

**Western Nevada College
Foundation**

Financial Statements

**Fiscal Years Ended June 30, 2008
and 2007**

Western Nevada College Foundation
Financial Statements

For the Years Ended June 30, 2008 and 2007

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KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Western Nevada College Foundation

We have audited the accompanying basic financial statements of the Western Nevada College Foundation, a component unit of the Western Nevada College, as of and for the years ended June 30, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of the Western Nevada College Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Western Nevada College Foundation as of June 30, 2008 and 2007, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The management discussion and analysis on pages 2i-v is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Kafoury, Armstrong & Co.

Fallon, Nevada
September 30, 2008

Western Nevada College Foundation
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2008

Management's Discussion and Analysis

This section of Western Nevada College Foundation's annual financial report presents our discussion and analysis of the Foundation's financial activity for the year ended June 30, 2008. Please review it 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.

Financial Highlights

- The WNC Foundation transferred the John L. Harvey Baseball Field to Western Nevada College at a value of \$1,272,843. The field was donated by Wingfield Nevada Group.
- The foundation also contributed .7888 acre of land from Don Bently valued at \$160,000 to WNC in FY08.
- Western Nevada College students got the opportunity to personally thank the individuals who are helping them earn a college degree at the WNC Foundation's eighth annual Scholarship Appreciation & Recognition Reception. The event celebrated the success of 214 students who received a total of \$127,695 in scholarship awards. Foundation funds contributed \$115,676 of this total to 186 of the recipients.

Overview of the Financial Statements

This annual report consists of two parts – management's discussion and analysis (this section), and the basic financial statements. These basic financial statements for the Foundation, along with a description of the information contained in each statement, are:

- ▶ *Statements of Net Assets* – provides a picture of the assets and liabilities of the Foundation at the end of its fiscal year, along with the difference between assets and liabilities, which is referred to as *net assets*;
- ▶ *Statements of Revenues, Expenses, and Changes in Net Assets* – shows the revenues and expenses that resulted from the Foundation's operations during the fiscal year, regardless of when cash was received or paid, and shows how those results of operations affected net assets of the Foundation; and
- ▶ *Statements of Cash Flows* – presents a summary of cash balances at the beginning of the period, increases and decreases in cash during the period, and the balance of Foundation cash at the end of the period.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Condensed Financial Information

The Foundation's primary purpose is to obtain additional financial resources to enhance the college's mission. This purpose is accomplished by ensuring public awareness of the strengths and needs of the institution, the cultivation of significant individuals, corporations, and private foundations, and eventually, the solicitation of funds for use in carrying out the college's mission and strategic plan.

When analyzing the financial statements of the Foundation, it is important to remember this key concept: in traditional business, an increase in net assets might generally be associated with an improved financial position. Conversely, a decrease in net assets might indicate deterioration in net assets. These generalities are not necessarily the case for a nonprofit like the Foundation because of the nature of its operations. Unlike a business entity, nonprofits such as the Foundation have a goal of disbursing funds, or reducing net assets, in support of their mission.

An analysis of Foundation operations might consider the change in net assets by type:

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

Nonexpendable net assets, 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, such as scholarships or equipment purchases, and are included in the expendable categories of net assets.

Expendable net assets represent 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 assets 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.

A comparison of the various condensed statements for this year and the prior year will help with an analysis of changes in net assets, results of operations, and other measures of the Foundation's activities.

**Condensed Statements of Net Assets
June 30, 2008 2007 and 2006**

Western Nevada College Foundation

Condensed Statements of Net Assets

	2008	2007	2006	2007-2008		2006-2007	
				Change	% Change	Change	% Change
Current assets	\$ 1,132,061	\$ 1,929,905	\$ 1,797,230	\$ (797,844)	-41.34%	\$ 132,675	7.38%
Other noncurrent assets	\$ 1,628,164	\$ 2,373,925	\$ 2,058,192	\$ (745,761)	-31.41%	\$ 315,733	15.34%
Total assets	\$ 2,760,225	\$ 4,303,830	\$ 3,855,422	\$ (1,543,605)	-35.87%	\$ 448,408	11.63%
Net assets							
Restricted							
Nonexpendable	\$ 611,425	\$ 646,043	\$ 582,737	\$ (34,618)	-5.36%	\$ 63,306	10.86%
Expendable	\$ 2,069,741	\$ 2,388,231	\$ 2,054,754	\$ (318,490)	-13.34%	\$ 333,477	3.00%
Unrestricted	\$ 79,091	\$ 1,269,556	\$ 1,127,931	\$ (1,190,465)	-93.77%	\$ 141,625	12.56%
Total net assets	\$ 2,760,257	\$ 4,303,830	\$ 3,765,422	\$ (1,543,573)	-35.87%	\$ 538,408	14.30%

Total net assets decreased by 36% in FY 2008. This was due to the official gifting of the John L. Harvey Baseball Field and the Bently land donation to the Board of Regents and Western Nevada College in FY 2008.

