Clark College

Board of Trustees Regular Meeting

Wednesday, May 26, 2021 at 5:00pm
Via Zoom
Zoom Link: [Here]
Meeting ID: 833 3358 3659
Password: 228280
Call In (253) 215-8782

Board of Trustees Regular Meeting Packet
Wednesday, May 26, 2021 at 5:00pm via Zoom

I. **Call to Order/Agenda Review - Chair Strong**

II. **Action Items – Chair Strong**

A. #1 – April 28, 2021 Regular Board Meeting Minutes

B. #2 – Consideration of Tenure

III. **Constituent Reports**

A. ASCC – Josiah Joner

B. AHE – Suzanne Southerland

C. WPEA – Courtney Braddock

D. Foundation – Lisa Gibert

IV. **Faculty Presentation*, Intercultural Competency Training Series in Communication Studies* – Professor Deena Godwin, MS. & Professor Richa Sharma, MS., MBA**

V. **Reports from Board Members – Chair Strong**

VI. **President's Report – President Edwards**

VII. **Public Comment – Chair Strong**
Public comment will be limited to two minutes each.

VIII. **Next Meeting**
The next regular meeting of the Board of Trustees is currently scheduled for Wednesday, June 9, 2021 at 5pm via Zoom.

IX. **Executive Session – Chair Strong**
An Executive Session may be held for any allowable topic under the Open Public Meetings Act.

X. **Adjournment – Chair Strong**

Clark College
Minutes of the Regular Meeting of the Board of Trustees
April 28, 2021
Via Zoom

<u>In Attendance</u>
Rekah Strong, Chair
Jeanne Bennett, Vice Chair
Jane Jacobsen, Trustee
Cristhian Canseco Juarez, Trustee
Paul Speer, Trustee

<u>Absent</u>
None.

<u>Administrators</u>
Dr. Karin Edwards, President
Dr. Michele Cruse, Interim Vice President of Student Services
Dr. Genevieve Howard, Interim Vice President of Instruction
Darcy Rourk, Interim Vice President of Human Resources
Sabra Sand, Interim Vice President of Administrative Services
Valerie Moreno, Chief Information Officer

<u>Others</u>
Tsering Cornell, Assistant Attorney General
Suzanne Southerland, AHE President
Courtney Braddock, WPEA Steward
Josiah Jon~~e~~r, ASCC President
Lisa Gibert, CEO, Clark College Foundation
Stephanie Weldy, Recorder

I. <u>Call to Order/Agenda Review</u>
Chair Strong called the meeting to order at 5:02pm.

II. <u>Action Items</u>

A. #1 – March 10, 2021 Board Meeting Minutes

MOTION: Trustee Bennett made a motion to approve Agenda Items II A. Trustee Jacobsen seconded the motion and Agenda Items II A. unanimously passed.

III. <u>Constituent Reports</u>

A. ASCC

President Joner gave an update on ASCC and highlighted the Spring Quarter Welcome Back Week, with a virtual Involvement Fair. He shared that ASCC collaborated with Lower Columbia Community College and Washington State University Vancouver on an Earth Day Event, with a guest speaker. President Joner shared that ASCC hosted an Art Challenge that encouraged students to submit their artwork and that next month there will also be a Poetry Challenge in conjunction with Mental Health Awareness Month. President Joner shared that the S&A Fees Committee has been meeting and will have a report ready for the next Board meeting. He shared that election of the new ASCC Officers will be taking place in May. President Joner shared that the Oswald Awards will be held in person in June. President Joner gave an update on the Penguin Pantry distribution (348 boxes, 3200 pounds of food), which also included school supplies and personal hygiene items). The Board thanked President Joner for his leadership and acknowledged the challenges the students have faced during the pandemic.

B. AHE

Suzanne Southerland shared a presentation and gave an update on AHE concerns regarding the budget. Ms. Southerland shared that Clark has eliminated more than 60 positions in the last two years and that more than 50 part time faculty are currently unemployed. Ms. Southerland shared that there has been more than 13 programs that have been eliminated. Ms. Southerland emphasized that the faculty want to serve the students and that other approaches of budget cuts should be evaluated. Ms. Southerland shared that CARES federal funding should be considered for technology, COVID testing, safety protocols and an increase in payroll. The Board thanked Ms. Southerland for her presentation.

C. WPEA

Courtney Braddock shared a WPEA update highlighting that there are concerns with unresolved unfair labor practices and ongoing grievances. Ms. Braddock shared that WPEA has been meeting with President Edwards and the Interim Vice President of Human Resources. She shared that WPEA has been in collaboration with Clark regarding the COVID-19 vaccine clinic and encouraging Clark employees to participate. The Board thanked Ms. Braddock for her presentation.

D. Foundation

CEO Gibert shared a Foundation update highlighting a partnership the Foundation has with the Southwest Washington Boys and Girls Club. CEO Gibert shared the Foundation is evaluating ways in which to encourage students as they transition from their K through 12 school process and inviting other community groups into that broader conversation. CEO Gibert shared that Penguin Gives is 24-Hour giving challenge that will be taking place on Thursday, April 26, 2021. She shared that there is matching donor dollars to help encourage folx to participate and highlighted a new fund, Dissolving Disparities; established by President Edwards. The Board thanked CEO Gibert for her update and shared that they look forward to participating in the 24-Hour giving challenge.

IV. Staff Presentation – Amanda Brown, Libraries/Access Services & Connor Cantrell, Library and Archives Paraprofessional

Rashida Willard introduced Amanda Brown and Connor Cantrell. Ms. Brown and Ms. Cantrell shared a PowerPoint presentation that highlighted a student employee social equity training program that provides a series of reading, reflection questions and opportunities to discuss ways in which to address bias based behaviors that occur in the library. Ms. Brown and Ms. Cantrell highlighted ways in which their team has identified and responded to biased based incidents based on skill, research and training. The shared that since implementing this program, they have seen a transition occur that has empowered student in identifying and reporting biased based incidences as well as higher levels of engagement with employees and their supervisors. The Board thanked Ms. Brown and Ms. Cantrell for their presentation and inspirational work.

V. Reports from Board Members

Trustee Jacobsen shared that the legislative session is over and shared appreciation towards State Senator Annette Cleveland for her advocacy of Clark College students, administration and faculty. Trustee Jacobsen expressed her appreciation for President Edwards and her leadership.

Trustee Canseco Juarez shared that he has had one-on-one meetings with President Edwards and thanked her for sitting on a Southwest Washington LULAC panel addressing equity work. Trustee Canseco shared that he has continued his onboarding and meeting with Trustee Speer and Ms. Weldy. He shared that he participated in the Student of Color Luncheon and appreciated the presentation by one of Clark's Counselors and her personal journey expressed through pictures.

Trustee Bennett shared that she has had one-on-one conversations with the other Trustees regarding inclusion and anti-racism work. Trustee Bennett shared that she has participated in BOD/BOT meetings excited about joint efforts.

Trustee Speer shared that he attended a Nursing Pinning Ceremony, Sakkara Festival as well as the All Washington Academic Team ceremony. Trustee Speer congratulated the two students who represented Clark. Trustee Speer thanked President Edwards for her courageous leadership balancing difficult topics and that she has his full and complete support. Trustee Speer shared that he is on a sub-committee of WACT that is addressing board composition in regard to the ways in which it relates to diversity.

Chair Strong shared that she has been meeting with President Edwards on a weekly basis and attended the BOD/BOT meetings. Chair Strong shared her appreciation for President Edwards and the way in which she has leaded the College through racial and social unrest as well as a pandemic. Chair Strong shared her appreciation for President Edwards and the way in which she has led the College.

VI. President's Report – President Edwards

A. President's Updates

President Edwards invited Bob Williamson to share with the Board regarding Title IV. Mr. Williamson shared that the State Attorney's General Office provided new model language on Title IV. He shared that the Board has an opportunity to review the change and that a public hearing for a permanent rule change would remain. Mr. Williamson recommended that at the June 8, 2021 Board of Trustees meeting, the Board adopt another 12-day emergency rule. Mr. Williamson shared that no action is required at this time and that this was an opportunity to provide notice and context.

President Edwards invited Kelly Love to share a legislative update. Ms. Love shared that the Legislature passed the measure creating transfer degree program options in prisons – opening the door to new opportunities for students at Larch. HB 1044

Ms. Love shared that the Legislature passed the measure providing for greater equity and access in community and technical colleges. It is a comprehensive package of supports and reforms. ASCC President Josiah Joner successfully advocated on this bill, as did members of our faculty.

SBCTC also provided input to make sure the goals of the measure are supported with necessary funding. E2SSB 5194

Ms. Love shared that the Legislature passed the measure requiring diversity, equity, inclusion and antiracism training and assessments at colleges. Thanks to DEI Vice President Rashida Willard for her work on this legislation to ensure it supports and advances the ongoing work at Clark College. E2SSB 5227

Ms. Love shared that the Legislature passed the measure authorizing community and technical colleges to offer applied bachelor's degrees in computer science. SSB 5401

Ms. Love shared that the Washington Legislature passed the measure making Juneteenth a legal state holiday. June 19 will become a paid day off for state workers. Juneteenth also known as Emancipation Day and Freedom Day. SHB 1016

Ms. Love shared that these bills are now on the Governor's desk for his signature and thanked the Trustees for their work in reaching out to our local legislators. Ms. Love also thanked Bob Williamson for his work throughout the session, helping to support President Edwards and a KUDOS to President Edwards who made this a priority among all her other priorities to ensure the best possible legislative outcomes.

Ms. Love gave a Federal advocacy update and that Congress had agreed to provide congressionally directed spending or "earmarks" in some of its appropriations for FY 2022. Clark College is an eligible requestor for the "Community Project Funding." Ms. Love shared that Clark reviewed several projects that might be considered eligible given the guidelines and shared that three proposals have been submitted to our federal delegation for their consideration.
1) Clark requested $1.5 million from the Labor-HHS-Educations Appropriations to help purchase equipment for the advanced manufacturing center at Clark College Boschma Farms in Ridgefield. This would help leverage other sources of funding from the foundation and the college. We received letters of support from local, county and regional partners.
2) Clark requested $600 thousand in Community Project funding to help upgrade our IT server room and IT security systems. It would leverage other sources of funding to protect our system and our users from cyber-intrusion. We received letters of support from our local businesses, business organizations and community organizations.
3) Clark requested Community Project funding to make capital improvements to the "T" Building – home for our transitional study students. Plumbing, electrical, accessibility and lighting are all essential. This building used to be the federal welfare agency office back in the 1960's. The federal government donated the building to the college, and as such, it is not eligible for state renovation funding.

President Edwards invited Sabra Sand to share a budget report. Ms. Sand highlighted the funding for Boschma Farms has been approved and once there is allocation from the State Board, the operating budget will be developed. Ms. Sand shared the following systemwide funding changes. Ms. Sand shared that there is a one-time cut for this year of $6.8 million and that it will be restored in the new biennium. Ms. Sand shared that there is a $5 million funding to help increase tenured faculty positions. Ms. Sand shared that there is $6.8 million for Diversity, Equity and Inclusion programs and that the remainder of the funding has been distributed towards counseling grants. Ms. Sand shared that another $8 million has been allocated for emergency assistant grants to students and $10 million for grants pertaining to job skills programs. Ms. Sand shared that there is a potential statewide increase for student tuition of 2.8% and that an additional $395k is expected in additional revenue. Ms. Sand shared that a 1.7% salary increase for faculty related to I-732 was also passed.

