

WESTERN NEVADA COLLEGE FOUNDATION

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2016

WESTERN NEVADA COLLEGE FOUNDATION
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Western Nevada College Foundation

We have audited the accompanying statement of net position of Western Nevada College Foundation (Foundation) (a nonprofit organization), a component unit of Western Nevada College, as of June 30, 2016, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended.

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 fair preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Western Nevada College Foundation as of June 30, 2016, and the changes in its net position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The 2015 financial statements were reviewed by other accountants, and their report thereon, dated September 9, 2015, stated they were not aware of any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

**INDEPENDENT AUDITOR'S 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 5 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information included on page 15 is presented for purposes of additional analysis and is not a required part of the 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 information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

PATGORN & CO., LTD.

Reno, Nevada
September 2, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

WESTERN NEVADA COLLEGE FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016

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, 2016. 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.

- WNC Foundation assisted Western Nevada College in developing funds to refurbish the Reynolds building. The goal of the project is to create a state-of-the-art manufacturing training area for the Applied Industrial Technology program. This project will be complete in 2017. To accomplish this, WNC Foundation pursued and was awarded \$50,000 grants from the EL Cord Foundation and NV Energy. An additional \$35,000 was provided from the Reynolds Foundation Endowment previously established with Western Nevada College Foundation.
- The Western Nevada College Foundation established 10 new need-based scholarships in 2015/2016; three are funded by Western Nevada College faculty/staff and seven scholarships are funded by private community donors. These new scholarships will contribute to an increase of nearly \$17,000 in scholarships awarded for the 2016/2017 school year.
- Western Nevada College students had the opportunity to personally thank the individuals who are helping them earn a college degree at the WNC Foundation's fifteenth annual Scholarship Appreciation & Recognition Reception. The event celebrated the success of more than 124 students (an increase of 12% over prior year) who received a total of \$153,335 in scholarship awards.
- The annual Foundation Employee Giving Program continues to support WNC by providing important funding for college programs and scholarships, bringing total employee giving rates to 51%. The 2015/2016 WNC Employee Giving Campaign was successful, generating \$13,946 in new pledges. Employee donors that renew pledges each year demonstrate strong commitment toward the mission of the College.
- WNC Foundation invested heavily in the Fallon Library, through available funds in the Beck Endowment. WNCF worked with local faculty and library staff in order to improve the overall flexibility and design of the library. The \$255,000 investment is providing improved utilization for the growing Fallon student population.
- The WNC Jump Start College is expanding in a significant way, providing college access to students who otherwise may not have the opportunity. Twenty-seven (27) students graduated in May with both high school diploma as well as an associate's degree from WNC. Enrollment through the Jump Start program increased 78% to 353 students, which includes eighteen (18) area high schools being served by the program. WNC Foundation has assisted the college in developing Jump Start College funding by working with organizations like the Rotary Club of Carson City and AT&T Foundation.

Financial Highlights

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 Position* – 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 position;
- *Statements of Revenues, Expenses, and Changes in Net Position* – 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;
- *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.

WESTERN NEVADA COLLEGE FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016

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 position might generally be associated with an improved financial position. Conversely, a decrease in net position 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 position by type:

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

Expendable net position 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 position represents 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 position, results of operations, and other measures of the Foundation's activities.

Condensed Statements of Net Position

	2016	2015	2015-2016	
			Change	% Change
Current assets	\$ 668,542	\$ 804,882	\$ (136,340)	-16.94%
Noncurrent Assets	2,248,263	2,214,986	33,277	1.50%
Total Assets	\$ 2,916,805	\$ 3,019,868	\$ (103,063)	-3.41%
Restricted	\$ 2,853,534	\$ 2,893,944	\$ (40,410)	-1.40%
Unrestricted	63,271	125,924	(62,653)	-49.75%
Total Net Position	\$ 2,916,805	\$ 3,019,868	\$ (103,063)	-3.41%

Total net position decreased by 3 percent in FY16 due to Foundation earnings on the overall investment portfolio suffered during a period of modest market gains. The lack of market gains was combined with an increase of program and investment support, highlighted above, creating the decrease in net position.

