

**Western Nevada College
Foundation**

Financial Statements

And

Report of Independent Accountant

**Fiscal Years Ended June 30, 2011
and 2010**

Western Nevada College Foundation

Financial Statements
And
Report of Independent Accountant

For the Years Ended June 30, 2011 and 2010

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of
Western Nevada College Foundation

We have reviewed the accompanying financial statements of the Western Nevada College Foundation, a component unit of the Western Nevada College, as of and for the year ended June 30, 2011, as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Western Nevada College Foundation 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 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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying 2011 financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The financial statements for the year ended June 30, 2010, were audited by us, and we expressed an unqualified opinion on them in our report dated September 29, 2010, but we have not performed any auditing procedures since that date.

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 the Governmental Accounting Standards Board. 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. Accordingly, we do not express an opinion on it.

Fallon, Nevada
September 14, 2011

Western Nevada College Foundation
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2011

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, 2011. 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

- Foundation revenue increased by 36% in FY11. Factors contributing to this increase include the establishment of three new endowment accounts, an increase in in-kind contributions, and a generous pledge towards the *Always Lost* exhibit and Veterans scholarships. The Foundation has also continued to work diligently to retain donors and increase contributions despite current economic conditions in the state of Nevada.
- 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 eleventh annual Scholarship Appreciation & Recognition Reception. The event celebrated the success of **132** students who received a total of **\$125,880** in scholarship awards.

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, 2011, 2010 and 2009

Western Nevada College Foundation
Condensed Statements of Net Assets

	2011	2010	2009	2010-2011		2009-2010	
				Change	% Change	Change	% Change
Current assets	\$1,109,277	\$ 1,194,352	\$ 1,134,184	\$ (85,075)	-7.12%	\$ 60,168	5.30%
Other noncurrent assets	\$1,605,079	\$ 1,337,558	\$ 1,362,054	\$ 267,521	20.00%	\$ (24,496)	-1.80%
Total assets	\$2,714,356	\$ 2,531,910	\$ 2,496,238	\$ 182,446	7.21%	\$ 35,672	1.43%
Liabilities	\$ -	\$ 30,698	\$ -	\$ (30,698)		\$ 30,698	
Net assets							
Restricted							
Nonexpendable	\$596,723	\$ 568,568	\$ 542,154	\$28,155	4.95%	\$ 26,414	4.87%
Expendable	\$2,101,517	\$ 1,895,549	\$ 1,930,027	\$205,968	10.87%	\$ (34,478)	-1.79%
Unrestricted	\$16,116	\$ 36,825	\$ 24,057	-\$20,709	-56.24%	\$ 12,768	53.07%
Total net assets	\$2,714,356	\$ 2,500,942	\$ 2,496,238	\$213,414	8.53%	\$ 4,704	0.19%

Total net assets increased by 8.5 percent in FY11 as compared to a less than 1 percent increase in FY10. In FY11 the WNC Foundation established 3 new endowment accounts and earnings on the overall Schwab portfolio increased due to the finance committee's moderately conservative investment approach.

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, 2011, 2010 and 2009

	2011	2010	2009	2010-2011		2009-2010	
				Change		Change	
Operating Revenues							
Foundation gifts/contributions	\$919,726	\$ 678,613	\$ 809,300	\$241,113	36%	\$ (130,687)	-16%
Total Operating Revenues	\$919,726	\$ 678,613	\$ 809,300	\$241,113	36%	\$ (130,687)	-16%
Operating Expenses	\$855,932	\$ 816,252	\$ 873,410	\$39,680	5%	\$ (57,158)	-7%
Operating Income	\$63,794	\$ (137,639)	\$ (64,110)	\$201,433	146%	\$ (73,529)	-115%
Investment Earnings	\$149,620	\$ 142,343	\$ (199,877)	\$7,277	5%	\$ 342,220	-171%
Total increase (decrease) in net assets	\$213,414	\$ 4,704	\$ (263,987)	\$208,710	4437%	\$ 268,691	-102%
Net Assets							
Net assets, beginning of year	\$2,500,942	\$ 2,496,238	\$ 2,760,225	\$4,704	0%	\$ (263,987)	-10%
Net assets, end of year	\$2,714,356	\$ 2,500,942	\$ 2,496,238	\$213,414	9%	\$ 4,704	0%

Foundation operating revenue increased by 36% in FY11. Factors contributing to this increase include the establishment of three new endowments, a generous in-kind donation to the nursing program, a generous pledge towards the *Always Lost* exhibit and Veterans scholarships, as well as increased in-kind contributions toward special events and Foundation staff salary and fringe compared to the previous year. In addition to these factors, the Foundation has continued to work diligently to retain donors and increase contributions despite current economic conditions in the state of Nevada.

The end-of-year fiscal year audit process is a time for assessing past performance, celebrating successes, rethinking missed opportunities and strategizing for the year ahead. Although revenue increased in FY11, FY12 represents a time of significant change for the college and the Foundation. WNC has lost many faculty and staff members who had contributed significant money and resources over the years to contribute to this success and the Foundation begins FY12 with new management and staff. Time to build relationships and partnerships, analyze campaigns and adjust long-term strategies and goals in response to this new era will be necessary to continue to function effectively and maximize results.

