

WESTERN NEVADA COLLEGE FOUNDATION

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

WESTERN NEVADA COLLEGE FOUNDATION
JUNE 30, 2025 AND 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 Nevada System of Higher Education (NSHE), as of and for the years ended June 30, 2025 and 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, 2025 and 2024, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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.

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 supplemental schedules on pages 20 and 21 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental schedules are 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 supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2025 on our consideration of Western Nevada College Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Western Nevada College Foundation's internal control over financial reporting and compliance.

Barnard, Vogler & Co.

Reno, Nevada
September 16, 2025



WESTERN NEVADA COLLEGE FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025

This section of Western Nevada College Foundation's ("WNC Foundation") annual financial report presents a discussion and analysis of the Foundation's financial activity for the year ending June 30, 2025. Please review this discussion in conjunction with the accompanying financial statements and related footnotes. Foundation management is responsible for the accuracy, completeness, and fairness of this discussion and analysis.

During the past fiscal year, the Western Nevada College (WNC) Foundation continued to focus on cultivating community partnerships, investing in workforce development, and supporting key college initiatives related to student access, success, infrastructure, and visibility. The WNC Foundation also expanded its special events, donor engagement, and grant-seeking efforts to strengthen philanthropic support and long-term investments in the college.

These efforts, closely aligned with WNC's strategic goals and leadership priorities, have helped generate critical funding for student scholarships, academic programs, and capital improvements. As a result, fiscal year 2025 marked another strong year of investment in the college and its students, building on the momentum established in prior years. The WNC Foundation is pleased to report the following highlights for the fiscal year ending June 30, 2025.

Scholarship Support

Through the WNC Foundation, a total of \$870,505 in scholarships was awarded to nearly 500 students during the 2024–2025 academic year. These awards helped eliminate financial barriers and increase access to higher education for students across all areas of study. Key highlights include:

- William N. Pennington Foundation – Career & Technical Education Scholarships The William N. Pennington Foundation generously provided \$300,000 in scholarships for students pursuing career and technical education. These awards supported 137 students, helping them build in-demand skills and pursue meaningful careers in high-need sectors across Nevada.
- William N. Pennington Foundation – Nursing Scholarships. The WNC Foundation also funded 30 nursing scholarships, each valued at \$9,000. These awards help meet Nevada's urgent need for qualified healthcare professionals by supporting students who are committed to completing their RN degrees and contributing to the state's healthcare system.
- Minden RV & Boat Storage Scholarship. Located next to WNC's Douglas Campus, Minden RV & Boat Storage demonstrated their commitment to local education by establishing a \$50,000 endowment. This scholarship supports students seeking to advance their education and career prospects, reflecting the company's belief in giving back to the community they serve.
- Next Generation Nursing Scholarship. Alba Morales, a former WNC nursing student and ROADS program participant, established this scholarship to help the next generation of nurses. Grateful for the support she received during her time at WNC, Alba created this fund to give back and ensure that others have the same opportunity to pursue careers in healthcare.
- Jacobson Family Prioritizing Veterans Scholarship. Established by WNC Foundation Board Member Amanda Jacobson and her husband, John, an Army veteran, WNC graduate, and former Veterans Resource Center Coordinator—this scholarship supports veterans pursuing STEM or Career and Technical Education degrees, helping them transition to civilian careers and continue their service in new ways.
- Geology Endowed Scholarship. Funded through nearly a decade of Rock, Mineral, and Fossil Sales by the WNC Geology Club and faculty leader, Dr. Winnie Kortemeier, this endowed scholarship supports geoscience students. It reflects the power of grassroots fundraising and community support to provide long-term educational opportunities.

WESTERN NEVADA COLLEGE FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

Scholarship Support (Continued)

The 2025 *We Are Western* scholarship magazine recognized WNC's scholarship donors and highlighted over 675 scholarships awarded to more than 500 students. Looking ahead, the WNC Foundation is forecasting that scholarship awards will exceed \$900,000 for the 2025–2026 academic year, fueled by continued fundraising momentum and the establishment of 14 new scholarships.