President Edwards shared an update with the Board and highlighted the work that the Recovery Management Team has done and acknowledged that there are questions concerning the return to campus plan that are currently being discussed; information will be provided and communicated as the plan continues to develop. President Edwards shared that there are restrictions for COVID relief funding and that the funding cannot be used for any structural deficit. President Edwards highlighted the need for Clark to obtain financial stability and that the budget committees are developing a plan in regard to considering a 5% cut. President Edwards shared that no final decisions have been made at this time and that the goal is to create long-term financial stability.

VII. Public Comment

The following people gave public comment: Don Appett, Virginia Kyle, Yusufu Kamara, Arwen Spicer, Suzanne Southerland and an anonymous public comment read by Ms. Weldy.

VIII. Next Meeting

The next regular meeting of the Board of Trustees is currently scheduled for Wednesday, May 26, 2021 at 5:00pm via Zoom.

IX. Executive Session

The Board will convene in Executive Session under RCW 42.30.110(1) at 7:07pm to discuss with legal counsel representing the agency matters relating to agency enforcement actions or, litigation or potential litigation. The Executive Session was expected to last until 7:27pm. At 7:27pm, the Executive Session was extended for 15 minutes. No final action was taken during this executive session.

X. Adjournment

There being no further business, the meeting adjourned at 7:59pm.

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Rekah Strong, Chair

Stephanie Weldy, Recorder
April 28, 2021

Clark College ASCC Board of Trustees Report

May 2021

Presented by ASCC President Josiah Joner on behalf of ASCC: Vice President Ellie Davidson, Club Coordinator Mila Smook, Executive Assistant DeLainey Phelps, Finance Director Kaila Sukles, Civics and Sustainability Director Lauren Boys, and Student Relations and Promotions Coordinator Amy Rodriguez.

ASCC Projects and Update:

- Clark College, WSUV, LCC Collaboration
    - Earth Day week with LCC, WSU Vancouver, and Clark College took place April 20-22.
        - Turnout varied to events and activities. However, collaboration set up good relations between the colleges for future events.
    - Currently planning for Mental Health during May 24-28.
- 2021-2022 ASCC Officer Recruitment
    - ASCC received three student submissions for 2021-2022 ASCC officer positions.
        - Interviews will take place over the coming weeks.
        - Vice President Davidson working on recruitment of remaining officers for the 2021-2022 academic year.
    - APB, Student Ambassadors, and Peer Mentor positions also in the hiring process
- Services and Activities Fee Committee
    - Finance Director Sukles has continued to chair the S&A fees committee.
    - Initial S&A fee budget has been released.
        - Appeals received from:
            - ASCC Student Government
            - Counseling and Health
            - Phi Theta Kappa
            - The Phoenix
            - World Languages - Japanese

- <u>Oswald Awards</u>
    - Student Relations and Promotions Coordinator Rodriguez working on planning Oswald Awards on June 3.
    - Dr. Edwards will be 2021 Oswald Awards guest speaker.
    - No guests or faculty currently allowed to attend. However, if fewer students register, the ASCC will consider allowing a limited number of spots for guests.
- <u>Penguin Pantry</u>
    - Civics and Sustainability Director Boys has continued supporting the Penguin Pantry.
- <u>ASCC Clubs & Programs</u>
    - Five clubs currently chartered.
    - Club Coordinator Smook working to help clubs stay chartered through summer and fall quarters.

ASCC Priorities:

President Joner currently working on the 2021-2022 ASCC priorities. Any feedback from the Clark College Board of Trustees for 2021-2022 ASCC priorities is welcomed.

1. <u>Student Resources Access</u>
    a. ASCC is meeting with Clark College IT staff to find ways to better implement the Clark College Resources and Opportunities Canvas page.
2. <u>Systemic Challenges Reformation</u>
    a. Continued support for the Penguin Pantry, Canvas page, and other resources, events, and opportunities for Clark College students.
3. <u>State-Wide Initiative</u>
    a. Communities for Our Colleges bill, SB 5194, signed by Governor Inslee.
    b. ASCC considering if the WSA is beneficial and financially feasible for Clark College students.
    c. President Joner is participating in the 2021 legislative review.

S&A Fee Budget Overview:
Decisions and Relevant Recommendations to Allocation Process

The S&A Fee Committee met virtually on Zoom over the last two months to hear budget requestor presentations, review each budget thoroughly, hear initial budget appeals and ultimately, create a balanced budget.

The S&A Fee Committee received funding requests totaling $1,979,392 with a projection of available funds for allocation in the amount of $1,546,210. The impacts of COVID-19 on College operations presented an ongoing challenge to committee funding decisions.

Based on this uncertainty, the S&A Fee Committee decided to:

- Review each program request and adjust based on a hybrid fall quarter, past use (excluding last year) and student support of requested funds. Impacts of this were:
    - Fund ground travel only for hybrid fall quarter
    - Permitted group with fall quarter air travel request to submit one-time funding requests if the College travel policy allows
    - Reduction of supplies, food, and printing for a hybrid fall quarter
    - No international travel approved for the 2021-2022 school year (May request through one-time funding if the College and destination countries allow)
- Decreased the per credit fee requirement for students to the 2010-2011 S&A Fee rate to reduce the burden on students. This reduced revenue by $155,502.16, making a full-time 15 credit student's fee payment $13.90 less each quarter.

Credits	Current Fee (20-21)	Proposed Fee (State Maximum S&A Fee for 2010-2011)	Difference
1-10	$9.54 per credit	$8.60 per credit	($0.94) per credit
11-18	$5.10 per credit	$4.20 per credit	($0.90) per credit

- Utilize $449,788 of the growing one-time funds to support activities, as well as the revenue shortfall created by the reduction of the fee. The S&A Fee Committee wanted to utilize current and unused fees in the current year versus charging students additional fees.

Section 2: Summary of 2021-2022 S&A Fee Operating Budget

Revenues	**2020-2021**	**2021-2022**	**Change**
Services and Activities Fees	1,756,550	1,546,210	(210,340)
Use of Fund Balance	183,111	449,788	266,677
Athletics Administration	6,000	6,000	-
Counseling & Health Center	10,000	500	(9,500)
The Independent	5,600	5,355	(245)
Students of the American Dental Hygienists' Association	2,000	2,500	500
STEM-NERD Girls/Engineering	700	1,050	350
Student Life	200	-	(200)
Theatre	8,000	5,625	(2,375)
Total Revenues	**1,972,161**	**2,017,028**	**44,867**

Expenses	**2020-2021**	**2021-2022**	**Change**
Activities Programming Board (APB)	122,252	121,252	(1,000)
Aerospace and Robotics	-	50,762	50,762
Archer Gallery	18,151	31,917	13,766
Athletics Administration	110,400	110,000	(400)
Athletic Coaches	104,313	111,559	7,246
Athletics, Men's	153,720	153,720	-
Athlettics, Women's	156,900	156,900	-
Child and Family Studies	111,772	97,709	(14,063)
Clark Art Talks	15,941	24,439	8,498
Club Service Funding	11,250	11,250	-
Columbia Writer's Series	14,761	17,557	2,796
Counseling and Health Center	169,277	194,943	25,666
Student IDs	55,000	22,500	(32,500)
Discounted Fitness Passes	5,200	2,600	(2,600)
Entrepreneur Program*	12,031	-	(12,031)
Iceberg	20,242	20,082	(160)
Independent, The	106,582	107,660	1,078
Instrumental Music	47,148	14,011	(33,137)
Intramurals	11,846	14,673	2,827
Model United Nations	20,655	18,860	(1,795)
Multicultural Student Affairs	-	66,088	66,088
Northwest Athletic Conference (NWAC) Travel	50,000	35,000	(15,000)
Orchestra	20,273	23,529	3,256
Outdoor and Recreation	32,318	32,318	-
Pep Band	12,334	12,185	(149)
Phi Theta Kappa	-	24,871	24,871
Phoenix	36,801	35,833	(968)
Students of the American Dental Hygienists' Association (SADHA)	11,364	8,678	(2,686)
STEM NERD Girls/Engineering	24,437	25,337	900
Student Ambassadors	22,675	22,909	234
Student Government	107,296	120,188	12,892
Student Life	201,818	204,519	2,701
Theatre	85,825	81,704	(4,121)
Vocal Music	44,465	41,475	(2,990)
World Languages - Japanese	31,210	-	(31,210)
World Languages - Spanish*	23,904	-	(23,904)
Total Expenses	**1,972,161**	**2,017,028**	**44,867**

**Withdrew or did not submit request.*

WPEA/UFCW Local 365, Clark College Unit

Board Report for May 2021

MEETINGS

WPEA Steward meeting on Mondays 12:00 PM
WPEA members meetings on Third Thursday evenings
Classified Staff Forum with Dr. Edwards on May 25, 2021
WPEA monthly conversation with Dr. Karin Edwards on Jun. 9, 2021

COMMUNICATION

Current contact for campus stewards:

Co-Chief Shop Stewards

Courtney Braddock	360-992-2196
Chris Layfield	360-992-2933

Communications Officer

David Sims	360-992-2132

Shop Stewards

Sarah Thorsen	360-992-2075
Josh Chambers	MS: FST034
Angela Dawson	360-992-2515
Becky Lindsay	360-992-2575
Danielle Plesser	360-992-2273

WPEA Classified Staff News:

The Clark College WPEA would like the Board of Trustees to know that we appreciate having the opportunity to speak with you on important matters.

- Firstly, we'd like to thank Sarah Thorsen for all of her hard work advocating for and protecting the rights of Classified Staff at Clark. Sarah is retiring this year and stepping down as Co-Chief Shop Steward. Her passion and advocacy will be sorely missed. In Due to Sarah's upcoming departure, Courtney Braddock has been elected Co-Chief Shop Steward! Congratulations!
- This month the WPEA continued our partnership with Clark College, the CCAHE, and the SWWACLC in the second vaccine clinic.
- The Clark WPEA also partnered with the SWWACLC with a Farm to Table Food Box drive. Clark WPEA is hopeful of a future partnership with Clark College as a location to distribute food boxes to the community.
- The Stewards helped facilitate the quarterly Classified Staff forum with Clark College staff and President Edwards.
- WPEA would like to bring attention to the board about ongoing violations of our contract bargaining agreement. The violators have attended training from OFM and continue to violate our contract.

- Several stewards are continuing their work on current grievances, demand to bargain's, and unfair labor practices with the Clark College HR and OFM. The Union is excited to work with the new VP of HR, and are hopeful that the new leadership is mutually beneficial to both Classified Staff and Clark College as a whole.
- WPEA Co-Chief Stewards Chris Layfield and Courtney Braddock met with President Edwards and discussed topics that included:
    1. Returning to face-to-face classes and on-site campus work in fall 2021
    2. Vaccines
    3. Budget cut proposals

Clark College Foundation Board of Trustees Report
May 2021

The following represents aspects of the Foundation that directly relate to the institutional goals of Clark College.

