

WESTERN NEVADA COLLEGE FOUNDATION

FINANCIAL STATEMENTS

JUNE 30, 2024



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Western Nevada College Foundation

Opinion

We have audited the accompanying financial statements of Western Nevada College Foundation, a component unit of Western Nevada College, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Western Nevada College Foundation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Western Nevada College Foundation as of June 30, 2024, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. 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 relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The June 30, 2023 financial statements were reviewed by us and the report thereon, dated September 8, 2023, stated we were not aware of any material modifications that should be made to those statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. A review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

Responsibilities of Management for the Financial Statements

Western Nevada College Foundation's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Western Nevada College Foundation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Western Nevada College Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Western Nevada College Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Western Nevada College Foundation's basic financial statements. The supplementary information included in the accompanying Schedule of Supporting Administrative Expenses on page 20 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Supporting Administrative Expenses is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Supporting Administrative Expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Burnard Vogler Co

Reno, Nevada
September 3, 2024



WESTERN NEVADA COLLEGE FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2024

This section of Western Nevada College Foundation's ("WNC Foundation") annual financial report presents a discussion and analysis of the WNC Foundation's financial activity for the year ending June 30, 2024. 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, the Western Nevada College (WNC) Foundation has continued to focus on cultivating community partnerships, investing in workforce development, and supporting key college initiatives related to access, student success, infrastructure, and visibility. The WNC Foundation has also emphasized special events, community outreach, and grant-writing efforts to enhance contributions and investments in WNC. By prioritizing these activities, the Foundation has successfully developed critical funding to support the college's rapidly evolving needs and to train students for a changing workforce. These efforts are fully aligned with WNC's leadership and strategic plan, making FY24 one of the top years for direct investment in the college and its students. The WNC Foundation reports the following accomplishments for the fiscal year ending June 30, 2024.

Scholarship Support

Through the WNC Foundation, \$814,644 in student scholarships were awarded to nearly 500 students for the 2023-2024 academic year. Highlights include:

- The William N. Pennington Foundation generously funded \$250,000 in career and technical education scholarships, aimed at improving the community's well-being by offering students with financial need the chance to redefine their careers through technical skills leading to meaningful employment. The WNC Foundation was able to assist 131 students with this scholarship.
- The William N. Pennington Foundation also funded 30 scholarships for nursing students, providing each student with a \$7,000 award. There continues to be a high demand for nurses locally, with many job opportunities across the state of Nevada for registered nurses (RNs). This generous donation encourages students to live and work in Nevada, supporting local healthcare establishments.
- The Rotary Club of Carson City established two scholarships this year. Each award provides \$3,000 per year; the first, to support a student annually pursuing an associate's or bachelor's degree and; the second, to assist a student annually pursuing a technical certification, associate's degree, or bachelor's degree. These scholarships align with the Rotary Club's broader mission to promote educational opportunities as a means of building stronger, more vibrant communities.
- The Kanago Family Inspirational Scholarship was established with a \$48,000 donation to support students entering Science, Technology, Engineering and Math (STEM) fields of study and/or interested in career and technical education (CTE) training, allowing students to enter the workforce and fill positions in high demand.
- The Sayles Advancing Education Scholarship supports students who are enrolled in the business program and are taking accounting courses with the intent of pursuing an accounting career. This scholarship is intended to empower the next generation of accountants, fostering a community of skilled professionals who will make a meaningful impact in the local business community.

WESTERN NEVADA COLLEGE FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

Scholarship Support (Continued)

The 2024 WNC Foundation scholarship magazine, *We Are Western*, recognized WNC scholarship donors, as well as over 630 scholarships awarded to nearly 500 students through the WNC Foundation.

The WNC Foundation is forecasting that nearly \$900,000 will be awarded for the 2024-2025 academic year as fundraising efforts have resulted in the establishment of 14 new scholarships.