Campus Improvements

Western Nevada College continues to invest in campus infrastructure that enhances student success and workforce readiness. The WNC Foundation is proud to support the following major initiatives:

- **Fallon Campus – Pinon Building Renovation for Nursing Program.** The Fallon Campus is preparing for a major transformation with the planned expansion and renovation of the Pinon Building. This \$3.4 million project will rehome the Nursing Program in a facility better suited for modern clinical training, simulation labs, and student learning. The college has completed architectural designs and is working toward a Fall 2026 opening. In addition to federal funding from the Health Resources and Services Administration (HRSA), the WNC Foundation secured a \$990,000 grant from the William N. Pennington Foundation to help realize this vital rural healthcare investment. The WNC Foundation remains fully engaged in the success of the project and its long-term community impact.
- **The Career Center at Western Nevada College.** Western Nevada College opened its new Career Center this year to support students in preparing for the workforce. The center provides one-on-one assistance with job searches, résumé writing, interview preparation, and connections to local employers. The WNC Foundation contributed \$320,000 toward the center's development, with generous support from the William N. Pennington Foundation, the NV Energy Foundation, and the Redfield Foundation. This investment played a key role in completing the center and contributed to program-related expenses for the current fiscal year.
- **Douglas Campus – Nursing Program Expansion.** To meet growing regional demand for trained nurses, Western Nevada College is expanding its Nursing Program to the Douglas Campus. This expansion will increase access to high-quality healthcare training for students in Douglas County and surrounding rural communities. The WNC Foundation is actively engaged in the planning process and is committed to contributing philanthropic support to ensure the program's long-term success. This initiative reflects the WNC Foundation's ongoing investment in healthcare education and its mission to address critical workforce needs across Nevada.

Fundraising Events

The WNC Foundation continues to host signature events that inspire community support while generating critical unrestricted revenue for student success and college priorities. In FY25, the WNC Foundation-led fundraising events attracted strong participation and raised important funds across multiple initiatives.

- **Reach for the Stars Black Tie Gala.** Held in August 2024, the seventh annual *Reach for the Stars Gala* embraced a *Back to the Future* theme, honoring the past while envisioning WNC's bold future. The event raised \$120,000 in unrestricted revenue, making it the WNC Foundation's highest-grossing fundraiser of the year. Guests enjoyed an inspiring evening filled with community celebration, donor recognition, and meaningful contributions to student-centered programs.
- **25th Annual Golf for Education Tournament.** The 2024 tournament marked the 25th anniversary of this beloved community tradition. Held at Toiyabe Golf Club, the event netted nearly \$30,000 in support of workforce development and student access. With a full field of 144 players and strong sponsor participation, the tournament continues to play a vital role in regional engagement and philanthropic success.

WESTERN NEVADA COLLEGE FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

Fundraising Events (Continued)

- Donor Receptions – Musical Theater and Performing Arts. The WNC Foundation hosted private donor receptions in conjunction with the *Celebrate the Magic* musical revue, the *20-Year Anniversary* retrospective of the Performing Arts program, and *The Sound of Music* production. These events provided opportunities to honor the legacy of WNC's performing arts department, showcase student talent, and deepen donor connections with the college's creative programs.
- Grand Opening of The Link Career Center. In May 2025, the WNC Foundation co-hosted the grand opening of *The Link*, Western Nevada College's new Career Center. The event welcomed donors, community leaders, and regional employers to tour the space, learn about student services, and celebrate the collaborative investment that brought the center to life. This celebration highlighted the WNC Foundation's leadership in workforce alignment and its success in securing key philanthropic support for the project.

Program Support

Western Nevada College is recognized for its innovative approaches to learning, which provide students with access to high-quality education, hands-on training, and meaningful career pathways. The WNC Foundation is proud to support these efforts through targeted philanthropic investment in academic programs, student services, and workforce development initiatives. Highlights from FY25 include:

- Construction Management Program Enhancement. The NV Energy Foundation awarded a \$50,000 grant to support enhancements to WNC's Construction Project Management program. The funding allowed the college to purchase updated instructional equipment, tools, and software - including BlueBeam certification training - that reflect current industry standards. These upgrades are helping students develop job-ready skills while aligning the curriculum with workforce expectations.
- ROADS Program Support. The WNC Foundation continues its strong support for the *Realizing Opportunities for the American Dream to Succeed (ROADS)* workforce development program. In FY25, the WNC Foundation secured \$42,000 in funding from Bank of America, Harley-Davidson Financial Services, and the AT&T Foundation. These funds help remove barriers to education and training by providing students with support for transportation, technology, uniforms, and other essentials - making it possible for more individuals to complete credentials and pursue sustainable employment.
- CDL Program Expansion and Infrastructure Support. The WNC Foundation worked closely with college leadership and donors to support the expansion of the Commercial Driver's License (CDL) program from Fallon to the Carson City campus. A \$50,000 grant from the NV Energy Foundation enabled the purchase of classroom furniture, program equipment, and the construction of a shade pavilion—a practical, outdoor structure designed to enhance the learning environment during hands-on training. This investment strengthens a vital workforce program and increases access for students seeking high-wage, high-demand careers in transportation.
- Joe Dini Library addition of Family Friendly Study Room. Recognizing the unique challenges faced by student parents, the WNC Foundation contributed funding to establish a new family-friendly study space inside the Carson City campus library. This dedicated room provides a supportive, comfortable environment where student parents can focus on coursework while keeping young children nearby in a safe, engaging setting—helping remove one more barrier to student success.

During the reporting period, the WNC Foundation contributed approximately \$1,271,447 in direct support of Western Nevada College students, programs, and facilities. The WNC Foundation's total assets increased by 13% year over year, reaching \$10,779,673 as of June 30, 2025, the highest in the history of the WNC Foundation.

WESTERN NEVADA COLLEGE FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

Program Support (Continued)

The WNC Foundation's 2024–2025 financial report highlights significant accomplishments, including the awarding of \$870,505 in scholarships to students across the region and over \$400,000 in direct program support to strengthen academic and workforce pathways. Key initiatives included the opening of The Link Career Center, the planned renovation of the Fallon campus's Pinon Building, and support for the expansion of the Nursing program to address critical workforce needs. Additionally, the WNC Foundation fulfilled a \$50,000 gift to enhance the Construction Management program, enabling the purchase of modern equipment and tools aligned with current industry standards.

Through strategic partnerships and donor generosity, the WNC Foundation continues to play a vital role in advancing the mission of Western Nevada College and fostering long-term student success.

Financial Statements

The basic financial statements of the WNC 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 WNC Foundation's operating activities and investing activities for the year ended June 30, 2025.

Statement of Net Position

This statement is presented in three major categories, namely assets, liabilities, and net position. The WNC 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 WNC 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>2025</u>	<u>2024</u>	<u>Change</u>	<u>Percentage</u>
Current assets	\$ 2,055,644	\$ 2,098,173	\$ (42,529)	-2%
Non-current assets	<u>8,724,029</u>	<u>7,426,735</u>	<u>1,297,294</u>	17%
Total assets	10,779,673	9,524,908	1,254,765	13%
Current liabilities	<u>9,919,426</u>	<u>8,903,645</u>	<u>1,015,781</u>	11%
Net position-Unrestricted	<u>\$ 860,247</u>	<u>\$ 621,263</u>	<u>\$ 238,984</u>	38%

The WNC Foundation experienced strong financial performance during the fiscal year, with a 13% increase in total assets. This growth was driven by a generous \$990,000 gift from the William N. Pennington Foundation to support the renovation and expansion of the Fallon Nursing and Allied Health Lab in the Pinon Building, as well as favorable investment performance. Continued success of the Reach for the Stars Gala and Golf for Education Tournament provided a reliable source of unrestricted revenue, strengthening the WNC Foundation's overall financial position.

WESTERN NEVADA COLLEGE FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

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).

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

	2025	2024	Change	Percentage
Operating Revenues				
Contributions	\$ 1,560,483	\$ 1,725,854	\$ (165,371)	-10%
Other Contributions	13,864	11,487	2,377	21%
Special Events Revenue	220,457	230,972	(10,515)	-5%
Management Fess	32,556	30,700	1,856	6%
Total operating revenues	1,827,360	1,999,013	(171,653)	-9%
Operating expenses				
Program Expenses				
Scholarships	870,505	814,644	55,861	7%
College programs	363,856	603,541	(239,685)	-40%
Total program expenses	1,234,361	1,418,185	(183,824)	-13%
Administrative and special events	570,842	499,008	71,834	14%
Total operating expenses	1,805,203	1,917,193	(111,990)	-6%
Operating income	22,157	81,820	(59,663)	-73%
Investment income	216,827	120,774	96,053	80%
Change in net position	238,984	202,594	36,390	18%
Net position, beginning of year	621,263	418,669	202,594	48%
Net position, end of year	\$ 860,247	\$ 621,263	\$ 238,984	38%