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 primary priority being to produce income to meet established goals.

WESTERN NEVADA COLLEGE FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2016	2015	2015-2016	
			Change	% Change
Operating Revenues				
Contributions	\$ 318,073	\$ 477,616	\$ (159,543)	-33.40%
College support	189,363	196,825	(7,462)	-3.79%
Special events revenue	18,407	-	18,407	-
Other operating revenue	3,803	27,834	(24,031)	-86.34%
Total operating revenues	529,646	702,275	(172,629)	-24.58%
Operating Expenses	678,884	918,162	(239,278)	-26.06%
Operating Income	(149,238)	(215,887)	66,649	-30.87%
Investment Earnings	46,175	49,276	(3,101)	-6.29%
Change in Net Position	(103,063)	(166,611)	63,548	-38.14%
Net Position, beginning of year	3,019,868	3,186,479	(166,611)	-5.23%
Net Position, end of year	\$ 2,916,805	\$ 3,019,868	\$ (103,063)	-3.41%

Total Foundation operating revenue decreased by 25 percent in FY16, due primarily to the turnover of the Director position, the time it took to hire a new Director, and the impact that had. The Foundation and Board of Directors have continued to work diligently to increase opportunities for donors to invest in WNC while retaining our current donors.

The end-of-year fiscal year review/audit process is a time for assessing past performance, celebrating successes, rethinking missed opportunities and strategizing for the year ahead. The result of the revenue increase in FY15 was a direct result of the Foundation's shift in board participation with regard to individual investments in the College, a new strategic plan that aligns with the College's mission and goals, and our commitment to recognize and build relationships and partnerships necessary to continue to support Western's students and programs.

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 the WNC 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
STATEMENTS OF NET POSITION
JUNE 30, 2016 (AUDITED) AND JUNE 30, 2015 (UNAUDITED)

	2016 (Audited)	2015 (Unaudited)
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 62,415	\$ 119,922
Restricted cash and cash equivalents	591,195	650,835
Accounts receivable	856	6,002
Current portion of pledges receivable, net	14,076	28,123
Total current assets	668,542	804,882
Noncurrent Assets		
Pledges receivable, net	2,870	16,191
Restricted investments	2,245,393	2,198,795
Total noncurrent assets	2,248,263	2,214,986
Total assets	\$ 2,916,805	\$ 3,019,868
NET POSITION		
Restricted		
Expendable		
Scholarship and programs	\$ 2,306,972	\$ 2,350,521
Donald W. Reynolds Center for Technology	546,562	543,423
Unrestricted	63,271	125,924
Total net position	\$ 2,916,805	\$ 3,019,868

The attached auditor's report and notes should be read with the financial statements.

WESTERN NEVADA COLLEGE FOUNDATION
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016 (AUDITED) AND JUNE 30, 2015 (UNAUDITED)

	<u>2016</u> (Audited)	<u>2015</u> (Unaudited)
Operating Revenues		
Contributions	\$ 318,073	\$ 477,616
College support	189,363	196,825
Special events	18,407	-
Other operating revenue	3,803	27,834
Total operating revenue	<u>529,646</u>	<u>702,275</u>
Operating Expenses		
Program services		
Athletics	-	17,006
Scholarships	114,142	156,128
Other program services	347,712	476,377
General supporting expenses	204,551	268,394
Special events expense	12,479	257
Total operating expenses	<u>678,884</u>	<u>918,162</u>
Operating Loss	(149,238)	(215,887)
Non-Operating Revenue		
Investment earnings	46,175	49,276
Change in Net Position	(103,063)	(166,611)
Net Position, beginning of year	<u>3,019,868</u>	<u>3,186,479</u>
Net Position, end of year	<u>\$ 2,916,805</u>	<u>\$ 3,019,868</u>

The attached auditor's report and notes should be read with the financial statements.

