

WESTERN NEVADA COLLEGE FOUNDATION

REVIEWED FINANCIAL STATEMENTS

JUNE 30, 2021

WESTERN NEVADA COLLEGE FOUNDATION
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Western Nevada College Foundation

We have reviewed the accompanying financial statements of Western Nevada College Foundation (a nonprofit organization), a component unit of Western Nevada College, as of June 30, 2021, which comprise the statement of net position as of June 30, 2021 and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

Accountant's Conclusion

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

Report on 2020 Financial Statements

The 2020 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated September 10, 2020. We have not performed any auditing procedures since that date.

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT
CONTINUED**

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

The accompanying supplementary information included on page 16 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Parreborn & Co., LTD.

Reno, Nevada
September 17, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

WESTERN NEVADA COLLEGE FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

This section of Western Nevada College Foundation's annual financial report presents discussion and analysis of the Foundation's financial activity for the year ending June 30, 2021. Please review this discussion in conjunction with the accompanying financial statements and related footnotes. Foundation management is responsible for this discussion and analysis and its corresponding completeness and fairness.

During the past year, Western Nevada College (WNC) Foundation has continued to focus on community outreach, grant-writing efforts and special events with the intent of improving contributions to the college. Amid changes in our local economy following measures taken to control the spread of COVID-19, WNC Foundation refocused and placed a priority on grant writing and community outreach in order to develop critical funding to support rapidly changing college needs and students in crisis. As a result, Western Nevada College Foundation reported the following accomplishments for the fiscal year ending June 30, 2021:

Scholarship Support

Student scholarships awarded through the WNC Foundation for the 2020-21 academic year improved year-over-year by 30%, bringing total scholarship support to \$674,685 for the year. Highlights included:

- William N. Pennington Foundation generously funded \$200,000 toward career and technical education scholarships designed to improve the well-being of the community by offering students with financial need the opportunity to redefine their careers by gaining technical skills leading to meaningful employment. The WNC Foundation was able to help 120 students with this scholarship.
- The Industrial Arts Workforce Development Scholarship was established following a generous \$100,000 donation, benefiting students for years to come through an endowment created within the WNC Foundation thanks to the generosity of Ron Turek and Ann Carlson.
- The Drs. Sandra Koch and Tim McFarren STEM Scholarship was established following a generous \$100,000 donation, benefiting students for years to come through an endowment created within the WNC Foundation thanks to the generosity of Drs. Sandra Koch and Tim McFarren.

WNC Foundation's annual scholarship celebration event was canceled due to concerns of spreading COVID-19; however, the event's accompanying scholarship magazine, *We Are Western*, was published recognizing scholarship donors and celebrating nearly 500 students who received scholarship support through the Foundation. Additionally WNC celebrated 50 years serving the community with 16 businesses sponsoring the publication which raised nearly \$10,000 with a new program.

WNC Foundation is forecasting that more than \$700,000 will be awarded for the coming academic year as fundraising efforts have resulted in the establishment of 10 new scholarships that will be awarded in fiscal year 2021-22. Of these new awards, six are scholarships established by private donors, one is funded by Foundation a board member, one is funded by an employee and two are funded by local service organizations.

Campus Improvements

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

- A \$941,244.00 capital project to renovate and expand the Biology/Chemistry Lab at the WNC Fallon Campus and create an HVAC Lab at the WNC Fallon Campus, funded through the generosity of the William N. Pennington Foundation, will be completed in 2022. This lab had not been updated since 1992 and will facilitate 21st century learning, featuring state-of-the-art technology and lab design while increasing WNC's capacity to serve students.
- In the Fall of 2020 the Applied Industrial Technology (AIT) program completed the build out of the mobile manufacturing training unit that will support workforce development in the Sierra region. The AIT Mobile Lab is the next phase of WNC's vision to expand the outreach and engagement of our high-tech and hands-on offerings to prepare students for the workforce in Northern Nevada. The AIT Mobile Lab can be transported to satellite campuses, service area high schools, manufacturing facilities and correctional centers. This equipment enables WNC to expand on-site classes, certifications and assessment training to a broader group of students, increase the number of certifications awarded, and increase the number of skilled workers prepared to fill high-demanding manufacturing jobs in our region. This innovative solution was funded through the William N. Pennington Foundation, Wells Fargo, Tesla and the Governor's Office of Economic Development (GOED), nearly \$800,000.