All assets are managed in coordination with the WNC Foundation Finance Committee and Charles Schwab Private Client. The moderately conservative approach to portfolio management has worked well for the Foundation with the main priority being to produce income to meet established goals.

**Condensed Statements of Revenues, Expenses, and Changes in Net Assets
For the Year Ended June 30, 2008 2007 and 2006**

	2008	2007	2006	2007-2008		2006-2007	
				Change	Change	Change	Change
Operating Revenues							
Foundation gifts/contributions	\$ 856,524	\$ 1,463,528	\$ 2,167,742	\$ (607,004)	-41%	\$ 704,214	32%
Total Operating Revenues	\$ 856,524	\$ 1,463,528	\$ 2,167,742	\$ (607,004)	-41%	\$ 704,214	32%
Operating Expenses	\$ 2,273,508	\$ 1,168,015	\$ 1,659,032	\$ 1,105,493	95%	\$ 491,017	30%
Operating Income	\$ (1,416,984)	\$ 295,513	\$ 508,710	\$ (1,712,497)	-579%	\$ 213,197	42%
Nonoperating Revenue (Expense)							
Allowance for pledge receivable	\$ 7,061	\$ 4,640	\$ 4,884	\$ 2,421	52%	\$ 244	
Gain/(loss) sale of assets held for sale	\$ -	\$ -	\$ -	\$ -	0%	\$ -	
Investment Earnings	\$ (133,650)	\$ 238,255	\$ 140,709	\$ (371,905)	-156%	\$ (97,546)	-69%
Total increase in net assets	\$ (1,543,573)	\$ 538,408	\$ 649,419	\$ (2,081,981)	-387%	\$ 111,011	17%
Net Assets							
Net assets, beginning of year	\$ 4,303,830	\$ 3,765,422	\$ 3,215,088	\$ 538,408	14%	\$ 550,334	17%
Prior period adjustment	\$ -	\$ -	\$ (103,969)	\$ -	0%	\$ (103,969)	
Net assets, beginning of year as adjusted	\$ 4,304,830	\$ 4,303,830	\$ 2,629,559	\$ 1,000	0%	\$ 1,674,271	64%
Net assets, end of year	\$ 2,760,257	\$ 4,303,830	\$ 3,278,978	\$ (1,543,573)	-36%	\$ 1,024,852	31%

The Foundation decreased its overall fundraising revenue by 41% in FY08 and there was a substantial decrease in the investment income. Considering the nation's economic woes and those of the State of Nevada's, this is not inconsistent. The finance committee maintains a conservative approach to the portfolio and is in the stock market for the long run.

Economic Factors That Will Affect the Future

The economic position of the Foundation is closely tied to that of Western Nevada College, and to the economic health of the western Nevada region. The following identifies the condition of Nevada's economy that will have an effect on the Foundation's future financial condition (information courtesy of Center for Business and Economic Research at UNLV):

► The Nevada economy shows strains from higher unemployment, higher costs, and weakened economic prospects. Unemployment rates in the Silver State rose again in July, continuing an upward movement seen throughout 2008. They stand at 6.7%, 6.8%, and 6.5% for Nevada, Las Vegas (Clark County), and Reno (Washoe County), respectively. These rates exceed the U.S. rate of 5.7%. The economic weakness in the Silver State appears most vividly in taxable sales where belt-tightening consumers spend less and pay less tax. Nevada taxable sales have declined each month from June 2007 to June 2008. Sectors reporting the largest declines include automobiles, furniture, and building supplies-consumer big-ticket items. In short, we find Nevada households tapped out and spending less.