WESTERN NEVADA COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2016 (AUDITED) AND JUNE 30, 2015 (UNAUDITED)

	<u>2016</u> <u>(Audited)</u>	<u>2015</u> <u>(Unaudited)</u>
OPERATING ACTIVITIES		
Receipt from contributions	\$ 349,817	\$ 492,287
Receipts from special events	18,407	-
Receipts from other operations	3,803	21,832
Payments for program expenses	(461,854)	(632,006)
Payments for general supporting expenses	(14,418)	(84,186)
Payments for special events	(12,479)	(257)
Net Cash from (used for) Operating Activities	<u>(116,724)</u>	<u>(202,330)</u>
INVESTING ACTIVITIES		
Sale and maturities of investments	1,007,274	7,591
Purchases of investments	(1,099,599)	(179,194)
Interest and dividends on investments	91,902	91,121
Net Cash from (used for) Investing Activities	<u>(423)</u>	<u>(80,482)</u>
Net Change in Cash and Cash Equivalents	(117,147)	(282,812)
Cash and Cash Equivalents, Beginning of Year	<u>770,757</u>	<u>1,053,569</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 653,610</u></u>	<u><u>\$ 770,757</u></u>

The attached auditor's report and notes should be read with the financial statements.

WESTERN NEVADA COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2016 (AUDITED) AND JUNE 30, 2015 (UNAUDITED)

	<u>2016</u> <u>(Audited)</u>	<u>2015</u> <u>(Unaudited)</u>
Reconciliation of operating income (loss) to net cash from (used for) operating activities		
Operating income (loss)	\$ (149,238)	\$ (215,887)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities		
(Increase) decrease in:		
Accounts receivable	5,146	(6,002)
Pledge receivables	27,368	19,559
Net Cash from (used for) Operating Activities	<u>\$ (116,724)</u>	<u>\$ (202,330)</u>
Summary of Cash Accounts		
Cash and cash equivalents	\$ 62,415	\$ 119,922
Restricted cash and cash equivalents	591,195	650,835
Total cash and cash equivalents	<u>\$ 653,610</u>	<u>\$ 770,757</u>
Supplementary Information		
Operating income (loss) includes in-kind contributions and associated operating expenses of:		
Contribution	\$ 14,031	\$ 12,463
College support for employee costs	154,828	171,745
College support for operating expenses	21,274	17,505
	<u>\$ 190,133</u>	<u>\$ 201,713</u>
Non-cash distributions made to College	<u>\$ 14,031</u>	<u>\$ 12,463</u>

The attached auditor's report and notes should be read with the financial statements.

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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 college foundation 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. 35, Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities.

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.

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 position used by the Foundation is aggregated by general type of limitation placed on the assets:

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

- *Nonexpendable net position* often referred to as endowments, hold assets that the donor has specified may not be expended by the Foundation. Earnings from these assets are generally expendable for restricted purposes and are included in the expendable category of net position.
- *Expendable net position* 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 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.

Recognition of Support and Revenue

Contributions, gifts and pledges 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.

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recognition of Support and Revenue (Continued)

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

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 Position. Fair value of Foundation investments is determined from quoted market prices.

The Foundation is not limited by statute regarding the types of investments it may acquire, however the Foundation has adopted a formal investment policy described in Note 2.

Donated Assets and Services

Donated assets and 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.

Additionally, as described in Note 4, the College provides staffing and other operating costs for the Foundation. These amounts are included in operating revenues as College support, with the associated expense reflected in General supporting expenses.

Income Taxes

The Foundation is classified under Section 501(c)(3)(Nonprofit Education Organization) of the Internal Revenue Code. The Foundation is exempt from federal income tax and is classified as a public charity under Section 509(a)(1) of the Internal Revenue Code.

We believe that the Foundation has appropriate support for any tax positions taken affecting its annual filing requirements, as, as such, does not have any uncertain tax positions that are material to the financial statements. We would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred. The entities' Forms 990, 990-T, and other income tax filings required by state, local, or non-U.S. tax authorities are no longer subject to tax examination for the years before 2012.