Campus Improvements

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

- The Nursing Program at Western Nevada College's Fallon Campus will be relocated to the Pinon Building which will undergo a significant renovation and expansion to address the current limitations of the existing facilities. The space presently used by the nursing program is inadequate for providing a safe and effective learning environment, particularly in accommodating essential simulation exercises and housing modern medical equipment. This project, estimated at \$3,439,000, will involve reconfiguring classroom spaces to create larger, more functional areas that can better serve students pursuing careers in nursing. In addition to federal funding from the Health Resources and Services Administration (HRSA), the WNC Foundation secured a generous grant from the William N. Pennington Foundation of \$990,000, to ensure the successful completion of this critical enhancement. Upon completion, the improved facilities will offer a state-of-the-art educational environment, better preparing students for the demands of the healthcare industry.
- The Career Center at Western Nevada College (WNC) is poised to play a crucial role in guiding students as they prepare for their future careers. Offering services such as job search strategies, resume development, and interview preparation, the center aims to enhance job placement rates by connecting students with local employment opportunities. The establishment of the Career Center has been significantly supported by the WNC Foundation, which contributed \$320,000 toward its completion. This funding, generously provided by donors including the William N. Pennington Foundation, the NV Energy Foundation, and The Redfield Foundation, ensures that WNC students will have access to the essential resources needed to succeed in the workforce.
- The WNC Foundation received a \$100,000 grant from the Lumina Foundation to upgrade digital monitors around campus, purchase live streaming equipment and create an interactive, digital student-led campus tour that allows WNC to better engage adult students.

Fundraising Events

WNC Foundation continues to produce quality events that engage the local community while generating important revenue to meet college and student needs. Total event revenue increased by 38% year over year to \$230,972. Highlights include:

- The sixth annual "Reach for the Stars Black Tie Gala" was held in August, 2023. The celebration honored the Jack C. Davis' Observatory's 20th anniversary with a roaring 20's theme. This marquee event netted over \$130,000 in unrestricted revenue, representing an important funding source for the Foundation.

WESTERN NEVADA COLLEGE FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

Fundraising Events (Continued)

- The 24th annual WNC Foundation Golf for Education Tournament, once again, emphasized workforce development in the region. Funds from the tournament netted over \$25,000, drawing strong support from many local organizations and community members. The tournament was sold out, with 144 players participating at the beautiful Toiyabe Golf Club.
- WNC Foundation held small, donor receptions prior to Western Nevada College Musical Theater Company's productions of Mary Poppins and Cinderella, allowing Foundation staff and board members to showcase this outstanding program, strengthen donor relationships and cultivate community support.

Program Support

Western Nevada College is recognized for its innovative approaches to learning, which enable the college to offer a high-quality educational experience. The WNC Foundation is proud to support these efforts and highlights the following key points:

- NV Energy Foundation awarded WNC Foundation a grant of \$50,000 to enhance the Construction Management program at Western Nevada College. This funding will support the purchase of up-to-date equipment, ensuring students gain cutting-edge knowledge and familiarity with the latest industry technology. The program's expansion will include training for BlueBeam software certification and increased industry partnerships, aligning with employer needs and preparing graduates for high-quality, well-paying jobs in the construction industry.
- The WNC Foundation continues its strong support for the Realizing Opportunities for the American Dream to Succeed (ROADS) workforce development program by securing vital funding that enables students not only to persist in their educational journeys but also to earn the certificates and degrees necessary to obtain meaningful employment. Over the past year, the WNC Foundation has successfully obtained more than \$45,000 in funding from Bank of America, Greater Nevada Credit Union, Nevada State Bank, and several private donors. These funds play a crucial role in enhancing both the program's and students' success by providing assistance with training, transportation, childcare, uniforms, and equipment needs.
- Western Nevada College received a grant to extend its Commercial Driver's License (CDL) program from the Fallon campus to the Carson City campus. WNC Foundation has worked with donors to provide important scholarship funding in order to support low-income students through this program, allowing them to pursue a career that is compensated well and important to local employers.

During the reporting period, the WNC Foundation contributed nearly \$1,359,124 in funding to support Western Nevada College students, programs, and facilities. Additionally, the Foundation's total assets increased by 25% year over year to \$9,524,908.

The WNC Foundation's 2024 annual financial report highlights significant accomplishments, including the awarding of \$814,644 in scholarships to nearly 500 students, major campus improvements, and successful fundraising events. Key initiatives supported by the Foundation include the relocation and renovation of the Fallon Campus nursing facilities, the establishment of a new Career Center, and enhancements to workforce development programs like ROADS. Through strategic partnerships and generous donations, the Foundation continues to play a crucial role in advancing Western Nevada College's mission and supporting student success.

WESTERN NEVADA COLLEGE FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024.