The Nevada recession, under way since late 2007, shows the adverse effects of fuel and food price rises, the housing bubble, and less credit availability. The nation faces the same three problems, but these problems became more acute in the Silver State. Nevada is one of four states (the others being California, Arizona, and Florida) where housing prices rose precipitously and now are nose diving. Historically, regional housing down cycles often linger, at least longer than the business cycle. This seems to be the case again, suggesting a slower-than-usual recovery ahead.

Requests for Information

This financial report is designed to provide a general overview of the WNC Foundation's finances for all those with an interest in the Foundation's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Helaine Jesse at the following:

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WESTERN NEVADA COLLEGE FOUNDATION
 STATEMENTS OF NET ASSETS
 JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 62,295	\$ 30,484
Restricted cash and cash equivalents	940,331	381,598
Current portion of pledges receivable	129,435	295,547
Assets held for donation	-	1,222,276
	<u>1,132,061</u>	<u>1,929,905</u>
Total current assets		
Noncurrent Assets		
Pledges receivable	215,981	247,135
Restricted investments	1,412,183	2,126,790
	<u>1,628,164</u>	<u>2,373,925</u>
Total noncurrent assets		
Total Assets	<u>2,760,225</u>	<u>4,303,830</u>
Net Assets		
Restricted:		
Nonexpendable	611,425	646,043
Expendable		
Scholarships, capital projects and programs	2,069,741	2,388,231
Unrestricted	79,091	1,269,556
	<u>2,760,257</u>	<u>4,303,830</u>
Total Net Assets	<u>\$ 2,760,257</u>	<u>\$ 4,303,830</u>

See accompanying notes.

WESTERN NEVADA COLLEGE FOUNDATION
 STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	2008	2007
Operating Revenues		
Contributions	\$ 739,396	\$ 1,322,905
Special events revenue	106,744	126,237
Other operating revenue	10,384	14,386
Total operating revenues	<u>856,524</u>	<u>1,463,528</u>
Operating Expenses		
Program expenses		
Athletics	1,445,424	358,907
Fallon library	-	125,000
Scholarships	115,676	111,341
Other program services	344,228	229,042
Total program services	<u>1,905,328</u>	<u>824,290</u>
General supporting expenses	338,185	312,455
Special events expense	29,995	31,270
Total operating expenses	<u>2,273,508</u>	<u>1,168,015</u>
Operating Income	<u>(1,416,984)</u>	<u>295,513</u>
Non-operating Revenue (Expense)		
Investment earnings	(133,650)	238,255
Allowance for pledge receivable	7,061	4,640
Total non-operating revenue (expense)	<u>(126,589)</u>	<u>242,895</u>
Increase in net assets	(1,543,573)	538,408
Net Assets		
Beginning of year	\$ 4,303,830	3,765,422
End of year	<u>\$ 2,760,257</u>	<u>\$ 4,303,830</u>

See accompanying notes.

WESTERN NEVADA COLLEGE FOUNDATION
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	2008	2007
Cash flows from operating activities		
Receipts from contributions	\$ 404,522	\$ 858,714
Receipts from special events	106,744	126,237
Receipts from other operations	27,180	13,706
Payments for program expenses	(472,485)	(824,290)
Payments for general supporting expenses	(33,408)	(36,680)
Payments for special events expenses	(29,995)	(31,270)
Net cash provided by operating activities	<u>2,558</u>	<u>106,417</u>
Cash flows from investing activities		
Sale and maturities of investments	557,502	828,160
Purchases of investments	(83,609)	(1,102,825)
Interest and dividends on investments	114,093	92,982
Net cash provided (used) for investing activities	<u>587,986</u>	<u>(181,683)</u>
Net increase (decrease) in cash and cash equivalents	590,544	(75,266)
Cash and cash equivalents, beginning of year	412,082	487,348
Cash and cash equivalents, end of year	<u>\$ 1,002,626</u>	<u>\$ 412,082</u>
Reconciliation of operating income (loss) to net cash and cash equivalents provided by operating activities		
Operating income (loss)	\$ (1,416,984)	\$ 295,513
Adjustments to reconcile operating income to net cash provided by operating activities:		
Amortization of discount	(7,061)	(4,640)
Changes in assets and liabilities:		
Pledge receivable	204,327	(45,319)
Assets held for donation	1,222,276	(139,137)
Net cash provided by operating activities	<u>\$ 2,558</u>	<u>\$ 106,417</u>
Summary of cash accounts		
Cash and cash equivalents	\$ 62,295	\$ 30,484
Restricted cash and cash equivalents	940,331	381,598
Total cash and cash equivalents	<u>\$ 1,002,626</u>	<u>\$ 412,082</u>
Supplementary Information		
Contribution of assets held for donation	<u>\$ -</u>	<u>\$ 139,137</u>
Non-cash contributions received	<u>\$ 515,344</u>	<u>\$ 275,775</u>
Donation of assets	<u>\$ 1,432,843</u>	<u>\$ -</u>

See accompanying notes.