1. **Improve Student Success**

   Spring term brings about the largest scholarship application process for the next academic year. Currently, statistical information from this year's applications exhibits 522 applications have been started for the general scholarships offered. Of those, 306 applications were completed and submitted, representing a 58% completion rate. Although not a rate of completion to be proud of, it does exhibit a 10% increase over last year's numbers. Non-completion can occur for many reasons including, but not limited to, a change in school decision, a determination to wait to attend a school, or other life challenges. Applications in total were fewer this year, partially due to the extended deadline last year as well as the sudden unemployment that students were facing at that time. The application numbers are consistent with other pre-pandemic years, a positive sign given declining college enrollment.

   Scholarship Manager, Shirley Schwartz will be attending a virtual diversity, equity, and inclusion conference in the scholarship program administered through the National Scholarship Providers Association at the end of this month. Participation in these types of offerings allows the foundation to further its effort to evaluate the scholarship process and diminish potential barriers to students.

2. **Achieve Financial Stability**

   After a challenging year, Clark College Foundation is starting to see significant movement with regards to major gift opportunities that could have a significant impact on the operations of several important college programs. The foundation recently submitted a more than $300,000 grant to support the MESA program, and the foundation has been invited to make an application to Bank of America for a $200,000 grant supporting key aspects of the college's Guided Pathways initiative dealing with workforce placement opportunities. The college is also working with the private foundation on a $250,000 proposal to support cyber-security. These are examples of several development initiatives that will hopefully result in some significant funding for college programs and projects.

   Given the demands on Clark College today, the foundation is pleased to announce the expectation of approximately $1.2M to be awarded to scholarship recipients for the academic year 2021/2022. In addition, the foundation continues to pursue other resources (noted above) to enhance Guided Pathways, build partnerships for career launch programming, while fulfilling leveraging opportunities in managing the capital investment at Boschma Farms. The last month has provided opportunities to feature new programming, enhanced academic opportunities, and student success.

With sincere appreciation, the foundation is pleased to announce the success of the First Annual *PenguinsGive* 24 hours of giving that occurred on April 29, 2021. In summary, 180 alumni, employees, students, and community friends participated in the event either through providing a contribution or a giving day match. The total raised was roughly $60K including the matches provided. The programs most benefitted from the event included the alumni scholarship fund, athletics, Penguin Pantry, Larch Mountain Correctional Center Re-entry, STEM, and the newly created fund for Dissolving Disparities.

Much of the credit for this successful fundraising effort goes to the incredible faculty and staff at Clark College. Not only did college representatives help plan the activities as part of the *PenguinsGive* campaign committee, but many of our faculty and staff also made donations that day. The foundation recognizes how special this participation is given the challenging times we have all endured. Thank you, we appreciate all who generously gave and made this event a success.

3. Improve Campus Climate

The foundation continues to work closely on the possibility of leveraging real estate assets for the benefit of students in Ridgefield and Vancouver. It has been exciting to envision the possibilities of what these two projects could do at these two campus sites. The foundation would like to extend our appreciation to Dr. Michele Cruse and her staff within Student Affairs for providing student demographic data for the needs around affordable housing. Such information is valuable in accessing the feasibility of addressing this critical community concern that affects so many. More information will come as these two real estate projects become more clearly defined.

4. Expand and Deepen Community Engagement

On May 12, 2021, Dr. Edwards, Armetta Burney, and members of the faculty of the McClaskey Culinary Institute met with trustees from the McClaskey Foundation. This was the first meeting of the group since the campus closed due to the pandemic. Although written reports kept the McClaskey Foundation trustees up to date on the program's adaptations and challenges, this meeting was a fantastic way to allow them to meet Dr. Edwards and to get an overview from the faculty and students on how the program was fairing. I want to take this opportunity to personally thank all who participated in this meeting and to acknowledge my sincere pride in the work that is being done. Although the pandemic has impacted the program and the industry in ways that other areas of business have not been challenged, I am so impressed by how these challenges have not allowed our faculty to become disenchanted. It appears it has been quite the opposite. As faculty, they spoke to the efforts made, the relationships built and the leveraging of their program to offer food assistance to so many who need it.

The McClaskey Foundation trustees expressed their appreciation and admiration for the wonderful successes and stated how pleased they are about their relationship with Clark College. The groups discussed future dreams for the Culinary and Baking Arts program and are discussing potential opportunities for collaboration in the future.

Chef Earl Frederick spoke to his creation of a box to offer educational insight on the new Washington State holiday, Juneteenth, also known as Emancipation Day and Freedom Day, commemorating when the last enslaved African Americans learned they were free in 1865 in Galveston Texas, where Union soldiers brought them the news two years after the Emancipation Proclamation. On June 11, 2021, the program will host a celebration of Juneteenth by providing a box lunch, in coordination with Daddy D's BBQ, to 100 lucky students. This drive-thru celebration will be presented in a box that includes information printed on the box to inform and enlighten the students as to the importance of this holiday. I commend Chef Earl for his creativity in taking a program activity and making it so much more.

The students also presented the program from their perspective, from the challenge of not being on campus to the concern of online learning. Each student acknowledged their thoughts of quitting, but through faculty support and program adaptations, they persevered. These same students are bound for graduation and have already secured notable positions within the industry. One of these students will be a chef at the new restaurant occupying the facility that once housed Lapellah in the Grand Central Retail Center. The other will return to a bakery located in Lincoln City, Oregon. Again, I want to thank everyone who participated in this meeting and for making a great impression on our donors who are so proud to have the McClaskey name associated with this program.

Respectfully submitted,

Lisa Gibert, CEO
Clark College Foundation
May 19, 2021

Attachments:
Annual Giving Comparison
Committed Gifts Report
Development Dashboard
Financial Dashboard

CLARK COLLEGE FOUNDATION

Clark College Foundation
Annual Giving Comparison
as of April 13, 2021

	FYTD21	FY20	FY2019	FY18
TYPE				
Cash/Stock/Property	$1,294,588	$1,641,506	$3,141,424	$3,135,080
Pledge	$7,800	$1,793,527	$884,101	$100,134
In-kind	$34,947	$152,459	$65,868	$41,124
Deferred Irrevocable at Face Value*	$0	$920,000	$4,911,732	$202,012
TOTAL	**$1,337,335**	**$4,507,492**	**$9,003,125**	**$3,478,350**
SOURCE				
Board Members (includes ex officio)	$64,627	$48,877	$193,438	$95,345
Employees	$38,020	$53,092	$53,491	$36,108
Alumni	$129,718	$259,752	$442,462	$1,076,036
Friends	$130,120	$1,257,325	$5,261,304	$573,074
Estates	$363	$25,165	$1,561,492	$137,717
Family Foundations and Trusts	$384,687	$915,811	$806,115	$850,600
Corporate & Community Foundations	$339,399	$1,302,934	$343,691	$499,208
Corporations/Other Organizations	$139,838	$316,239	$329,989	$204,012
Government Entities	$110,563	$329,396	$11,144	$6,249
TOTAL	**$1,337,335**	**$4,507,492**	**$9,003,125**	**$3,478,350**
PURPOSE				
Current Use				
Unrestricted	$258,107	$265,260	$129,599	$386,459
Faculty Support	$0	$0	$0	$0
Programs/Other	$367,823	$1,659,273	$519,077	$317,735
Scholarships	$296,990	$499,524	$1,640,585	$722,553
Sponsorships	$37,500	$33,400	$86,100	$15,884
Technology/Equipment	$0	$0	$0	$0
Endowed				
Unrestricted	$0	$0	$0	$0
Faculty Support	$0	$0	$0	$0
Programs/Other	$2,000	$250,154	$180,880	$80,243
Scholarships	$374,915	$879,880	$1,522,552	$1,746,954
Technology/Equipment	$0	$0	$0	$0
Capital				
Culinary	$0	$0	$12,600	$6,510
STEM	$0	$0	$0	$0
Programs/Other	$0	$0	$0	$0
Deferred Irrevocable at Face Value*				
Programs/Other	$0	$920,000	$4,911,732	$202,012
TOTAL	**$1,337,335**	**$4,507,492**	**$9,003,125**	**$3,478,350**

Clark College Foundation Campaign with Grant Awards

Committed Gifts Report

By Campaign Initiative

July 1, 2015 - March 31, 2020

	Endowment	Current	Capital	Irrevocable Planned Gift	In Kind	Total
Scholarships ($16 MM)						
FLEX	$ -	$ 54,350	$ -	$ 4,157,939	$ -	**$ 4,212,289**
Unit / Program Based	$ 4,962,856	$ 3,474,668	$ -	$ 328,806	$ 5,577	**$ 8,771,907**
Foundation Unrestricted	$ -	$ 346,516	$ -	$ -	$ -	**$ 346,516**
Guided Pathways ($3 MM)						
Professional Development	$ -	$ 45,710	$ -	$ -	$ -	**$ 45,710**
Personnel	$ -	$ -	$ -	$ -	$ -	**$ -**
Financial Literacy	$ -	$ 49,100	$ -	$ -	$ -	**$ 49,100**
Technology / Equipment	$ -	$ -	$ -	$ -	$ -	**$ -**
Smart Classrooms	$ -	$ -	$ -	$ -	$ -	**$ -**
Program	$ -	$ 729,409	$ -	$ 60,000	$ 5,446	**$ 794,855**
Veteran's Resource Center ($2 MM)						
Emergency Fund	$ -	$ 54,255	$ -	$ -	$ -	**$ 54,255**
Transportation / Childcare	$ -	$ -	$ -	$ -	$ -	**$ -**
Professional Development	$ -	$ -	$ -	$ -	$ -	**$ -**
Transition Boot Camp	$ -	$ -	$ -	$ -	$ -	**$ -**
Program	$ 250,000	$ 1,117,601	$ -	$ -	$ 14,921	**$ 1,382,522**
Culinary ($8 MM)						
Personnel	$ -	$ -	$ -	$ -	$ -	**$ -**
Facilities	$ -	$ -	$ 4,863,010	$ 297,000	$ -	**$ 5,160,010**
Equipment	$ -	$ -	$ -	$ -	$ -	**$ -**
Program	$ -	$ 48,423	$ -	$ -	$ 19,862	**$ 68,285**
Other ($7MM)						
Restricted	$ 194,299	$ 1,525,602	$ 331,165	$ 360,819	$ 426,577	**$ 2,838,462**
Unrestricted	$ -	$ 1,837,047	$ -	$ 939,953	$ 124,320	**$ 2,901,320**
Total ($35+ MM)	**$ 5,407,155**	**$ 9,282,680**	**$ 5,194,175**	**$ 6,144,517**	**$ 596,703**	**$ 26,625,230**

Dashboard

Strategic Initiatives:
Development
Strategic Alignment
Fiduciary Responsibility
Board Relations

	Current fiscal year to-date	Prior fiscal year to-date	Prior fiscal year
Fiscal year	7/1/2020 - 4/13/2021	7/2/2019 - 4/12/2020	7/1/2019 - 6/30/2020
Total number of donors	800	1,439	1,569
Number of new donors acquired	209	570	597
Number of new major gift donors acquired	5	12	14
Number of $1,000+ donors	133	156	194
Number of confirmed irrevocable planned gifts	0	1	5
Number of confirmed revocable planned gifts	0	0	0
Foundation board participation*	86%	80%	84%
College trustee participation	100%	100%	80%
Executive Cabinet participation	57%	80%	100%
Alumni Board participation	50%	36%	55%
Foundation staff participation	95%	88%	100%

*excludes ex-officio members

Soft credits are considered in this report, giving each constituent credit for gifts directly from them as well as gifts from a spouse/partner, personally-owned business, individual foundation or trust, donor choice program or donor advised fund.