WESTERN NEVADA COLLEGE FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

Campus Improvements (continued)

- The Food Pantry has been named the Wildcat Reserve and supplies nonperishable toiletries and groceries to students in need. Services were open throughout the pandemic and offered hands-free, online with curbside pick-up. This initiative has been funded through a grant from NV Energy in addition to private donors, totaling over \$35,000. Every fall the Associated Students of Western Nevada hold a food and hygiene drive to help stock the pantry.

Fundraising Events

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

- The fifth annual “Reach for the Stars Black Tie Gala” was canceled due to the pandemic and COVID-19 restrictions.
- The 21st annual WNC Golf for Education Tournament was, once again, supported by the lead sponsor, Southwest Gas, and local community sponsors, emphasizing an important workforce development theme. Funds from this tournament exceeded \$42,000, drawing strong support from many local organizations and community members. The tournament was sold out with 144 players participating.
- A small virtual fundraising event was held in December. WNC Trivia Night allowed the WNC Foundation to reach out to the community during the COVID-19 quarantine in support of students experiencing financial struggles.
- WNC Foundation worked with the WNC Art Program to design this year’s holiday card. This was sent out with a return donation card to over 1,000 community members. Return donations came in at nearly \$30,000 including a \$20,000 donation from the Straubel Foundation. Five designs were chosen to create packets of notecards that are being sold on the WNC.edu website for a \$10 donation.
- The Creative Expressions Beyond the Bars auction and fundraiser art show and auction was held in 2021 to benefit the Higher Education in Prison Program. Nearly \$3,400 was raised from this event and the proceeds will be used to support the needs of students in fiscal year 2022. A second annual event has been scheduled for February 2022.
- 2021 marks the college’s 50th anniversary serving Northern Nevada. A series of events have been planned to celebrate the milestone. Thanks for Giving event will be held November 13, 2021 to thank our supporters.

Program Support

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

- William N. Pennington Foundation generously funded \$352,732 toward the use of WNC Jump Start College tuition for low income students in Spring 2021 and Fall 2021 semesters. Following the state's elimination of the Career and College Readiness Grant support, this generous investment from the William N. Pennington Foundation allows partner high schools to continue to offer dual enrollment options to students without the financial means necessary to continue on their own. WNC Jump Start College continues to provide college access to exceptional high school students.
- WNC held the first paramedic graduation ceremony in February 2020. 11 students graduated from the program and were eligible to sit for the National Registry of Emergency Medical Technician (NREMT) National Certification Test. Students completed nearly 600 hours of didactic and lab coursework, over 200 hours of hospital clinical time and 500 hours of field internship time. WNC Foundation received a donation of an Ambulance in order to support this program.

WESTERN NEVADA COLLEGE FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

Foundation Excellence

In summary, through fundraising events, campus improvements, investments and scholarships, WNC Foundation has delivered great results in FY21 in order to support the strategic direction of Western Nevada College. The Foundation is grateful to all the donors, partners, faculty and staff who have contributed to making these results possible.

In summary, through fundraising events, campus improvements, investments and scholarships, WNC Foundation has delivered great results in FY20 in order to support the strategic direction of Western Nevada College. The Foundation is grateful to all the donors, partners, faculty and staff who have contributed to making these results possible.

Financial Statements

The basic financial statements of the Foundation are the Statement of Net Position, Statement of Support, Revenue, 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 Support, Revenue, 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 inflow and outflow resulting from the Foundation's operating activities, investing activities and capital and non-capital financing activities for the year ended June 30, 2021.

Statement of Net Position

This statement is presented with 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 and promises to give. 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:

	2021	2020	2021-2020	
			Change	% Change
Assets				
Current assets	1,634,794	\$ 527,409	\$ 1,107,385	210%
Noncurrent assets	5,082,625	4,018,090	1,064,535	26%
Total assets	<u>\$ 6,717,419</u>	<u>\$ 4,545,499</u>	<u>\$ 2,171,920</u>	<u>48%</u>
Liabilities				
Current liabilities	6,290,541	\$ 4,317,113	\$ 1,973,428	46%
Net Position				
Unrestricted	426,878	228,386	198,492	87%
Total Liabilities and Net Position	<u>\$ 6,717,419</u>	<u>\$ 4,545,499</u>	<u>\$ 2,171,920</u>	<u>48%</u>

Current assets increased primarily due to a donation from the William N. Pennington Foundation for capital investment of nearly \$1 million in the Fallon Biology and HVAC Laboratories. Noncurrent assets increased following improvements in the WNC Foundation's investment portfolio as well as large contributions from new scholarship donors totaling more than \$200,000 toward the Foundation's endowment.