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 and 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Western Nevada College Foundation (the Foundation) is a nonprofit corporation organized to hold and administer endowments for funding scholarships and to conduct capital fundraising campaigns for Western Nevada College (the College).

The members of the Board of Regents of the Nevada System of Higher Education (NSHE) constitute the members of the Foundation Corporation. The members appoint the Foundation Board of Trustees; and therefore, the Board of Regents exercises control over the Board of Trustees.

Basis of Presentation

The Foundation is considered a governmental not-for-profit because of its relationship with Western Nevada College, a campus of the Nevada System of Higher Education. The financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (“GASB”) Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*.

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 position using a single column enterprise fund presentation as described by GASB 34. Additionally, the Foundation has elected to apply all Financial Accounting Standards Board (“FASB”) Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

Basis of Accounting

The financial statements of the Foundation have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow.

The Foundation distinguishes the assets it holds based on intended use of the resources as specified by the donor. Net assets used by the Foundation are aggregated by general type of limitation placed on the assets:

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 and 2007

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

Nonexpendable net assets 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 assets.

Expendable net assets, represent 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 assets – 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.

Recognition of Support and Revenue

Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions received are recorded as unrestricted or restricted, including both expendable and nonexpendable resources, depending on the existence and/or nature of any donor restrictions.

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.

Because endowment investment funds include funds derived originally from permanently restricted gifts, the management of those funds is subject to Nevada law (NRS 164.500). The Board has interpreted state law as allowing it to use any of the investment returns as is prudent considering the Foundation's long and short-term needs, expected total return on its investments, price level trends and general economic conditions.

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 stated at fair value, and realized and unrealized gains and losses are reflected in the Statement of Revenues, Expenses and Changes in Net Assets. Fair value of Foundation investments is determined from quoted market prices. Investments in real estate are valued at the most recent appraisal.

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 and 2007

Donated Assets and Services

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

The members of the Board of Trustees donate their services on the Foundation's behalf. The financial statements do not reflect the value of these services, as there is not objective basis by which to measure the value of such services.

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 material and facilities is recorded at estimated fair value and is reflected in the accompanying financial statements.

Income Taxes

The Foundation is a nonprofit corporation, exempt from income tax under Internal Revenue Code Section 501 (c) (3), qualified for the charitable contribution deduction. Accordingly, no liability for Federal income taxes has been provided in the financial statements.

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.

Reclassification

Certain reclassifications were made to the 2007 financial statements to conform to the current year presentation.

WESTERN NEVADA COLLEGE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008 and 2007

NOTE 2 – CASH AND INVESTMENTS

The Foundation has adopted a formal investment policy. The Policy stipulates that the asset selection and allocation should fall within the following ranges:

Equity investments	20 - 85%
Fixed income investments	15 - 80%

Unrestricted and restricted funds are primarily invested in cash and cash equivalents, money market funds, certificates of deposits, corporate bonds, mutual funds, and U.S. Government securities. Each investment is specifically identified. Investments are recorded at fair value based on quoted market prices.

At June 30, 2008 and 2007 the carrying amount of the Foundation's cash in bank was \$62,295 and \$30,484, respectively and the bank balance was \$70,481 and \$80,805, respectively.

The Foundation's money market funds and investments are held by one broker/dealer who is insured up to \$100,000 by Securities Investor Protection Corporation (SIPC). At June 30, 2008, money market funds of \$940,331 and investments of \$1,201,391 were uncollateralized and a category 3 level of risk established by the GASB. At June 30, 2007, money market funds of \$381,619 and investments of \$1,104,299 were uncollateralized and a category 3 level of risk established by the GASB. Risk Category 3 includes uninsured and unregistered investments, with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

A summary schedule of cash and investments stated at fair value for the Foundation at June 30 is as follows:

	<u>2008</u>	<u>2007</u>
Cash and money market funds	\$ 1,002,626	\$ 412,082
Certificates of deposit	210,792	178,900
Corporate bonds	148,270	101,563
U.S. Government Securities	-	351,613
Mutual funds	1,053,121	1,494,713
Total investments	<u>1,412,183</u>	<u>2,126,790</u>
Total cash and investments	<u>\$ 2,414,809</u>	<u>\$ 2,538,872</u>

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 and 2007

Income from mutual funds 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 Charles Schwab 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 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.