Major gift donor is defined as a donor with a total gift commitment of $10,000 or more during a single fiscal year. Matching gift commitments are considered in the donor's giving total.

Gift types considered: cash, recurring gift payment, pledge, property/stock, in-kind.

CLARK COLLEGE FOUNDATION

Financial Dashboard as of March 31, 2021

Contributions/Donations Received

	Year to Date	6/30/2020	6/30/2019	6/30/2018	1973 - Present Life to date
Unrestricted	$ 290,641	$ 578,482	$ 586,858	$ 644,781	
Temp. Restricted	610,481	1,967,355	1,546,038	2,096,785	
Perm. Restricted	379,090	829,171	6,582,984	1,752,797	
Total	$ 1,280,212	$ 3,375,008	$ 8,715,880	$ 4,494,363	**$ 109,446,347**

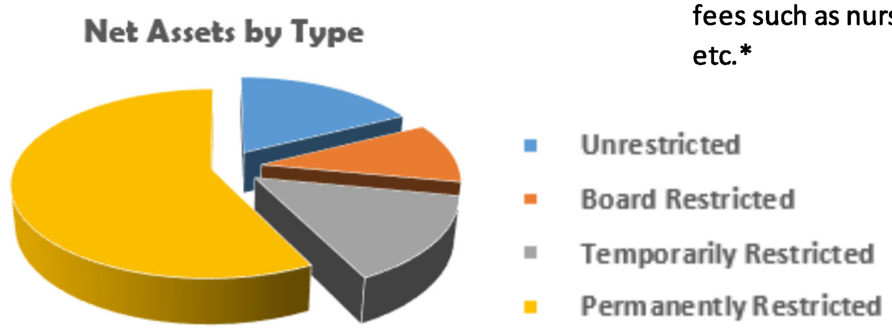
	Year to Date		6/30/2020		6/30/2019		6/30/2018		1973 - Present
	Unrestricted	Temp Restricted	Unrestricted	Temp Restricted	Unrestricted	Temp Restricted	Unrestricted	Temp Restricted	Life to date
College Support Expended									
Program	$ 72,948	$ 823,625	$ 976,128	$ 1,560,584	$ 1,261,029	$ 1,440,268	$ 1,277,260	$ 604,187	$ 41,778,836
Scholarships/Scholarship Management	7,007	916,149	17,789	1,236,826	17,622	1,174,984	8,210	960,649	14,379,522
Capital projects-NC/STEM/Dent. Hyg./Oth.	-	-	1,625,936	-	-	-	-	603,265	15,612,790
Boschma Farms land acquisition	-		-	-	2,082,091	-	444,444	-	4,306,786
Total	$ 79,955	$ 1,739,775	$ 2,619,852	$ 2,797,410	$ 3,360,742	$ 2,615,252	$ 1,729,914	$ 2,168,101	**$ 76,077,934**

Scholarships	YTD	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Number of students receiving awards	607	575	561	516	421
Clark College Students (Fall excl. Running Start)	6,220	9,430	10,461	10,478	10,427

Cost of tuition (2020-2021). 12 credits for 3 qtrs. = $3,916. Lower division courses. Excludes books or addtl. fees such as nursing, labs, etc.

Net Assets by Type

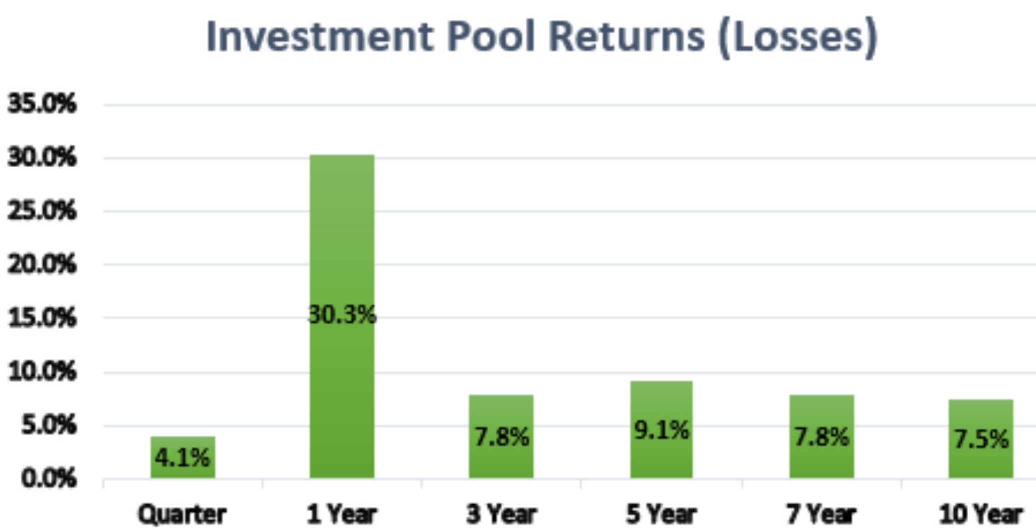
Unrestricted	$ 16,142,371
Board Restricted	12,193,581
Temporarily Restricted	15,907,333
Permanently Restricted	69,108,627
Net Assets	$ 113,351,912



Unrestricted Net Assets	3/31/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Assets					
Cash	$ 358,583	$ 318,496	$ 81,765	$ 32,573	$ 533,396
Investments	5,776,551	6,896,319	6,120,908	8,103,108	7,067,349
Receivables	190,882	231,966	265,344	122,925	133,280
Prepaids/Deposits/Other Assets	423,360	346,982	312,012	337,341	164,818
Land/building/equipment	10,292,053	11,471,498	12,821,759	12,728,727	12,731,837
Liabilities					
A/P/Other Liabilities	(560,061)	(2,829,085)	(1,086,594)	(888,502)	(422,434)
Note Payable	(338,997)	(339,700)	-	(2,082,091)	(2,481,701)
	$ 16,142,371	$ 16,096,476	$ 18,515,194	$ 18,354,081	$ 17,726,545

Projected Liquid Unrestricted Net Assets Available	
6/30/2021	1,945,000
6/30/2022	2,105,000
6/30/2023	2,065,000
6/30/2024	2,025,000
6/30/2025	1,985,000

*Does not include operational reserve



Endowment Distribution Details	FY 21	FY 20	FY 19	FY 18	FY 17
College Program	$ 1,364,992	$ 1,100,044	$ 1,522,786	$ 1,229,465	$ 1,187,928
Unrestricted	2,421,451	2,275,514	1,884,177	1,733,270	1,704,605
College Program Reserves	95,217	99,247	221,260	232,247	201,368
	$ 3,881,660	$ 3,474,805	$ 3,628,223	$ 3,194,982	$ 3,093,901

Clark College - Budget Status Report
April 30, 2021

Sources of Funds (Revenues)	2020-21 Budget	Revenues to Date	Difference	% Budget Received
Operating Accounts				
State Allocation	40,081,242	24,696,578	(15,384,664)	61.6%
Tuition & ABE	15,805,200	15,542,745	(262,455)	98.3%
Running Start	14,467,068	9,886,151	(4,580,917)	68.3%
Planned use of prior fund balance	-	-	-	0.0%
Dedicated, matriculation, tech, cont ed	4,952,764	4,451,354	(501,410)	89.9%
Total Operating Accounts	**75,306,274**	**54,576,828**	(20,729,447)	**72.5%**
Other Accounts				
Grants	10,952,369	3,463,115	(7,489,254)	31.6%
Contracts	1,518,631	1,368,339	(150,292)	90.1%
Internal Support & Agency Funds	1,029,034	481,583	(547,451)	46.8%
ASCC	1,972,161	1,714,538	(257,623)	86.9%
Bookstore	4,168,159	2,124,712	(2,043,447)	51.0%
Parking	477,524	351,272	(126,252)	73.6%
Campus Food Service	-	-	0	0.0%
Auxilliary Services	2,454,838	1,853,485	(601,353)	75.5%
Financial Aid	23,036,478	17,724,830	(5,311,648)	76.9%
Total Other Accounts	**45,609,194**	**29,081,873**	**(16,527,321)**	63.8%
Total Sources of Funds	**120,915,468**	**83,658,700**	**(37,256,768)**	**69.2%**

Uses of Funds (Expenses)	2020-21 Budget	Encumbrances Expenditures to Date	Difference	% Budget Spent
Operating Accounts				
President	639,498	580,147	59,351	90.7%
Vice President of Diversity, Equity & Inclusion	614,238	465,760	148,478	75.8%
Vice President of Instruction	48,004,408	32,364,861	15,639,547	67.4%
Vice President of Administrative Services	9,272,410	8,351,361	921,049	90.1%
Vice President of Student Affairs	9,170,203	7,293,579	1,876,624	79.5%
Chief Information Officer	5,461,803	5,198,829	262,974	95.2%
Chief Communication Officer	805,948	671,215	134,733	83.3%
Vice President of Human Resources and Compliance	1,280,355	1,030,201	250,154	80.5%
Bank/CC Fees	57,411	220,905	(163,494)	0.0%
Total Operating Accounts	**75,306,274**	**56,176,860**	**19,129,414**	**74.6%**
Other Accounts				
Grants	10,952,369	2,858,843	8,093,526	26.1%
Contracts less Running Start	1,518,631	1,648,235	(129,604)	108.5%
Internal Support & Agency Funds	1,029,034	443,003	586,031	43.1%
ASCC	1,972,161	927,689	1,044,472	47.0%
Bookstore	4,168,159	1,862,263	2,305,896	44.7%
Parking	477,524	459,589	17,935	96.2%
Campus Food Service	-	42,265	(42,265)	0.0%
Auxilliary Services	2,454,838	1,644,131	810,707	67.0%
Financial Aid	23,036,478	18,902,594	4,133,884	82.1%
Total Other Accounts	**45,609,194**	**28,788,611**	**16,820,583**	**63.1%**
Total Uses of Funds	**120,915,468**	**84,965,472**	**35,949,996**	**70.3%**
Difference - Excess (Deficiency)	**-**	**(1,306,771)**		

c. Dr. Karin Edwards, Sabra Sand, Michele Cruse
e. Cindi Olson, Nicole Rogers-Marcum, Sabra Sand, Stephanie Weldy
Linda Tuve 5/12/2021

Clark College

2020 Annual Financial Report

Fiscal Year Ended June 30, 2020

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Clark College

2020 Financial Report

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For information about the financial data included in this report, contact:
Sabra Sand, Interim Vice President of Administrative Services
Clark College
1933 Fort Vancouver Way
Vancouver, WA 98663
360-992-2674

For information about enrollment, degrees awarded, or academic programs, contact:
Institutional Research
Clark College
1933 Fort Vancouver Way
Vancouver, WA 98663
or
Visit the home page at http://www.clark.edu

Trustees and Executive Officers

EXECUTIVE OFFICERS
Dr. Karin Edwards, President
Sabra Sand, Interim Vice President of Administrative Services
Dr. Genevieve Howard, Interim Vice President of Instruction
Dr. Michele Cruse, Interim Vice President of Student Affairs
Darcy Rourk, Interim Vice President of Human Resources and Compliance
Kelly Love, Chief Communications Officer
Val Moreno, Chief Information Officer
Rashida Willard, Vice President of Diversity, Equity, and Inclusion

Trustees and Officer list effective as of April 29, 2021

Independent Auditor's Report on Financial Statements

Office of the Washington State Auditor
Pat McCarthy

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

May 17, 2021

Board of Trustees
Clark College
Vancouver, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Clark College, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Clark College Foundation (the Foundation), which represents 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation were not audited in accordance with *Governmental Auditing Standards*.