Operating and Non-operating Revenues and Expenses

Revenues and expenses are classified as operating if they result from providing services in connection with the Foundation's ongoing operations. The Foundation's operating revenues consist primarily of contributions received, special events revenue, and administrative and management fees. Foundation operating expenses are those costs associated with donor cultivation, and stewardship, special events, and general administration of the Foundation. Non-operating revenues and expenses relate primarily to the income and gains and losses associated with investment activity of the Foundation.

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2, 2016, 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.

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, 2016 and 2015, the carrying amount of the Foundation's cash in bank was \$108,492 and \$278,241, respectively, and the bank balance was \$109,907 and \$106,058, 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. There were no uncollateralized money market funds at June 30, 2016 and 2015, respectively.

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

	<u>2016</u>	<u>2015</u>
Cash and money market funds	\$ 653,610	\$ 770,757
Mutual funds	<u>2,245,393</u>	<u>2,198,795</u>
Total cash and investments	<u>\$ 2,899,003</u>	<u>\$ 2,969,552</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.

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.

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2016, the Foundation had the following investments and maturities:

	<u>Fair Value</u>	<u>Less Than One Year</u>
Mutual funds	<u>\$ 2,245,393</u>	<u>\$ 2,245,393</u>

As of June 30, 2015, the Foundation had the following investments and maturities:

	<u>Fair Value</u>	<u>Less Than One Year</u>
Mutual funds	<u>\$ 2,198,795</u>	<u>\$ 2,198,795</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, 2016 include investment in Schwab Money Market Funds, investment rating of A or higher by Standard & Poor's and investment in Schwab Cash Reserves Fund, investment rating of A or higher by Standard and Poor's.

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, 2016 and 2015 consist of the following:

	<u>2016</u>	<u>2015</u>
Nursing	\$ 150	\$ 150
Athletics	2,495	12,170
Always Lost	345	625
Unrestricted	950	3,350
Veteran's Resource Center	1,100	-
Foundation Scholarship	765	-
Other	<u>15,235</u>	<u>39,041</u>
	21,040	55,336
Allowance for uncollectible promises to give	(3,364)	(10,165)
Present value discount	<u>(730)</u>	<u>(857)</u>
Net pledges receivable	16,946	44,314
Less: current maturities	<u>(14,076)</u>	<u>(28,123)</u>
Long-term portion	<u>\$ 2,870</u>	<u>\$ 16,191</u>
Amounts due in:		
Less than one year	\$ 17,147	\$ 34,456
One to five years	<u>3,893</u>	<u>20,880</u>
	<u>\$ 21,040</u>	<u>\$ 55,336</u>

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

WESTERN NEVADA COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 4 - RELATED PARTY TRANSACTIONS

The College provided the Foundation with in-kind contributions of management and general support services for the years ended June 30, 2016 and 2015 of \$176,102 and \$189,250, respectively. These amounts are included in the unrestricted fund as College support revenue and general supporting expenses.

The Foundation expended \$431,115 and \$590,303 for programs and activities of the College for the year ended June 30, 2016 and 2015, respectively.

SUPPLEMENTARY INFORMATION

WESTERN NEVADA COLLEGE FOUNDATION
SCHEDULE OF GENERAL SUPPORTING EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	2016 (Audited)	2015 (Unaudited)
General Supporting Expenses		
Accounting	\$ 9,250	\$ 10,800
Allowance for pledge receivable	4,117	8,635
Bank service charges	559	1,441
College in-kind contributions		
Salaries and related fringe benefits	154,831	171,745
Other	14,031	12,463
Fees	50	25
Host/retreat	3,472	3,589
Insurance	1,833	1,680
Membership	438	156
Miscellaneous	4,262	45,176
Public relations	11,659	7,066
Software	-	5,618
Supplies	49	-
	<u>\$ 204,551</u>	<u>\$ 268,394</u>

The attached auditor's report and notes should be read with the financial statements.