WESTERN NEVADA COLLEGE FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

Statement of Support, Revenue, Expenses, and Changes in Net Position

The statement of support, revenue, 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 and support, operating expenses, and investment income (loss).

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

	2021	2020	2021-2020	
			Change	% Change
Operating Support and Revenue				
Contributions	\$ 1,288,467	\$ 2,034,841	\$ (746,374)	-37%
Other Contributions	35,378	58,474	(23,096)	-39%
Special events revenue	46,716	164,599	(117,883)	-72%
Management fees	17,297	15,840	1,457	9%
Total Operating Support and Revenue	<u>1,387,858</u>	<u>2,273,754</u>	<u>(885,896)</u>	<u>-39%</u>
Operating Expenses				
Program expenses				
Scholarships	674,685	518,348	156,337	30%
College programs	121,168	245,422	(124,254)	-51%
Capital investment	287,610	1,072,156	(784,546)	-73%
Total Program Expenses	<u>1,083,463</u>	<u>1,835,926</u>	<u>(752,463)</u>	<u>-41%</u>
Administrative and special events	<u>281,817</u>	<u>371,943</u>	<u>(90,126)</u>	<u>-24%</u>
Total Operating Expenses	<u>1,365,280</u>	<u>2,207,869</u>	<u>(842,589)</u>	<u>-38%</u>
Operating Income (Loss)	<u>22,578</u>	<u>65,885</u>	<u>(43,307)</u>	<u>-66%</u>
Investment Earnings	<u>175,914</u>	<u>12,333</u>	<u>163,581</u>	<u>1326%</u>
Change in Net Position	<u>198,492</u>	<u>78,218</u>	<u>120,274</u>	<u>154%</u>
Net Position, Beginning of Year	<u>228,386</u>	<u>150,168</u>	<u>78,218</u>	<u>52%</u>
Net Position, End of Year	<u>\$ 426,878</u>	<u>\$ 228,386</u>	<u>\$ 198,492</u>	<u>87%</u>

Contributions decreased year over year primarily due to the \$1.3 million investment in the Aspen Building Science lab funded by the William N. Pennington Foundation which was completed in 2020, which did not occur in 2021. While the WNC Foundation held a very successful golf tournament in 2021, limitations on events brought on by Covid-19 prevented the largest fundraiser of the year, Reach for the Stars Gala, from being held, resulting in a decline in special event revenue. Net position for the year increased primarily due to unrestricted contributions raised from fundraising activities.

WESTERN NEVADA COLLEGE FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

Statement of Cash Flows

The statement of cash flows is used to determine the Foundation's ability to meet its obligations, and to determine if external financing is needed. It is presented using the direct method with four classifications: operating activities, non-capital financing activities, capital and related financing activities and investing activities.

The following is a summary of cash flows for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Net cash provided by (used in):		
Operating activities	\$ 2,002,626	\$ (656,546)
Investing activities	(888,621)	(597,036)
Net Increase (Decrease) in Cash and		
Cash equivalents	<u>1,114,005</u>	<u>(1,253,582)</u>
Cash and Cash Equivalents, Beginning of Year	<u>520,789</u>	<u>1,774,371</u>
Cash and Cash Equivalents, Beginning of Year	<u>\$ 1,634,794</u>	<u>\$ 520,789</u>

Requests for Information

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

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

WESTERN NEVADA COLLEGE FOUNDATION
STATEMENT OF NET POSITION
JUNE 30, 2021 (UNAUDITED) AND JUNE 30, 2020 (AUDITED)

	<u>2021</u> <u>(Unaudited)</u>	<u>2020</u> <u>(Audited)</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,416,418	\$ 221,766
Restricted cash and cash equivalents	218,376	299,023
Pledges receivable	-	6,620
Total Current Assets	<u>1,634,794</u>	<u>527,409</u>
Noncurrent Assets		
Restricted investments	<u>5,082,625</u>	<u>4,018,090</u>
Total Assets	<u>\$ 6,717,419</u>	<u>\$ 4,545,499</u>
LIABILITIES AND NET POSITION		
Current Liabilities		
Unexpended contributions	<u>\$ 6,290,541</u>	<u>\$ 4,317,113</u>
Net Position		
Unrestricted	<u>426,878</u>	<u>228,386</u>
Total Net Position	<u>426,878</u>	<u>228,386</u>
Total Liabilities and Net Position	<u>\$ 6,717,419</u>	<u>\$ 4,545,499</u>

See accompanying notes.