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 College'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 College'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 opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of Clark College, as of June 30, 2020, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 1, the financial statements of Clark College, an agency of the state of Washington, are intended to present the financial position, and the changes in financial position, and cash flows of only the respective portion of the activities of the state of Washington that is attributable to the transactions of the College and its aggregate discretely presented component units. They do not purport to, and do not, present fairly the financial position of the state of Washington as of June 30, 2020, the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 21 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the College is unknown. Our opinion is not modified with respect to this matter.

Other Matters

Prior-Year Comparative Information

The financial statements include summarized prior-year comparative information for the Foundation. Such information does not include all of the information required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2019, from which such information was derived. Other auditors have previously audited the Foundation's 2019 basic financial statements and they expressed an unmodified opinion in their report dated November 12, 2019.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements as a whole. The list of Trustees and Executive Officers is presented for purposes of additional analysis and is not a required part of the basic financial statements of the College. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated May 17, 2021, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Sincerely,

Pat McCarthy

State Auditor

Olympia, WA

Management's Discussion and Analysis

Clark College

The following discussion and analysis provides an overview of the financial position and activities of Clark College (the College) for the fiscal year ended June 30, 2020 (FY 2020). This overview provides readers with an objective and easily readable analysis of the College's financial performance for the year, based on currently known facts and conditions. This discussion has been prepared by management and should be read in conjunction with the College's financial statements and accompanying note disclosures.

Reporting Entity

Clark College is one of thirty public community and technical college districts in the state of Washington, providing comprehensive, open-door academic programs, workforce education, basic skills and community service educational programs to approximately 11,700 students. The College confers associate degrees, certificates and high school diplomas. The College was established in 1933. Its primary purpose is to provide opportunities for diverse learners to achieve their educational and professional goals, thereby enriching the social, cultural, and economic environment of our region and the global community.

The College's main campus is located in Vancouver, Washington, a community of about 161,000 residents. The College also offers classes at our satellite locations in east Vancouver at the Columbia Tech Center, and in north Vancouver on the campus of Washington State University Vancouver. Economic and Community Development classes are offered at the Columbia Tech Center location. The College is currently planning for an additional location in north Clark County. The College is governed by a five-member Board of Trustees appointed by the governor with the consent of the state Senate. By statute, the Board of Trustees has full control of the College, except as otherwise provided by law.

Using the Financial Statements

The financial statements presented in this report encompass the College and its component unit, the Clark College Foundation. The College's financial statements include the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. The Statement of Net Position provides information about the College as of June 30, 2020. The Statement of Revenue, Expenses and Changes in Net Position and the Statement of Cash flows provide information about operations and activities over the entire fiscal year. Together, these statements, along with the accompanying notes, provide a comprehensive way to assess the College's financial health.

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position are reported under the accrual basis of accounting where all of the current year's revenues and expenses are taken into account regardless of when cash is received or payments are made. Full accrual statements are intended to provide a view of the College's financial position similar to that presented by most private-sector companies. These financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), which establishes standards for external financial reporting for public colleges and universities. The full scope of the College's activities is considered to be a single business-type activity and accordingly, is reported within a single column in the basic financial statements.

Statement of Net Position

The Statement of Net Position provides information about the College's financial position, and presents the College's assets, liabilities, and net position at year-end and includes all assets and liabilities of the College. A condensed Statement of Net Position is as follows:

Condensed Statement of Net Position As of June 30th		**FY 2020**		**FY 2019**
Assets				
Current Assets		22,840,409		24,436,896
Capital Assets, net		135,323,825		134,517,386
Total Assets	**$**	**158,164,234**	**$**	**158,954,282**
Deferred Outflows				
Deferred Outflows Related to Pensions	$	5,409,198	$	3,431,593
Deferred Outflows Related to OPEB	$	3,479,651	$	1,637,172
Total Deferred Outflows	**$**	**8,888,849**	**$**	**5,068,765**
Liabilities				
Current Liabilities		7,662,811		6,898,901
Other Liabilities, non-current		59,082,262		55,597,977
Total Liabilities	**$**	**66,745,073**	**$**	**62,496,878**
Deferred Inflows				
Deferred Inflows Related to Pensions	$	4,930,996	$	4,685,600
Deferred Inflows Related to OPEB	$	12,350,131	$	13,317,846
Total Deferred Inflows	**$**	**17,281,127**	**$**	**18,003,446**
Net Position				
Net Investment in Capital Assets		128,955,015		127,376,755
Restricted		504,234		894,855
Unrestricted		(46,432,366)		(44,748,887)
Total Net Position, as restated		**83,026,883**		**83,522,723**

Current assets consist primarily of cash, investments, various accounts receivables and inventories. The decrease of current assets in FY 2020 can be attributed to a decrease in the State Treasurer receivable related to year end expenditures associated with the College's operating allocation. Additionally, the College's restricted cash decreased as part of an effort to award more of the College's need-based student grant funds.

Net capital assets increases by $806,439 from FY 2019 to FY 2020. The net increase is due to current depreciation expense of $4,258,255, offset by an increase of $4.05 million resulting from the donation of the land from the Clark College Foundation related to the College's capital project at Boschma Farms.

Deferred outflows of resources and deferred inflows of resources represent pension-related deferrals associated with the implementation of GASB Statement No. 68 in FY 2015, Statement No. 73 in FY 2017, and Statement No. 75 in FY 2018. The College recorded $3,431,593 in FY 2019 and $5,409,198 in FY 2020 of pension-related deferred outflows. The increase in deferred outflows related to pensions reflect the College's proportionate share of an increase in the state-wide amounts reported by the Department of Retirement Services due to differences between projected and actual experience related to the actuarial assumptions. In addition, the College recorded a deferred outflows related to Other Post Employment Benefits (OPEB) in the amount of $3,479,651 in FY 2020 compared to $1,637,172 in FY 2019, which reflects the College's proportionate share of the state-wide difference between expected and actual experiences as well as employer contributions subsequent to the measurement date.

Similarly, the decrease in deferred inflows in 2020 reflects the increase in difference between projected and actual investment earnings on the state's pension plans, which is offset by an increase in the changes in assumptions related to OPEB. The College recorded $4,685,600 in FY 2019 and $4,930,996 in FY2020 of pension-related deferred inflows. The decrease reflects the change in proportionate share. Additionally, the College recorded a deferred inflows related to OPEB in the amount of $13,317,846 in FY 2019 and $12,350,131 in FY 2020, which is related to changes in assumptions as well as the College's change in proportionate liability.

Current liabilities include amounts payable to suppliers for goods and services, accrued payroll and related liabilities, deposits held for others, the short-term portion of Certificates of Participation debt, unearned revenue, as well as the short-term portion of pension and OPEB liabilities. Current liabilities can fluctuate from year to year depending on the timeliness of vendor invoices and resulting vendor payments, especially in the area of capital assets and improvements.

The increase in current liabilities from FY 2019 to FY 2020 is primarily an increase in salary and benefits payable, associated with the nursing faculty stipends and the faculty contract implementation phases paid on the June payroll.

Non-current liabilities primarily consist of the amount of vacation and sick leave earned but not yet used by employees, the long-term portion of Certificates of Participation debt, the College's share of the pension liabilities, and the College's share of the OPEB liability.

Net position represents the value of the College's assets and deferred outflows after liabilities and deferred inflows are deducted. The College is required by accounting standards to report its net position in four categories:

> ***Net Investment in Capital Assets –*** The College's total investment in property, plant, equipment, and infrastructure net of accumulated depreciation and outstanding debt obligations related to those capital assets. Changes in these balances are discussed above.
>
> ***Restricted:***
>
> > ***Nonexpendable –*** consists of funds which a donor or external party has imposed the restriction that the corpus or principal is not available for expenses but for investment purposes only. Historically, donors interested in establishing such funds to benefit the College or its students have chosen to do so through the Foundation. As a result, the College is not reporting any balance in this category.
> >
> > ***Expendable –*** resources the College is legally or contractually obligated to spend in accordance with restrictions placed by donor and/or external parties who have placed time or purpose restrictions on the use of the asset. The expendable balance for the College is funds held for student loans and institutional financial aid funds per RCW 28B.15.820.

Unrestricted: Includes all other assets not subject to externally imposed restrictions, but which may be designated or obligated for specific purposes by the Board of Trustees or Executive Cabinet. Prudent balances are maintained for use as working capital, as a reserve against emergencies and for other purposes, in accordance with policies established by the Board of Trustees.

Net Position As of June 30th	**FY 2020**	**FY 2019**
Net investment in capital assets	$128,955,015	$127,376,755
Restricted		
Expendable - Grants in Aid	455,188	859,851
Expendable - Student Loans	49,046	35,004
Unrestricted	(46,432,366)	(44,748,887)
Total Net Position	**$83,026,883**	**$83,522,723**

Statement of Revenues, Expenses and Changes in Net Position
The Statement of Revenues, Expenses and Changes in Net Position accounts for the College's changes in total net position during FY 2020. The objective of the statement is to present the revenues earned, both operating and non-operating, and the expenses incurred by the College, along with any other revenue, expenses, and gains and losses of the College.

Generally, operating revenues are earned by the College in exchange for providing goods and services. Tuition, grants and contracts are included in this category. In contrast, non-operating revenues include monies the College receives from another government agency without directly giving equal value to that agency in return. Accounting standards require that the College categorize state operating appropriations and Pell Grants as non-operating revenues.