Although the monetary increase last year is noteworthy, it is also important to remember that the impacts of relationship building, partnerships, and strategic alliances are crucial to the Foundation's success, yet difficult to measure.

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 Amy Ginder at the following:

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

WESTERN NEVADA COLLEGE FOUNDATION
 STATEMENTS OF NET ASSETS
 JUNE 30, 2011 (UNAUDITED), AND JUNE 30, 2010 (AUDITED)

	2011 (Unaudited)	2010 (Audited)
Assets		
Current Assets		
Cash and cash equivalents	\$ 16,116	\$ 36,825
Restricted cash and cash equivalents	1,035,280	1,094,844
Current portion of pledges receivable, net	57,881	62,684
Total current assets	1,109,277	1,194,353
Noncurrent Assets		
Pledges receivable	91,636	82,777
Restricted investments	1,513,443	1,254,781
Total noncurrent assets	1,605,079	1,337,558
Total Assets	2,714,356	2,531,911
Liabilities		
Due to the College	-	30,968
Net Assets		
Restricted:		
Nonexpendable	596,723	568,568
Expendable		
Scholarships, capital projects and programs	2,101,517	1,895,549
Unrestricted	16,116	36,825
Total Net Assets	\$ 2,714,356	\$ 2,500,942

See accompanying notes and independent accountant's review report

WESTERN NEVADA COLLEGE FOUNDATION
 STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 FOR THE YEARS ENDED JUNE 30, 2011 (UNAUDITED) AND JUNE 30, 2010 (AUDITED)

	2011 (Unaudited)	2010 (Audited)
Operating Revenues		
Contributions	\$ 790,934	\$ 547,348
Special events revenue	122,219	124,814
Other operating revenue	6,574	6,451
Total operating revenues	<u>919,726</u>	<u>678,613</u>
Operating Expenses		
Program expenses		
Athletics	113,907	139,018
Scholarships	1,872	8,576
Other program services	253,199	242,974
Total program services	<u>368,978</u>	<u>390,568</u>
General supporting expenses	422,138	360,099
Special events expense	64,816	65,585
Total operating expenses	<u>855,932</u>	<u>816,252</u>
Operating Income (Loss)	63,794	(137,639)
Non-operating Revenue (Expense)		
Investment earnings	<u>149,620</u>	<u>142,343</u>
Increase (decrease) in net assets	213,414	4,704
Net Assets		
Beginning of year	<u>2,500,942</u>	<u>2,496,238</u>
End of Year	<u>\$ 2,714,356</u>	<u>\$ 2,500,942</u>

See accompanying notes and independent accountant's review report

WESTERN NEVADA COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2011 (UNAUDITED) AND JUNE 30, 2010 (AUDITED)

	2011 (Unaudited)	2010 (Audited)
Cash flows from operating activities		
Receipts from contributions	\$ 374,333	\$ 312,587
Receipts from special events	87,062	124,814
Receipts from other operations	6,574	6,451
Payments for program expenses	(357,751)	(359,600)
Payments for general supporting expenses	(51,789)	(25,400)
Payments for special events expenses	(29,659)	(65,585)
Net cash provided by (used for) operating activities	<u>28,769</u>	<u>(6,733)</u>
Cash flows from investing activities		
Sale and maturities of investments	29,579	121,773
Purchases of investments	(187,008)	(23,507)
Interest and dividends on investments	48,387	36,337
Net cash provided by (used for) investing activities	<u>(109,043)</u>	<u>134,603</u>
Net increase (decrease) in cash and cash equivalents	(80,273)	127,870
Cash and cash equivalents, beginning of year	1,131,669	1,003,799
Cash and cash equivalents, end of year	<u>\$ 1,051,396</u>	<u>\$ 1,131,669</u>
Reconciliation of operating income (loss) to net cash and cash equivalents provided by operating activities		
Operating income (loss)	\$ 63,794	\$ (137,639)
Adjustments to reconcile operating income to net cash		
Provision for losses on pledges receivable	(108,602)	4,075
Changes in assets and liabilities:		
Decrease (Increase) pledge receivable	104,545	95,863
Increase (Decrease) in due to the College	(30,968)	30,968
Net cash provided by (used for) operating activities	<u>\$ 28,769</u>	<u>\$ (6,733)</u>
Summary of cash accounts		
Cash and cash equivalents	\$ 16,116	\$ 36,825
Restricted cash and cash equivalents	1,035,280	1,094,844
Total cash and cash equivalents	<u>\$ 1,051,396</u>	<u>\$ 1,131,669</u>
Supplementary Information		
Non-cash contributions received	<u>\$ 426,303</u>	<u>\$ 330,624</u>

See accompanying notes and independent accountant's review report

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 and 2010

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).

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.