WESTERN NEVADA COLLEGE FOUNDATION
STATEMENT OF SUPPORT, REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021 (UNAUDITED) AND JUNE 30, 2020 (AUDITED)

	2021 (Unaudited)	2020 (Audited)
Operating Support and Revenue		
Scholarships	\$ 674,685	\$ 518,348
College programs	121,168	245,422
Capital investments	287,610	1,072,156
College support	205,004	198,915
Other contributions	35,378	58,474
Special events	46,716	164,599
Management fees	17,297	15,840
Total Operating Support and Revenue	<u>1,387,858</u>	<u>2,273,754</u>
Operating Expenses		
Program Services		
Scholarships	674,685	518,348
College programs	121,168	245,422
Capital investments	287,610	1,072,156
Total Program Services Expense	<u>1,083,463</u>	<u>1,835,926</u>
Supporting Services		
Administrative	265,707	302,202
Special events	16,110	69,741
Total Supporting Services Expense	<u>281,817</u>	<u>371,943</u>
Total Operating Expenses	<u>1,365,280</u>	<u>2,207,869</u>
Operating Income (Loss)	22,578	65,885
NON-OPERATING REVENUE		
Investment Earnings	<u>175,914</u>	<u>12,333</u>
Change in Net Position	198,492	78,218
Net Position, Beginning of Year	<u>228,386</u>	<u>150,168</u>
Net Position, End of Year	<u>\$ 426,878</u>	<u>\$ 228,386</u>

See accompanying notes.

WESTERN NEVADA COLLEGE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021 (UNAUDITED) AND JUNE 30, 2020 (AUDITED)

	2021 (Unaudited)	2020 (Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from contributions	\$ 3,092,269	\$ 1,160,183
Receipts from special events	40,065	150,753
Receipts from management fees	17,297	15,840
Payments for college scholarships and programs	(789,202)	(763,770)
Payments for capital investment	(287,610)	(1,072,156)
Payments for administrative	(54,083)	(103,287)
Payments for special events	(16,110)	(44,109)
Net Cash Provided (Used) by Operating Activities	<u>2,002,626</u>	<u>(656,546)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Sale and maturities of investments	804,057	635,087
Purchases of investments	(904,561)	(1,173,413)
Investment earnings	(788,117)	(58,710)
Net Cash Provided (Used) by Investing Activities	<u>(888,621)</u>	<u>(597,036)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,114,005	(1,253,582)
Cash and Cash Equivalents, Beginning of Year	<u>520,789</u>	<u>1,774,371</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,634,794</u>	<u>\$ 520,789</u>
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities:		
Operating Income (Loss)	\$ 22,578	\$ 65,885
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Change in:		
Pledge receivables	6,620	-
Prepaid expenses	-	11,786
Unexpended contributions	1,973,428	(734,217)
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,002,626</u>	<u>\$ (656,546)</u>
Operating income includes in-kind contributions and associated operating expenses of:		
Contribution for college program	\$ 6,651	\$ 13,846
College support for employee costs	192,122	184,571
College support for operating expenses	12,882	14,344
	<u>\$ 211,655</u>	<u>\$ 212,761</u>
Non-Cash Investing Activities:		
Unrealized gain (loss)	<u>\$ 585,510</u>	<u>\$ (69,940)</u>

See accompanying notes.

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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.

Reporting Entity and Basis of Accounting

The Foundation is considered a college foundation because of its relationship with Western Nevada College, a campus of the Nevada System of Higher Education (NSHE). The financial statements have been prepared 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 established governmental accounting and financial reporting principles.

The Foundation is a component unit of the 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.

Basis of Presentation

The Foundation is a component unit of the College as defined in GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. As such, the Foundation reports its financial activities and net position using a single column enterprise fund presentation as described by GASB 34.

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

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* represents amounts having constraints placed on their use by the donor, but may be spent at some time, either in the present or future.

