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September 20, 2007

**Management and the Audit Committee
of the Board of Trustees
University of Nevada, Reno
Mail Stop 162
Reno, NV 89557-0090**

Re: University of Nevada, Reno Foundation

Ladies and Gentlemen:

We have completed our audit of the financial statements for the year ended June 30, 2007. Professional standards require that we advise you of the following matters relating to our recently concluded audit. The matters discussed herein are those that we have noted as of September 10, 2007, and we have not updated our procedures regarding these matters since that date to the current date.

Responsibilities under generally accepted auditing standards

As stated in our engagement letter dated August 7, 2007, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America ("US GAAS") established by the Auditing Standards Board of the American Institute of Certified Public Accountants. Our responsibility, as prescribed by US GAAS, is to plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Accordingly, there is some risk that a material misstatement of the financial statements would remain undetected. Although not absolute assurance, reasonable assurance is, nevertheless, a high level of assurance. However, an audit is not designed to detect error or fraud that is immaterial to the financial statements.

In accordance with US GAAS, we are required to communicate to you fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements. We are also required to ensure that you are adequately informed about potential illegal acts that come to our attention, unless the matter is clearly inconsequential. We are not aware of any fraud or potential illegal acts that would cause a material misstatement of the financial statements.

US GAAS also requires that we obtain a sufficient understanding of the Foundation's internal control over financial reporting. However, such understanding is required for the purpose of planning the audit and determining our audit procedures and not to provide any assurance concerning such internal control or to identify internal control deficiencies.

Management and the Audit Committee
of the Board of Trustees
University of Nevada, Reno
Re: University of Nevada, Reno Foundation
September 20, 2007
Page 2

Significant accounting policies

The significant accounting policies used by the Foundation are described in Note A to the financial statements. During the year, the Foundation did not adopt or change any significant accounting policies or principles. Also, we noted no significant unusual transactions, or other significant transactions in controversial or emerging areas for which there is a lack of authoritative accounting guidance or consensus.

Particularly sensitive accounting estimates

Accounting estimates, based upon management's judgments, are an integral part of an entity's financial statements. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

We believe that the following items represent such particularly sensitive accounting estimates:

- The Foundation's calculation of pledges receivable represents a particularly sensitive accounting estimate based upon management judgment. Management has informed us that in determining the appropriateness of this calculation, they reviewed all significant pledges and have considered the potential uncollectible future amounts. We have performed tests of the present value pledges receivable calculation to satisfy ourselves as to its reasonableness in relation to the financial statements taken as a whole.
- The Foundation's valuation of certain Commonfund investments represents a particularly sensitive accounting estimate based upon management judgment. Due to the nature of the investments, readily determinable market values were only available for the quarter ended March 31, 2007. Management has informed us that they are unaware of significant changes that could potentially affect the value of the investments at June 30, 2007. We have performed certain tests to satisfy ourselves with the reasonableness of this estimate in relation to the financial statements taken as a whole.
- Management's calculation of expendable endowment income is a calculation using management judgment. Management has communicated to us that this calculation was made in accordance with the Nevada Revised Statutes and Foundation policy.

Significant audit adjustments

For purposes of this letter, US GAAS define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. The definition includes adjustments that were not recorded by the Foundation because they are not material to the current financial statements but might be potentially material to future financial statements.

Management and the Audit Committee
of the Board of Trustees
University of Nevada, Reno
Re: University of Nevada, Reno Foundation
September 20, 2007
Page 3

We proposed no corrections to the financial statements that could, in our judgment, either individually or in the aggregate, have a significant effect on the Foundation's financial statements.

Further, management has represented to us that they believe the uncorrected financial statement misstatements on the attached schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this letter, US GAAS define a disagreement with management as a disagreement, whether or not satisfactorily resolved, concerning a financial accounting, reporting, or auditing matter that could be significant to a Foundation's financial statements or the auditors' report thereon. We are pleased to report that no such disagreements arose during the course of our audit.

Consultation by management with other accountants

We are not aware of any consultations by management with other accountants during the year about auditing or accounting matters.

Major issues discussed with management prior to our retention

No major issues were discussed with management prior to our being retained as auditors for the current fiscal year, including the application of generally accepted accounting principles or US GAAS.

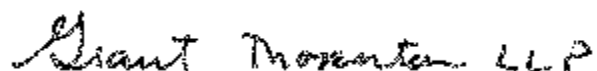
Difficulties encountered in performing the audit

We encountered no significant difficulties in performing our audit.

Should you desire further information concerning these or other matters relating to our audit, Brian Wallace will be happy to meet with you at your convenience.

This letter is intended solely for the information and use of the Audit Committee, Board of Trustees, and management of University of Nevada, Reno Foundation and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Grant Thornton LLP

University of Nevada, Reno Foundation
UNCORRECTED FINANCIAL MISSTATEMENTS
June 30, 2007

PAJE 1	Pledges Receivable - Long Term	101,954.25	
	Interest Income		101,954.25
	* To adjust long-term pledges receivable to actual.		
PAJE 2	Pledge Payments	395,420.46	
	Interest Income		395,420.46
	* To record interest portion of payments received in 2007, which was originally recorded as pledge contributions.		
PAJE 3	Accounts receivable - UNR	88,038.03	
	Cash		88,038.03
	* To reclass amounts from cash to intercompany AR.		

Omitted Disclosures:

- 1 Capitalization policy for capital assets