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>2024</u>	<u>2023</u>	<u>Change</u>	<u>Percentage</u>
Current assets	\$ 2,098,173	\$ 838,773	\$ 1,259,400	150%
Non-current assets	<u>7,426,735</u>	<u>6,793,657</u>	<u>633,078</u>	9%
Total assets	<u>9,524,908</u>	<u>7,632,430</u>	<u>1,892,478</u>	25%
Current liabilities	<u>8,903,645</u>	<u>7,213,761</u>	<u>1,689,884</u>	23%
Net position-Unrestricted	<u>\$ 621,263</u>	<u>\$ 418,669</u>	<u>\$ 202,594</u>	48%

Assets and liabilities increased primarily due to a \$990,000 donation for campus improvements, 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, 2024

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

	2024	2023	Change	Percentage
Operating Revenues				
Contributions	\$ 1,725,854	\$ 1,415,731	\$ 310,123	22%
Other Contributions	11,487	35,683	(24,196)	-68%
Special Events Revenue	230,972	167,055	63,917	38%
Management Fess	30,700	20,891	9,809	47%
Total operating revenues	<u>1,999,013</u>	<u>1,639,360</u>	<u>359,653</u>	<u>22%</u>
Operating expenses				
Program Expenses				
Scholarships	814,644	827,704	(13,060)	-2%
College programs	603,541	335,296	268,245	80%
Total program expenses	<u>1,418,185</u>	<u>1,163,000</u>	<u>255,185</u>	<u>22%</u>
Administrative and special events	499,008	414,942	84,066	20%
Total operating expenses	<u>1,917,193</u>	<u>1,577,942</u>	<u>339,251</u>	<u>21%</u>
Operating income	<u>81,820</u>	<u>61,418</u>	<u>20,402</u>	<u>33%</u>
Investment income	<u>120,774</u>	<u>45,451</u>	<u>75,323</u>	<u>166%</u>
Change in net position	202,594	106,869	95,725	90%
Net position, beginning of year	<u>418,669</u>	<u>311,800</u>	<u>106,869</u>	<u>34%</u>
Net position, end of year	<u>\$ 621,263</u>	<u>\$ 418,669</u>	<u>\$ 202,594</u>	<u>48%</u>

Contributions increased year over year primarily due to increased investment in college programs. 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
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WESTERN NEVADA COLLEGE FOUNDATION
 STATEMENTS OF NET POSITION
 JUNE 30, 2024 AND 2023

	2024 (Audited)	2023 (Unaudited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 678,724	\$ 472,149
Restricted cash and cash equivalents	1,399,146	366,374
Prepaid expenses	20,303	250
Total current assets	2,098,173	838,773
NONCURRENT ASSETS		
Restricted investments	7,426,735	6,793,657
Total assets	\$ 9,524,908	\$ 7,632,430
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Unearned revenue	\$ 77,764	\$ 53,730
Unexpended contributions	8,825,881	7,160,031
Total current liabilities	8,903,645	7,213,761
NET POSITION		
Unrestricted	621,263	418,669
Total liabilities and net position	\$ 9,524,908	\$ 7,632,430

See accompanying notes

WESTERN NEVADA COLLEGE FOUNDATION
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u> (Audited)	<u>2023</u> (Unaudited)
REVENUES		
Operating revenues		
Scholarships	\$ 814,644	\$ 827,704
College programs	603,541	335,296
College support	307,669	252,731
Other contributions	11,487	35,683
Special events	230,972	167,055
Management fees	<u>30,700</u>	<u>20,891</u>
Total operating revenues	<u>1,999,013</u>	<u>1,639,360</u>
EXPENSES		
Operating expenses		
Program services		
Scholarships	814,644	827,704
College programs	<u>603,541</u>	<u>335,296</u>
Total operating expenses	1,418,185	1,163,000
Supporting services		
Administrative	389,889	352,913
Special events	<u>109,119</u>	<u>62,029</u>
Total supporting services	<u>499,008</u>	<u>414,942</u>
Total expenses	<u>1,917,193</u>	<u>1,577,942</u>
Operating income	81,820	61,418
NONOPERATING REVENUES		
Investment income	<u>120,774</u>	<u>45,451</u>
Change in net position	202,594	106,869
NET POSITION, beginning of year	<u>418,669</u>	<u>311,800</u>
NET POSITION, end of year	<u>\$ 621,263</u>	<u>\$ 418,669</u>