Contributions decreased slightly from the prior year, largely due to the timing of major gifts tied to capital project expenditures. While investment in college programs appears lower, this is also a function of timing many projects span multiple fiscal years. In contrast, scholarship disbursements rose by 7%, reflecting both an expansion in donor support and increased student need. Investment income grew significantly, up 80%, driven by strong portfolio performance. As a result of successful fundraising events and positive investment returns, the WNC Foundation's net position increased by 38%, ending the year at \$860,247.

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
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Carson City, NV 89703
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775-445-3240
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WESTERN NEVADA COLLEGE FOUNDATION
STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024

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	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 927,718	\$ 678,724
Restricted cash and cash equivalents	1,118,702	1,399,146
Prepaid expenses	9,224	20,303
Total current assets	<u>2,055,644</u>	<u>2,098,173</u>
NONCURRENT ASSETS		
Restricted investments	<u>8,724,029</u>	<u>7,426,735</u>
Total assets	<u><u>\$ 10,779,673</u></u>	<u><u>\$ 9,524,908</u></u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Unearned revenue	\$ 76,695	\$ 77,764
Unexpended contributions	9,842,731	8,825,881
Total current liabilities	<u>9,919,426</u>	<u>8,903,645</u>
NET POSITION		
Unrestricted	<u>860,247</u>	<u>621,263</u>
Total liabilities and net position	<u><u>\$ 10,779,673</u></u>	<u><u>\$ 9,524,908</u></u>

See accompanying notes

WESTERN NEVADA COLLEGE FOUNDATION
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
REVENUES		
Operating revenues		
Scholarships	\$ 870,505	\$ 814,644
College programs	363,856	603,541
College support	326,122	307,669
Other contributions	13,864	11,487
Special events	220,457	230,972
Management fees	32,556	30,700
	<u>1,827,360</u>	<u>1,999,013</u>
Total operating revenues		
EXPENSES		
Operating expenses		
Program services		
Scholarships	870,505	814,644
College programs	363,856	603,541
Total operating expenses	<u>1,234,361</u>	<u>1,418,185</u>
Supporting services		
Administrative	447,610	389,889
Special events	123,232	109,119
Total supporting services	<u>570,842</u>	<u>499,008</u>
Total expenses	<u>1,805,203</u>	<u>1,917,193</u>
Operating income	22,157	81,820
NONOPERATING REVENUES		
Investment income	<u>216,827</u>	<u>120,774</u>
Change in net position	238,984	202,594
NET POSITION, beginning of year	<u>621,263</u>	<u>418,669</u>
NET POSITION, end of year	<u><u>\$ 860,247</u></u>	<u><u>\$ 621,263</u></u>

See accompanying notes

WESTERN NEVADA COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from contributions	\$ 1,259,726	\$ 2,419,898
Receipts from special events	230,467	255,006
Receipts from management fees	32,556	30,700
Payments for college scholarships and programs	(1,143,341)	(1,256,881)
Payments for administrative	(121,488)	(82,220)
Payments for special events	(123,232)	(129,172)
Net cash provided by operating activities	<u>134,688</u>	<u>1,237,331</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales and maturities of investments	968,392	-
Purchases of investments	(2,121,245)	(340,356)
Investment earnings	986,715	342,372
Net cash provided (used) by investing activities	<u>(166,138)</u>	<u>2,016</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(31,450)	1,239,347
CASH AND CASH EQUIVALENTS, beginning of year	<u>2,077,870</u>	<u>838,523</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 2,046,420</u></u>	<u><u>\$ 2,077,870</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 22,157	\$ 81,820
Adjustments to reconcile operating income to net cash provided by operating activities		
Change in assets and liabilities:		
(Increase) decrease in:		
Prepaid expenses	11,079	(20,053)
Increase (decrease) in:		
Unearned revenue	(1,069)	24,034
Unexpended contributions	102,521	1,151,530
Net cash provided by operating activities	<u><u>\$ 134,688</u></u>	<u><u>\$ 1,237,331</u></u>
Operating income includes in-kind contributions and associated operating expenses of:		
Contribution for college program	\$ 91,020	\$ 161,304
College support for employee costs	292,539	282,585
College support operating expenses	33,583	25,084
	<u><u>\$ 417,142</u></u>	<u><u>\$ 468,973</u></u>
Non-cash investing activities:		
Unrealized gain	<u><u>\$ 903,587</u></u>	<u><u>\$ 418,645</u></u>

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 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.