The College is one of nine institutions that comprise the Nevada System of Higher Education (NSHE). NSHE presents combined financial statements for its operations. As a component unit of the College, the Foundation is included in the combined discrete presentation of System Related Organizations in NSHE financial statements.

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, 2011 and 2010

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.

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.

Donated Assets and Services

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

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 and 2010

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 personnel and materials used by the Foundation. The value of the donated materials and salaries 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.

As of June 30, 2011, the Foundation is no longer subject to U.S. federal income tax examinations for years before 2008.

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.

Subsequent Events

Management has evaluated subsequent events through September 14, 2011, which is the date these financial statements were available to be issued and these financial statements have not been updated for subsequent events occurring after that date.

WESTERN NEVADA COLLEGE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2011 and 2010

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, 2011 and 2010 the carrying amount of the Foundation's cash in bank was \$16,116 and \$36,825, respectively and the bank balance was \$19,484 and \$38,705, respectively.

The Foundation's money market funds and investments are held by one broker/dealer who is insured by Securities Investor Protection Corporation (SIPC) for up to \$500,000 of the investments, including a maximum of \$250,000 for cash claims. Money market funds of \$785,280 and \$844,844 were uncollateralized at June 30, 2011 and 2010, respectively.

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

	<u>2011</u>	<u>2010</u>
Cash and money market funds	\$ 1,051,396	\$ 1,131,669
Certificates of deposit	151,332	263,763
Corporate bonds	-	103,457
Mutual funds	1,362,111	887,561
Total investments	<u>1,513,443</u>	<u>1,254,781</u>
Total cash and investments	<u>\$2,564,839</u>	<u>\$ 2,386,450</u>

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.

WESTERN NEVADA COLLEGE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2011 and 2010

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, 2011, the Foundation had the following investments and maturities:

	<u>Investment Maturity (in years)</u>		
<u>Investments:</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 to 3</u>
Certificates of Deposit	\$ 151,332	\$ 151,332	\$ -
Mutual Funds	1,362,111	1,362,111	-
Total Investments	<u>\$ 1,513,443</u>	<u>\$ 1,513,443</u>	<u>\$ -</u>

As of June 30, 2010, 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>
Certificates of Deposit	\$ 263,763	\$ 136,245	\$ 127,518
Corporate Bonds	103,457	103,457	-
Mutual Funds	887,561	887,561	-
Total Investments	<u>\$ 1,254,781</u>	<u>\$ 1,127,263</u>	<u>\$ 127,518</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. The money market fund ratings at June 30, 2011 include investment in Schwab Money Market Funds, 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.

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 and 2010

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, 2011 and 2010 consist of the following:

	<u>2011</u>	<u>2010</u>
Nursing	\$ 3,150	\$ 1,335
Athletics	50,580	240,341
Other	126,078	81,495
	179,808	284,353
Allowance for uncollectible promises to give	(25,054)	(130,000)
Present value discount	(5,237)	(8,892)
Net pledges receivable	149,517	145,461
Less: Current maturities	57,881	62,684
Long-term portion	\$ 91,636	\$ 82,777

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

NOTE 4 – ENDOWMENTS

The majority of the Foundation’s endowment funds are restricted for scholarships for students of the College. The Foundation’s investment policy adopts a spending policy as a percentage (not to exceed 5 percent) of a three-year moving market value averaged (calculated as the prior three fiscal year-ends) of its investable assets in funds functioning as endowments. Net appreciation (depreciation) in the endowment funds, which total \$18,605 and \$26,976, respectively, is shown as part of nonexpendable earnings in the Statement of Net Assets.

Because endowment investment funds include funds derived originally from permanently restricted gifts, the management of those funds is subject to the *Prudent Management of Institutional Funds (Uniform Act.)* Nevada Revised Statute (NRS) section 164.667 allows Boards that hold endowments funds to appropriate expenditures or accumulate endowment funds. 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.

WESTERN NEVADA COLLEGE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2011 and 2010

Endowment net asset composition:

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Donor-restricted endowment funds	<u>\$ 596,723</u>	<u>\$ 568,568</u>

Changes in endowment net assets as of June 30, 2011 and 2010 are as follows:

	Net Endowment Assets
Endowment net assets, July 1, 2009	<u>\$ 542,154</u>
Investment Income	10,148
Gain (loss)	26,976
Appropriated for expenditure	<u>(10,711)</u>
Endowment net assets, June 30, 2010	<u>568,568</u>
Investment Income	12,393
Gain (loss)	18,605
Appropriated for expenditure	<u>(2,843)</u>
Endowment net assets, June 30, 2011	<u>\$ 596,723</u>

NOTE 5 – RELATED PARTY TRANSACTIONS

The College provided the Foundation with management and general support services for the year ended June 30, 2011 and 2010 of \$348,951 and \$330,624, respectively. These amounts are included in the unrestricted fund as in-kind contribution revenue and general supporting expenses.

The Foundation expended \$184,384 and \$203,663 for programs and activities of the College for the year ended June 30, 2011 and 2010, respectively.