See accompanying notes

WESTERN NEVADA COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

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	<u>2024</u> (Audited)	<u>2023</u> (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from contributions	\$ 2,419,898	\$ 2,726,592
Receipts from special events	255,006	180,310
Receipts from management fees	30,700	20,891
Payments for college scholarships and programs	(1,256,881)	(827,704)
Payments for capital investment	-	(335,296)
Payments for administrative	(82,220)	(100,182)
Payments for special events	<u>(129,172)</u>	<u>(42,405)</u>
Net cash provided by operating activities	<u>1,237,331</u>	<u>1,622,206</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales and maturities of investments	-	641,862
Purchases of investments	(340,356)	(2,412,096)
Investment earnings	<u>342,372</u>	<u>299,738</u>
Net cash provided (used) by investing activities	<u>2,016</u>	<u>(1,470,496)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,239,347	151,710
CASH AND CASH EQUIVALENTS, beginning of year	<u>838,523</u>	<u>686,813</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 2,077,870</u>	<u>\$ 838,523</u>
RECONCILIATION OF OPERATING INCOME TO		
NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 81,820	\$ 61,418
Adjustments to reconcile operating income to net cash provided by operating activities		
Noncash donation	-	(128,049)
Change in assets and liabilities:		
(Increase) decrease in:		
Prepaid expenses	(20,053)	19,624
Increase (decrease) in:		
Unearned revenue	24,034	13,255
Unexpended contributions	<u>1,661,097</u>	<u>1,655,958</u>
Net cash provided by operating activities	<u>\$ 1,746,898</u>	<u>\$ 1,622,206</u>
Operating income includes in-kind contributions and associated operating expenses of:		
Contribution for college program	\$ 161,304	\$ 85,184
College support for employee costs	282,585	227,647
College support operating expenses	<u>25,084</u>	<u>25,084</u>
	<u>\$ 468,973</u>	<u>\$ 337,915</u>
Non-cash investing activities:		
Unrealized gain	<u>\$ 418,645</u>	<u>\$ 348,125</u>

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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 Nevada System of Higher Education 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 products.

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.

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 years ended June 30, 2024 and 2023.

The allowance for credit losses is based upon management's estimation of collectability and payment histories. As there are no promises to give at June 30, 2024 and 2023 no allowance is included in the accompanying financial statements.

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (continued)

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, 2024 and 2023 in the amount of \$282,585 and \$227,647, 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 \$25,084 for the years ended June 30, 2024 and 2023, respectively.

Other in-kind donations totaling \$161,304 and \$85,184 for the years ended June 30, 2024 and 2023, 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, 2024

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 3, 2024, 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 \$100,000 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 \$7,426,735 and \$6,793,657 at June 30, 2024 and 2023, 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, 2024

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 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:

	2024		2023	
	Maturities (in years)		Maturities (in years)	
	Level 1	Less than 1	Level 1	Less than 1
Mutual funds	\$ 7,070,888	\$ 7,070,888	\$ 6,490,121	\$ 6,490,121
Exchange- traded funds	355,847	355,847	303,536	303,536
	<u>\$ 7,426,735</u>	<u>\$ 7,426,735</u>	<u>\$ 6,793,657</u>	<u>\$ 6,793,657</u>

Investment earnings at June 30, is as follows:

	2024	2023
Interest and dividends	\$ 342,372	\$ 299,738
Net realized and unrealized gains	529,851	348,125
	<u>\$ 872,223</u>	<u>\$ 647,863</u>
Restricted earnings reclassified to unexpended contributions	(751,449)	(602,412)
Net unrestricted investment earnings	<u>\$ 120,774</u>	<u>\$ 45,451</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, 2024

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:

2024		
Scholarships	College Programs	Total
\$ 2,284,425	\$ 6,541,456	\$ 8,825,881
2023		
Scholarships	College Programs	Total
\$ 1,955,323	\$ 5,204,708	\$ 7,160,031

SUPPLEMENTARY INFORMATION

WESTERN NEVADA COLLEGE FOUNDATION
SCHEDULES OF SUPPORTING ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED JUNE 30, 2024 (AUDITED) AND 2023 (UNAUDITED)

	2024 (Audited)	2023 (Unaudited)
College in-kind contributions		
Salaries and related fringe benefits	\$ 282,585	\$ 227,647
Occupancy	25,084	25,084
Accounting	12,400	17,180
Bank service charges	3,384	4,410
Membership	4,926	5,402
Miscellaneous	1,167	3,425
Public relations	8,844	7,427
Staffing	47,639	58,605
Supplies	3,860	3,733
	<u>3,860</u>	<u>3,733</u>
 Total administrative expenses	 <u>\$ 389,889</u>	 <u>\$ 352,913</u>

See accompanying notes