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

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, 2025 and 2024.

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, 2025 and 2024 no allowance is included in the accompanying financial statements.

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 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, 2025 and 2024 in the amount of \$292,539 and \$282,585, 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 \$33,583 and \$25,084 for the years ended June 30, 2025 and 2024, respectively.

Other in-kind donations totaling \$91,020 and \$161,304 for the years ended June 30, 2025 and 2024, 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, 2025 AND 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 16, 2025, 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 \$8,724,029 and \$7,426,735 at June 30, 2025 and 2024, 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, 2025 AND 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:

	2025		2024	
		Maturities (in years)		Maturities (in years)
	Level 1	Less than 1	Level 1	Less than 1
Mutual funds	\$ 8,308,978	\$ 8,308,978	\$ 7,070,888	\$ 7,070,888
Exchange- traded funds	415,051	415,051	355,847	355,847
	<u>\$ 8,724,029</u>	<u>\$ 8,724,029</u>	<u>\$ 7,426,735</u>	<u>\$ 7,426,735</u>

Investment earnings at June 30, is as follows:

	2025	2024
Interest, dividends and capital gains	\$ 479,423	\$ 342,372
Net realized and unrealized gains	815,351	529,851
	<u>\$ 1,294,774</u>	<u>\$ 872,223</u>

Restricted earnings reclassified

to unexpended contributions

Net unrestricted investment earnings

(1,077,947)	(751,449)
<u>\$ 216,827</u>	<u>\$ 120,774</u>

Income from investments is 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, 2025

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:

2025		
Scholarships	College Programs	Total
\$ 2,284,913	\$ 7,557,818	\$ 9,842,731
2024		
Scholarships	College Programs	Total
\$ 2,284,425	\$ 6,541,456	\$ 8,825,881

SUPPLEMENTARY INFORMATION

WESTERN NEVADA COLLEGE FOUNDATION
SCHEDULES OF SUPPORTING ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
College in-kind contributions		
Salaries and related fringe benefits	\$ 292,539	\$ 282,585
Occupancy	33,583	25,084
Accounting	39,727	12,400
Bank service charges	5,705	3,384
Insurance	175	-
Membership	4,838	4,926
Miscellaneous	1,852	1,167
Public relations	11,687	8,844
Software	48	-
Staffing	56,414	47,639
Supplies	542	3,860
Travel/professional development	500	-
	<u>500</u>	<u>-</u>
Total administrative expenses	<u>\$ 447,610</u>	<u>\$ 389,889</u>

WESTERN NEVADA COLLEGE FOUNDATION
SCHEDULE OF RECONCILIATION OF UNEXPENDED TO RESTRICTED NET POSITION
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Beginning Unexpended Contributions		
Programs	\$ 1,856,105	\$ 613,997
Scholarships	458,524	406,093
Endowments	6,511,252	6,139,941
Total Beginning Unexpended Contributions	<u>8,825,881</u>	<u>7,160,031</u>
Contributions received	1,259,726	2,830,374
Investment earnings	957,467	508,895
Amounts expended	(1,171,490)	(1,648,997)
Investment management fee, transfers, and other misc. items	(28,853)	(24,422)
Total change to net position restricted by the donor	<u>1,016,850</u>	<u>1,665,850</u>
Restricted Net Position	<u><u>\$ 9,842,731</u></u>	<u><u>\$ 8,825,881</u></u>

See accompanying notes



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Western Nevada College Foundation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Western Nevada College Foundation, a component unit of Western Nevada College, which comprise the statement of net position as of June 30, 2025, and the related statements of support, revenue expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated September 16, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Western Nevada College Foundation's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Western Nevada College Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Barnard, Vogler & Co.

Reno, Nevada
September 16, 2025