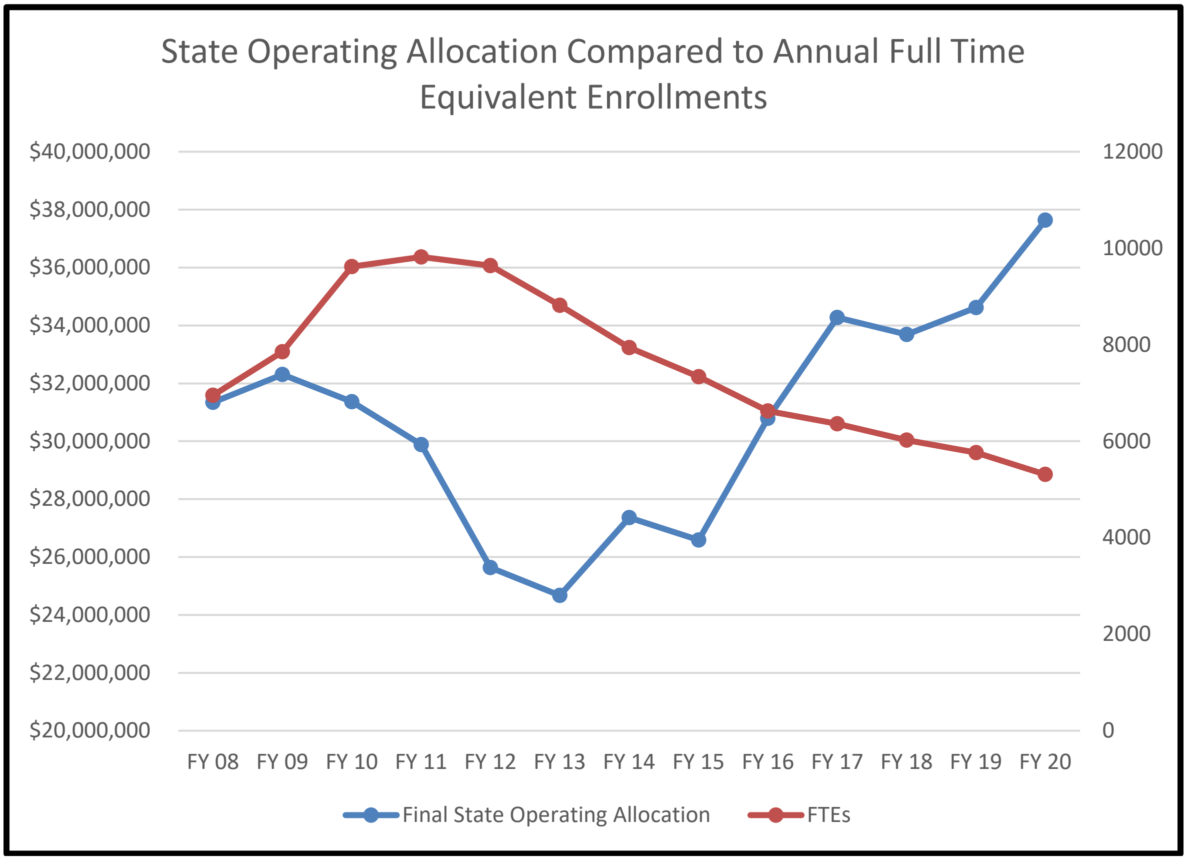
Operating expenses are expenses incurred in the normal operation of the College, including depreciation on property and equipment. When operating revenues, excluding state appropriations and Pell Grants, are measured against operating expenses, the College shows an operating loss. The operating loss is reflective of the external funding necessary to keep tuition lower than the cost of the services provided.

A condensed comparison of the College's revenues, expenses and changes in net position for the years ended June 30, 2020 and 2019 is presented as follows:

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

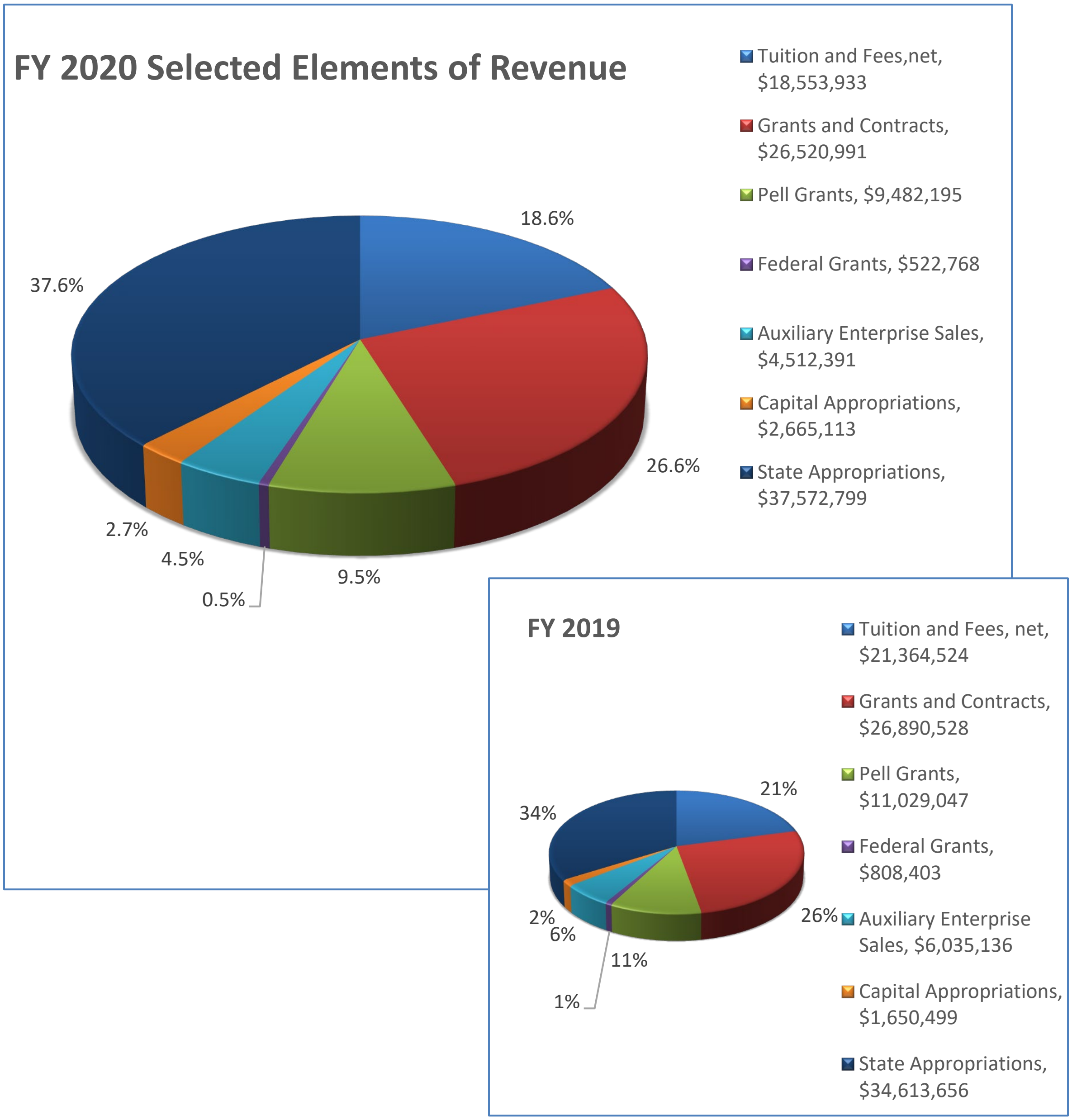
As of June 30th	FY 2020	FY 2019	Change
Operating Revenues			
Student tuition and fees, net	$ 18,553,933	$ 21,364,524	$ (2,810,591)
Auxiliary enterprise sales	4,512,391	6,035,136	(1,522,745)
State and local grants and contracts	26,520,991	26,890,528	(369,537)
Federal grants and contracts	522,768	808,403	(285,635)
Other operating revenues	255,103	240,683	14,420
Total operating revenues	**50,365,186**	**55,339,274**	**(4,974,088)**
Operating Expenses	**(103,812,598)**	**(100,227,976)**	**(3,584,622)**
Operating Loss	**(53,447,412)**	**(44,888,702)**	**(8,558,710)**
Non-operating revenues			
State appropriations	37,572,799	34,613,656	2,959,143
Federal Pell grant revenue	9,482,195	11,029,047	(1,546,852)
Federal non-operating	1,530,425	0	1,530,425
Investment income, net	264,821	325,352	(60,531)
Gain on disposal	15,517	39,628	(24,111)
Non-operating expenses	(3,213,673)	(3,266,567)	52,894
Net non-operating revenues (expense)	**45,652,084**	**42,741,116**	**2,910,968**
Income (loss) before capital contributions	**(7,795,328)**	**(2,147,586)**	**(5,647,742)**
Capital Appropriations and Contributions	7,299,488	2,117,020	5,182,468
Change in Net Position	**(495,840)**	**(30,566)**	**(465,274)**
Net Position, Beginning of the Year	**83,522,723**	**83,553,289**	**(30,566)**
Net Position, End of the Year	**$ 83,026,883**	**$ 83,522,723**	**$ (495,840)**

Revenues
The state of Washington appropriates funds to the community college system as a whole. The State Board for Community and Technical Colleges (SBCTC) then allocates monies to each college. In FY 2017, the SBCTC moved forward with a new allocation model, allocating funds to each of the 34 College's based on 3-year average FTE actuals. In FY 2017, the College saw a small increase in its state allocation due to the implementation of this new model. However, the College's allocation was slightly reduced in FY 2020 to reflect a reduction in its funded enrollment target or FTE, and associated funding. The College also reflected an increase in funding related to salary and benefit cost increases.



In FY 2020, the College's decrease in tuition and fee revenue of approximately $2.8 million is primarily attributable to the impact of the enrollment decline directly related to COVID and the shift to online instruction. Pell Grant revenues declined by approximately $1.55 million, also as a direct result of declining enrollment. Auxiliary revenues declined by approximately $1.5 million as a direct result of the impact of COVID, reducing or eliminating on campus activities. More information related to the impacts of COVID can also be found in Note 21. For FY 2020, the College attempted to keep other fees as stable as possible, resulting in only small changes in these revenues.

In FY 2020, state and local operating grant and contract revenues decreased by $369,537 when compared with FY 2019. This is primarily attributable to decreasing in Running Start enrollments due to COVID and the shift to online learning. The College continued to serve students under the terms of contracted programs. The College contracts with local high schools to enroll Running Start students who earn both high school and college credit for these courses.



