the donated services provided by the College for Foundation personnel is reflected in the accompanying financial statements for the years ended June 30, 2023 and 2022 in the amount of \$227,647 and \$215,625, respectively.

The members of the Board of Trustees donate their services to the Foundation. The financial statements do not reflect the value of these services, as there is no objective basis by which to measure their value.

The College donates the use of the facilities and utilities used by the Foundation. No formal lease agreement exists between the College and the Foundation. The value of the donated facilities and utilities is recorded at fair market value and is reflected in the accompanying financial statements in the amount of \$25,084 and \$14,548 for the years ended June 30, 2023 and 2022, respectively.

Other in-kind donations totaling \$85,184 and \$22,773 for the years ended June 30, 2023 and 2022, respectively, include various materials and supplies for the use of College programs and the Foundation's operations. Such amounts are included in support and program expenses in the accompanying financial statements.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain prior year amounts may have been reclassified to conform to the current year financial statement presentation.

Subsequent Events

In preparing the financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through September 8, 2023, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

NOTE 2 - CONCENTRATION OF CASH AND INVESTMENTS

The Foundation maintains its cash accounts in commercial banks in Reno, Nevada. The demand deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution.

The Foundation also maintains cash in a brokerage firm located in Reno, Nevada. The account is insured by the Securities Investor Protection Corporation (SIPC) up to \$250,000 in cash. Excess cash balances are uninsured and uncollateralized and are thereby exposed to custodial credit risk. From time to time bank balances may exceed federally insured limits.

The fair value of investments is \$6,793,657 and \$4,730,021 at June 30, 2023 and 2022, respectively. Such investments in mutual funds and exchange traded funds are maintained in accordance with the Foundation's investment policy.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Foundation, or are held by either the counterparty's trust department or agent but not in the Foundation's name. The Foundation's policy is to hold all investments in the name of the organization.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Foundation does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

While the Foundation has an investment policy stipulating ranges for asset selection and allocation, the Policy does not limit its investment choices.

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 3 - FAIR VALUE OF INVESTMENTS

GASB 72, Fair Value Measurement and Application, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The Foundation has no investments that are valued using Level 2 or Level 3 inputs. The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth, by level within the fair value hierarchy, the Foundation's investments at fair value as of June 30:

	2023		2022	
	Maturities (in years)		Maturities (in years)	
	Level 1	Less than 1	Level 1	Less than 1
Mutual funds	\$ 6,490,121	\$ 6,490,121	\$ 4,446,680	\$ 4,446,680
Exchange-traded funds	303,536	303,536	283,341	283,341
	<u>\$ 6,793,657</u>	<u>\$ 6,793,657</u>	<u>\$ 4,730,021</u>	<u>\$ 4,730,021</u>

Investment earnings at June 30, is as follows:

	2023	2022
Interest and dividends	\$ 299,738	\$ 364,860
Net realized and unrealized gains (losses)	348,125	(703,403)
	<u>\$ 647,863</u>	<u>\$ (338,543)</u>
Restricted (earnings) loss reclassified to unexpended contributions	(602,412)	255,793
Net unrestricted investment earnings (loss)	<u>\$ 45,451</u>	<u>\$ (82,750)</u>

Income from investments are reinvested and allocated in the financial statements based on donor restrictions in the endowment agreement or restrictions imposed by the Board of Trustees of the Foundation. Funds may be withdrawn from any account at the Foundation's discretion.

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 3 - FAIR VALUE OF INVESTMENTS (Continued)

The spending policy for donor-restricted endowments of the Foundation is to allocate the support of budgeted programs, a share of investment returns that will provide a full measure of current income consistent with the achievement of full long-term preservation of purchasing power of the endowment as a minimal goal. The policy is expressed as a percentage (not to exceed 4.5 percent) of a three-year moving market value average (calculated as the prior three fiscal year-ends) of its investable assets. Earnings that exceed budgeted spending are retained in the endowment corpus.

NOTE 4 - UNEXPENDED CONTRIBUTIONS

Unexpended contributions consist of amounts received and pledges made, which are earmarked by the donors for specific application. Revenue is recognized only as the funds are expended for their designated purposes.

Unexpended contributions are restricted for the following purposes at June 30:

2023		
Scholarships	College Programs	Total
\$ 1,955,323	\$ 5,204,708	\$ 7,160,031
2022		
Scholarships	College Programs	Total
\$ 1,709,433	\$ 3,375,000	\$ 5,084,433

SUPPLEMENTARY INFORMATION

WESTERN NEVADA COLLEGE FOUNDATION
SCHEDULE OF SUPPORTING ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023 (Unaudited)	2022 (Audited)
College-in-kind contributions		
Salaries and related fringe benefits	\$ 227,647	\$ 215,625
Occupancy	25,084	14,548
Accounting	17,180	11,040
Bank service charges	4,410	4,264
Depreciation	0	-
Membership	5,402	4,980
Miscellaneous	3,425	657
Public relations	7,427	5,685
Staffing	58,605	57,772
Supplies	3,733	1,871
	<u>3,733</u>	<u>1,871</u>
 Total administrative expenses	 <u>\$ 352,913</u>	 <u>\$ 316,442</u>

See accompanying notes