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

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.

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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.

Recognition of Support and Revenue

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.

Pledges receivable represent unrestricted promises to give. Unrestricted promises to give total \$-0- and \$6,620 as of June 30, 2021 and 2020, respectively.

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, 2021 and 2020.

The allowance for doubtful accounts is based upon management's estimation of collectability and payment histories. Promises to give at June 30, 2021 and 2020 are considered fully collectible. Accordingly, no allowance for doubtful accounts is included in the accompanying financial statements.

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

Donated Assets, Services and Related Party Transactions

Donated assets and services are recognized as revenue in the period received at their estimated fair value.

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 similarly 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, 2021 and 2020 in the amount of \$192,122 and \$184,571, 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 \$12,882 and \$14,344 for both 2021 and 2020, respectively.

Other in-kind donations totaling \$6,651 and \$13,846 for the years ended June 30, 2021 and 2020, 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.

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). 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.

Use of Estimates

In preparing financial statements in conformity with U.S. generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 2 - CONCENTRATION OF CASH AND INVESTMENTS

The Foundation maintains its cash accounts in commercial banks and a brokerage firm 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. At June 30, 2021, the Foundation had uninsured excess cash of \$948,790.

The fair value of investments is \$5,082,265 and \$4,018,090 at June 30, 2021 and 2020, 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.

WESTERN NEVADA COLLEGE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

NOTE 2 - CONCENTRATION OF CASH AND INVESTMENTS (CONTINUED)

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.

NOTE 3 – INVESTMENTS AND FAIR VALUE

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. Level 3 inputs would be used only when Level 1 or Level 2 inputs are not available. The Foundation has no investments that are valued using the Level 3 inputs. Following is a description of the inputs used for fair value measurements:

Level 1 - The fair values of common stocks and mutual funds are based on unadjusted quoted prices in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, considering factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

The fair value and maturities consist of the following at June 30:

	2021		2020	
	Level 1	Maturities (in years) Less than 1	Level 1	Maturities (in years) Less than 1
Mutual funds	\$ 4,727,668	\$ 4,727,668	\$ 3,746,502	\$ 3,746,502
Exchange-traded funds	354,957	354,957	271,588	271,588
	<u>\$ 5,082,625</u>	<u>\$ 5,082,625</u>	<u>\$ 4,018,090</u>	<u>\$ 4,018,090</u>

WESTERN NEVADA COLLEGE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

NOTE 3 – INVESTMENTS AND FAIR VALUE (CONTINUED)

Investment earnings at June 30, is as follows:

	2021	2020
Interest and dividends	\$ 245,929	\$ 163,145
Net realized and unrealized gains (losses)	718,156	(91,999)
	964,085	71,146
Restricted earnings reclassified to unexpended contributions	(788,171)	(58,813)
Net unrestricted investment earnings	\$ 175,914	\$ 12,333

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

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 spending budgeted 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, 2021 and 2020:

		2021			
		Scholarships	College Programs	Capital Investments	Total
Received		\$ 1,361,115	\$ 4,118,417	\$ 811,009	\$ 6,290,541
		2020			
		Scholarships	College Programs	Capital Investments	Total
Received		\$ 978,050	\$ 3,181,688	\$ 157,375	\$ 4,317,113

NOTE 5 - SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. The duration and impact of the COVID-19 pandemic remains unclear. At this time it is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position, results of operations or cash flows to the Foundation for future periods.

Management has evaluated subsequent events through September 17, 2021, the date on which the financial statements were available for issue and identified no further significant events or transactions to disclose.

SUPPLEMENTARY INFORMATION

WESTERN NEVADA COLLEGE FOUNDATION
SCHEDULE OF SUPPORTING ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021 (UNAUDITED) AND JUNE 30, 2020 (AUDITED)

	2021 (Unaudited)	2020 (Audited)
College in-kind contributions		
Salaries and related fringe benefits	\$ 192,122	\$ 184,571
Occupancy	12,882	14,344
Accounting	3,846	10,425
Allowance for pledge receivable	6,620	-
Bank service charges	3,426	4,070
Insurance	2,259	2,137
Membership	5,122	6,149
Miscellaneous	210	2,660
Public relations	6,634	12,604
Software	426	8,698
Staffing	30,914	54,478
Supplies	1,246	2,066
	\$ 265,707	\$ 302,202

See accompanying notes.