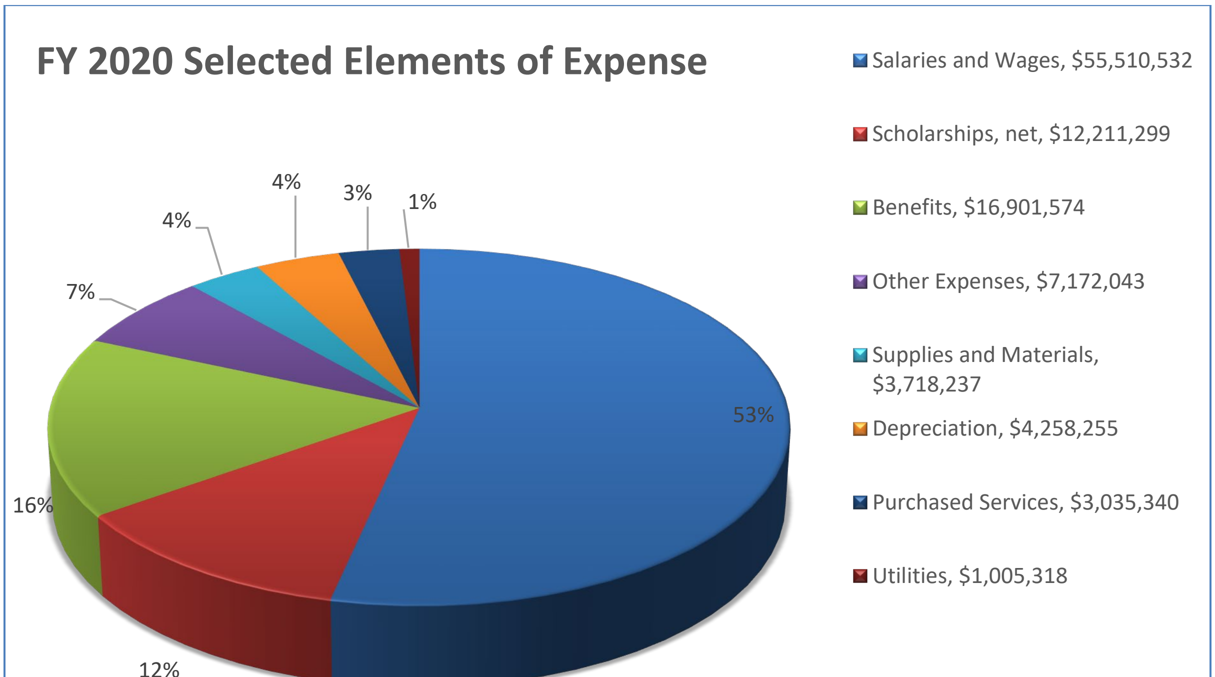
The College receives capital spending authority on a biennial basis. In accordance with accounting standards, the amount shown as capital appropriation revenue on the financial statements is the amount expended in the current year. Expenses from capital project funds that do not meet accounting standards for capitalization are reported as operating expenses. Those expenses that meet the capitalization standard are not shown as expense in the current period and are instead recognized as depreciation expense over the expected useful life of the asset.

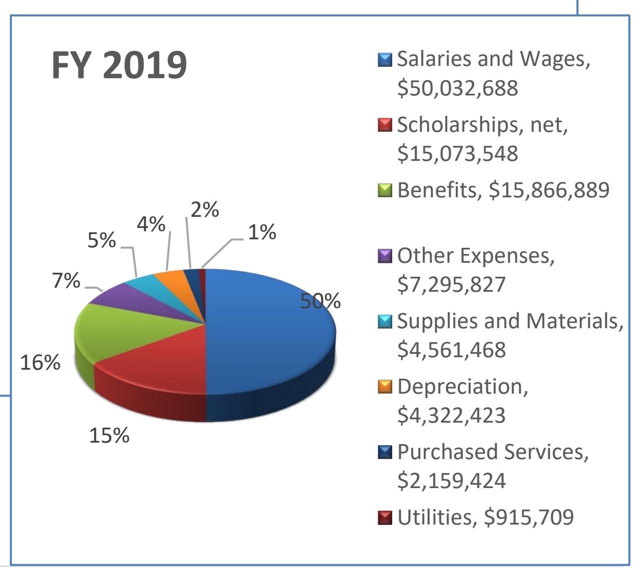
Expenses

Faced with severe budget cuts over the past seven years, the College has continuously sought opportunities to identify savings and efficiencies, while also looking at opportunities for innovation.

Most recently, in FY 2020, salary costs increased by over $5.4 million as a direct result of the salary increase appropriated by the Legislature, Nursing Faculty salary increases as appropriated by the Legislature, and the implementation of a new faculty contract. Associated benefits increased by approximately $1 million.

Scholarships including financial aid decreased by over $2.8 million in FY 2020. The College has continued to educate students on financial literacy, encouraging a reduction in loans taken out by our students. Other Expenses, supplies and materials, purchased services, and utilities combined for a minimal increase, mostly attributable to the College's cost in responding to the COVID pandemic and increasing CTCLink ERP software costs passed down from the SBCTC. Certain capital project costs do not meet accounting criteria for capitalization as part of the cost of the building and are instead recognized as supplies and materials or purchased services costs. These fluctuations are normal.





Capital Assets and Long-Term Debt Activities
The community and technical college system submits a single prioritized request to the Office of Financial Management and the Legislature for appropriated capital funds, which includes major projects, minor projects, repairs, emergency funds, alternative financing and major leases. The primary funding source for college capital projects is state general obligation bonds. In recent years, declining state revenues significantly reduced the state's debt capacity. This trend is expected to continue to impact the number of new projects that can be financed. In FY 2017, the College elected to finance the renovation of the Culinary Arts facility with Certificate of Participation debt. Additional information regarding the Certificate of Participation debt can be found in Note 14.

At June 30, 2020, the College had invested $135,323,825 in capital assets, net of accumulated depreciation. This represents an increase of $806,439 from last year, as shown in the following table.

Asset Type	June 30, 2020	June 30, 2019	Change
Land	$15,071,429	$11,021,429	$4,050,000
Construction in Progress	$385,388	$358,392	$26,996
Buildings, net	$114,624,056	$118,076,042	-$3,451,986
Other Improvements and Infrastructure, net	$2,395,143	$2,649,716	-$254,573
Equipment, net	$2,615,915	$2,171,310	$444,605
Library Resources, net	$231,894	$240,497	-$8,603
Total Capital Assets, Net	**$135,323,825**	**$134,517,386**	**$806,439**

The increase in net capital assets can be primarily attributed the donation of land from the Clark College Foundation to the College for the construction of Clark College at Boschma Farms, and normal replacement and acquisition of equipment and library resources. Additional information on capital assets can be found in Note 7.

At June 30, 2020, the College had $5,910,000 in outstanding debt. This represents a decrease of $690,000 from last year. In FY 2017, the College entered into two Certificate of Participation loans, one for the renovation of the Culinary Arts facility and another for energy efficiency improvements.

Additional information of certificates of participation, long term debt and debt service schedules can be found in Notes 14, 15 and 16.

Economic Factors That May Affect the Future
In FY 2017, the State Board for Community and Technical College elected to move to a new allocation model, changing how the state allocated funds are distributed to each college. The new model is based on performance in several key indicators, from general enrollments to enrollments in high cost programs, as well as student completion and achievement points. The model is based on a three-year rolling average of enrollments and completions, comparative to other institutions in the state. Due to decrease in enrollment, it is estimated that the College will likely see a decrease in state operating appropriations in future years.

In fiscal year 2020 we received a significant increase in funding as a result of the Workforce Education Investment Act (E2SHB 2158). The bill created a new fund, the Workforce Education Investment Account. Appropriations from the account are supported by an increase in the Business and Occupation tax. These funds were allocated to the colleges as directed in the legislation. Most of these appropriations are budgeted to continue in fiscal year 2021. There were no other significant changes to the method of allocating funds to college districts.

As the College continues to be affected by the COVID-19 pandemic, a significant decrease in enrollments has been experienced. While historically colleges have seen an increase in enrollments in times of higher unemployment, the College has not experienced that trend during the pandemic. The College is looking closely at ways reduce operating costs while continuing to innovate instruction to attract more students.

The College is also closely watching for signs of a possible recession in 2021. While it's not uncommon for Colleges to experience enrollment growth during an economic downturn, it's also not uncommon for state governments to freeze or cut funding for higher education as revenue shrinks. All of the new investments made in the last legislative session could be at risk if another significant economic slowdown occurs.

The State Board for Community and Technical Colleges has included construction funding for the College’s new, 70,000 square advanced manufacturing center at Boschma Farms as part of its budget request to the state legislature. If funding is approved, the College could break ground as early as 2022 Fiscal Year. This ambitious project will enable the College to serve new enrollments in the high-demand advanced manufacturing field.

College Statement of Net Position

Clark College

Statement of Net Position

As of June 30, 2020

	2020
Assets	
Current Assets	
Cash and cash equivalents (Note 3)	11,355,658
Restricted cash and cash equivalents (Note 3)	557,365
Accounts receivable, net (Note 4)	10,100,902
Student loans receivable, net (Note 5)	19,532
Inventories (Note 6)	695,546
Prepaid expenses	111,406
Total current assets	**22,840,409**
Non-Current Assets	
Non-depreciable capital assets (Note 7)	15,456,817
Depreciable capital assets, net (Note 7)	119,867,008
Total non-current assets	**135,323,825**
Total assets	**158,164,234**
Deferred Outflows of Resources	
Deferred ouflows related to pensions (Note 17)	5,409,198
Deferred ouflows related to OPEB (Note 18)	3,479,651
Total deferred ouflows of resources	**8,888,849**
Liabilities	
Current Liabilities	
Accounts payable	643,859
Accrued liabilities (Note 9)	3,508,580
Compensated absences (Note 12)	442,200
Deposits payable	133,933
Unearned revenue (Note 10)	1,529,697
Certificates of participation, current portion (Note 14 and 15)	720,000
Net pension liability - non-funded plan (Note 17)	96,812
OPEB liability, current portion (Note 18)	587,730
Total current liabilities	**7,662,811**
Non-Current Liabilities	
Compensated absences (Note 12)	6,251,079
Net pension liability - actuarily funded (Note 17)	6,738,892
Net pension liability - non-funded plan (Note 17)	6,581,402
OPEB liability, long term portion (Note 18)	33,497,317
Unamortized premium (Note 14 and 16)	823,572
Certificates of participation, long term portion (Note 14 and 15)	5,190,000
Total non-current liabilities	**59,082,262**
Total liabilities	**66,745,073**
Deferred Inflows of Resources	
Deferred inflows related to pensions (Note 17)	4,930,996
Deferred inflows related to OPEB (Note 18)	12,350,131
Total deferred inflows of resources	**17,281,127**
Net Position	
Net Investment in Capital Assets	128,955,015
Restricted for:	
Expendable	455,188
Student loans	49,046
Unrestricted	(46,432,366)
Total Net Position	**83,026,883**

The notes to the financial statements are an integral part of this statement

Foundation Statement of Financial Position

Clark College Foundation
Statements of Financial Position
June 30, 2020
(With Summarized Financial Information for June 30, 2019)

	June 30, 2020			June 30, 2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
ASSETS				
Cash	$ 318,496	$ -	$ 318,496	$ 81,766
Investments	17,031,990	64,972,595	82,004,585	84,855,800
Pledges and other receivables, net	231,966	6,542,614	6,774,580	7,397,712
Other assets	346,982	-	346,982	312,012
Split-interest agreements	-	1,974,131	1,974,131	1,880,756
Property and equipment, net	723,970	-	723,970	742,649
Land held for contribution and development	10,747,528	-	10,747,528	12,079,110
Total assets	$ 29,400,932	$ 73,489,340	$ 102,890,272	$ 107,349,805
LIABILITIES AND NET ASSETS				
Accounts payable and accrued liabilities	$ 1,521,653	$ 197,776	$ 1,719,429	$ 1,173,973
Due to/from	59,165	(59,165)	-	-
Payable for land/ road transfer	1,211,064	-	1,211,064	-
Payable for Weber assets	-	-	-	574,471
Split-interest agreement liabilities	37,201	1,170,875	1,208,076	1,116,803
Notes payable	339,700	-	339,700	-
Total liabilities	3,168,783	1,309,486	4,478,269	2,865,247
Net assets				
Without donor restrictions	26,232,149	-	26,232,149	29,589,202
With donor restrictions				
Time or purpose restricted	-	14,680,929	14,680,929	15,067,765
Perpetual in nature	-	57,498,925	57,498,925	59,827,591
Total net assets	26,232,149	72,179,854	98,412,003	104,484,558
Total liabilities and net assets	$ 29,400,932	$ 73,489,340	$ 102,890,272	$ 107,349,805