As of June 30, 2008, the Foundation had the following investments and maturities:

<u>Investments:</u>	<u>Investment Maturity (in years)</u>		
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 to 3</u>
Certificates of Deposit	\$ 210,792	\$ 140,542	\$ 70,250
Corporate Bonds	148,270	96,419	51,851
Money Market Mutual Funds	940,331	940,331	-
Mutual Funds	1,053,121	1,053,121	-
Total Investments	2,352,514	2,230,413	122,101
Total Cash	62,295	62,295	-
Total Cash and Investments	<u>\$ 2,414,809</u>	<u>\$ 2,292,708</u>	<u>\$ 122,101</u>

As of June 30, 2007, the Foundation had the following investments and maturities:

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 and 2007

As of June 30, 2007, the Foundation had the following investments and maturities:

<u>Investments:</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 to 3</u>	<u>4 to 5</u>
Certificates of Deposit	\$ 178,900	\$ 178,900	\$ -	\$ -
Corporate Bonds	101,563	-	50,514	51,049
U.S. Government Securities	351,613	74,684	80,010	196,919
Money Market Mutual Funds	381,598	381,598	-	-
Mutual Funds	1,494,714	1,494,714	-	-
Total Investments	<u>2,508,388</u>	<u>2,129,896</u>	<u>130,524</u>	<u>247,968</u>
Total Cash	<u>30,484</u>	<u>30,484</u>	<u>-</u>	<u>-</u>
Total Cash and Investment	<u>\$ 2,538,872</u>	<u>\$ 2,160,380</u>	<u>\$ 130,524</u>	<u>\$ 247,968</u>

Interest Rate Risk.

The Foundation's investment policy does not limit 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. As of June 30, 2008, the corporate bond ratings included: investment in Household Fin Co, rated Aa3 by Moody's Investor Services; investment in SBC Communications, rated A2 by Moody's Investor Services; investment in Citi Group, rated Baa1 by Moody's Investor Services. The money market fund ratings at June 30, 2008 include investment in Schwab Money Market Funds, investment rating of BBB or higher by Standard & Poor's; investment in Schwab Value Advantage Money Fund, investment rating of BBB or higher by Standard & Poor's and investment in Schwab Cash Reserves Fund, investment rating of BBB or higher by Standard and Poor's.

Concentration of Credit Risk.

The Foundation places no limit on the amount the foundation may invest in any one issuer. At June 30, 2008, the Foundation had no investments that exceeded 5% or more of total investments. At June 30, 2007, the following investment exceeded 5% of the Foundation's total investments:

Schwab Value Advantage Fund	12%
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WESTERN NEVADA COLLEGE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008 and 2007

NOTE 3 – PLEDGES RECEIVABLE

Pledges receivable are recorded as revenue at the pledge date and adjusted to present value based upon collection dates. Pledges receivable at June 30, 2008 and 2007 consist of the following:

	<u>2008</u>	<u>2007</u>
Nursing	\$ 85,160	\$ 167,042
Observatory	-	7,660
Athletics	180,689	105,465
Stadium	30,000	42,750
Other	70,514	247,773
	<u>366,363</u>	<u>570,690</u>
Present value discount	<u>(20,947)</u>	<u>(28,008)</u>
Net pledges receivable	345,416	542,682
Less: Current maturities	<u>129,435</u>	<u>295,547</u>
	<u>\$ 215,981</u>	<u>\$ 247,135</u>

A discount rate of 3% was applied to the pledge receivable at year-end.

NOTE 4 – RELATED PARTY TRANSACTIONS

The College provided the Foundation with management and general support services for the year ended June 30, 2008 and 2007 of \$304,777 and \$275,775, respectively. These amounts are included in the unrestricted fund as in-kind contribution revenue and general supporting expenses.

The Foundation expended \$329,430 and \$1,183,641 for programs and activities of the College for the year ended June 30, 2008 and 2007, respectively. In addition, during June 30, 2008, the Foundation contributed land of \$160,000 and a baseball field of \$1,272,843.