The notes to the financial statements are an integral part of this statement

College Statement of Revenues, Expenses and Changes in Net Position

Clark College

Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2020

	2020
Operating Revenues	
Student tuition and fees	26,527,560
Less scholarship discounts and allowances	(7,973,627)
Auxiliary enterprise sales	4,512,391
State and local grants and contracts	26,520,991
Federal grants and contracts	522,768
Other operating revenues	255,103
Total operating revenue	**50,365,186**
Operating Expenses	
Salaries and wages	55,510,532
Benefits	16,901,574
Scholarships, net of discounts	12,211,299
Other expense	7,172,043
Supplies and materials	3,718,237
Depreciation	4,258,255
Purchased services	3,035,340
Utilities	1,005,318
Total operating expenses	**103,812,598**
Operating income (loss)	**(53,447,412)**
Non-Operating Revenues (Expenses)	
State appropriations	37,572,799
Federal Pell grant revenue	9,482,195
Federal non-operating	1,530,425
Investment income, gains and losses	264,821
Gain on disposal	15,517
Building fee remittance	(2,343,253)
Innovation fund remittance	(545,948)
Interest on indebtedness	(324,472)
Net non-operating revenues (expenses)	**45,652,084**
Income or (loss) before capital contributions	(7,795,328)
Capital appropriations	2,665,113
Capital contribution-Foundation	4,634,375
Increase (decrease) in net position	**(495,840)**
Net Position	
Net position, beginning of year	83,522,723
Net position, end of year	**83,026,883**

The notes to the financial statements are an integral part of this statement

Foundation Statement of Activities and Changes in Net Position

Clark College Foundation
Statements of Activities
Year Ended June 30, 2020
(With Summarized Financial Information for the Year Ended June 30, 2019)

	June 30, 2020			June 30, 2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT, REVENUE, AND GAINS				
Support				
Contributions	$ 578,482	$ 2,796,526	$ 3,375,008	$ 8,715,880
Donated services and use of facility	58,085	-	58,085	58,085
Total support	636,567	2,796,526	3,433,093	8,773,965
Revenue and gains				
Special events and other	9,040	88,844	97,884	103,371
Gain (loss) on disposal of property and equipment	241,295	-	241,295	(238)
Investment return (loss), net	2,055,011	(3,041,514)	(986,503)	3,307,073
Change in value of split-interest agreements	(7,130)	(36,005)	(43,135)	(82,877)
Total revenue and gains	2,298,216	(2,988,675)	(690,459)	3,327,329
Net assets released from restrictions and other redesignations	2,523,353	(2,523,353)	-	-
Total support, revenue, and gains	5,458,136	(2,715,502)	2,742,634	12,101,294
EXPENSES				
Program services				
College program and capital support	4,180,440	-	4,180,440	2,718,910
Scholarships	1,236,826	-	1,236,826	1,174,984
Total program services	5,417,266	-	5,417,266	3,893,894
Supporting services				
Fundraising	1,123,165	-	1,123,165	1,176,030
Management and general	1,063,694	-	1,063,694	837,903
Land/ road transfer	1,211,064	-	1,211,064	-
Donation of Weber assets	-	-	-	1,123,427
Total supporting services	3,397,923	-	3,397,923	3,137,360
Total expenses	8,815,189	-	8,815,189	7,031,254
CHANGE IN NET ASSETS	(3,357,053)	(2,715,502)	(6,072,555)	5,070,040
NET ASSETS, beginning of year	29,589,202	74,895,356	104,484,558	99,414,518
NET ASSETS, end of year	$ 26,232,149	$ 72,179,854	$ 98,412,003	$ 104,484,558

The notes to the financial statements are an integral part of this statement

College Statement of Cash Flow

Clark College

Statement of Cash Flow

For the Years Ended June 30, 2020

	2020
Cash flow from operating activities	
Student tuition and fees, net	18,156,643
Grants and contracts	24,305,974
Payments to vendors	(6,596,619)
Payments for utilities	(1,133,646)
Payments to employees	(54,647,330)
Payments for benefits	(17,157,872)
Auxiliary enterprise sales	4,327,094
Payments for scholarships	(12,211,299)
Loans issued to students	(18,486)
Collection of loans to students	21,379
Other receipts	(5,905,894)
Net cash used by operating activities	**(50,860,056)**
Cash flow from noncapital financing activities	
State appropriations	42,191,819
Pell grants	9,482,195
Federal	742,810
Building fee remittance	(2,309,773)
Innovation fund remittance	(532,283)
Principal paid on noncapital debt	(35,000)
Interest paid on noncapital debt	(15,050)
Net cash provided by noncapital financing activities	**49,524,718**
Cash flow from capital and related financing activities	
Capital appropriations	2,471,217
Capital contribution-Foundation	584,375
Purchases of capital assets	(1,040,282)
Proceeds from the sale of capital assets	41,105
Principal paid on capital debt	(655,000)
Interest paid on capital debt	(285,422)
Net cash used by capital and related financing activities	**1,115,993**
Cash flow from investing activities	
Income of investments	264,821
Net cash provided by investing activities	**264,821**
Increase (decrease) in cash and cash equivalents	**45,476**
Cash and cash equivalents at the beginning of the year	**11,867,547**
Cash and cash equivalents at the end of the year	**11,913,023**

The notes to the financial statements are an integral part of this statement

Statement of Cash Flow, continued

Reconciliation of Operating Loss to Net Cash used by Operating Activities

Operating Loss	$	(53,447,412)
Adjustments to reconcile net loss to net cash used by operating activities		
Depreciation expense	$	4,258,255
Changes in assets and liabilities		
Receivables, net	$	(1,979,739)
Inventories		12,620
Other assets		(31,321)
Accounts payable		(37,120)
Accrued liabilities		708,758
Unearned revenue		(182,013)
Compensated absences		709,508
Pension liability adjustment expense		(880,222)
Deposits payable		5,737
Loans to students		2,893
Net cash used by operating activities	**$**	**(50,860,056)**
Significant Noncash Transaction		
Capital assets acquired through donation	$	4,050,000

The notes to the financial statements are an intengral part of this statement

Foundation Statement of Cash Flows

Clark College Foundation
Statements of Cash Flows

	Years Ended June 30, 2020	Years Ended June 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (6,072,555)	$ 5,070,040
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	26,134	30,372
(Gain) loss on disposal of property and equipment	(241,295)	238
Donation of Weber assets	(574,471)	1,123,427
Donation of land	1,635,878	-
Unrealized loss on investments	5,440,589	843,904
Realized gain on investments	(4,454,086)	(4,150,976)
Change in value of split-interest agreements	43,135	82,877
Contributions restricted to long-term investment	(829,171)	(6,582,984)
Change in pledges receivable discount	(123,230)	(137,601)
Increase (decrease) in cash due to changes in		
Pledges and other receivables	746,362	(2,096,955)
Other assets	(34,970)	25,329
Split-interest agreements	(136,510)	(781,424)
Payable for land/ road transfer	1,211,064	-
Accounts payable and accrued liabilities	545,456	187,744
Split-interest agreement liabilities	91,273	431,579
Net cash flows used in operating activities	(2,726,397)	(5,954,430)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, equipment and land held	(70,456)	(104,118)
Proceeds from sale of assets	-	-
Purchase of investments	(5,137,069)	(9,252,786)
Proceeds from sale of investments	7,001,781	10,859,634
Net cash flows from investing activities	1,794,256	1,502,730
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	-	(2,082,091)
Proceeds from issuance of notes payable	339,700	-
Contributions restricted to long-term investment	829,171	6,582,984
Net cash flows from financing activities	1,168,871	4,500,893
NET CHANGE IN CASH	236,730	49,193
CASH, beginning of year	81,766	32,573
CASH, end of year	$ 318,496	$ 81,766
SUPPLEMENTAL DISCLOSURE OF NONCASH OPERATING ACTIVITIES		
Noncash contributions	$ 152,459	$ 157,909

The notes to the financial statements are an integral part of this statement

Notes to the Financial Statements

June 30, 2020

These notes form an integral part of the financial statements.

1. Summary of Significant Accounting Policies

Financial Reporting Entity

Clark College (the College) is a comprehensive community college offering open-door academic programs, workforce education, basic skills, and community services. The College confers associate degrees, certificates and high school diplomas. It is governed by a five-member Board of Trustees appointed by the Governor and confirmed by the state Senate.

The College is an agency of the State of Washington. The financial activity of the College is included in the State's Comprehensive Annual Financial Report.

The Clark College Foundation (the Foundation) is a separate but affiliated non-profit entity, incorporated under Washington law in 1973 and recognized as a tax exempt 501(c)(3) charity. The Foundation's charitable purpose is to help individuals, families and organizations blend their personal priorities with the charitable priorities of Clark College to create a growing base of diverse endowments as well as increasing range of current, planned, and periodically, strategic capital gifts that advance Clark College as an extraordinary community college. Because the majority of the Foundation's income and resources are restricted by donors and may only be used for the benefit of the College or its students, the Foundation is considered a component unit based on the criteria contained in Governmental Accounting Standards Board (GASB) Statement Nos. 61, 39 and 14. A component unit is an entity which is legally separate from the College, but has the potential to provide significant financial benefits to the College or whose relationship with the College is such that excluding it would cause the College's financial statements to be misleading or incomplete.

The Foundation's financial statements are discretely presented in this report. The Foundation's statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Intra-entity transactions and balances between the College and the Foundation are not eliminated for financial statement presentation. During the fiscal year ended June 30, 2020, the Foundation distributed $1,936,454 to the College for restricted and unrestricted purposes, which includes student scholarships, program support, and capital improvements. In addition, the Foundation donated 10 acres of land to the College, valued at $4,050,000, for the construction of Clark College at Boschma Farms. A copy of the Foundation's complete financial statements may be obtained from the Foundation's Administrative Offices at 360-992-2301.

Basis of Presentation

The financial statements have been prepared in accordance with GASB Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments* as amended by GASB Statement No. 35, *Basic Financial Statements and Management Discussion and Analysis for Public Colleges and Universities.* For financial reporting purposes, the College is considered a special-purpose government engaged only in Business Type Activities (BTA). In accordance with BTA reporting, the College presents a Management's Discussion and Analysis; a Statement of Net Position; a Statement of Revenues, Expenses and Changes in Net Position; a Statement of Cash Flows; and Notes to the Financial Statements. The format provides a comprehensive, entity-wide perspective of the College's assets, deferred outflows, liabilities, deferred inflows, net position, revenues, expenses, changes in net position and cash flows.

Basis of Accounting
The financial statements of the College have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred, regardless of the timing of the cash flows. All significant intra-agency transactions have been eliminated. However, revenues and expenses from the College's auxiliary enterprises are treated as though the College were dealing with private vendors.

Non-exchange transactions, in which the College receives (or gives) value without directly giving (or receiving) equal value in exchange includes state and federal appropriations, and certain grants and donations. Revenues are recognized, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents
Cash and cash equivalents include cash on hand and bank demand deposits. Cash equivalents are defined as highly liquid investments with an original maturity of 90 days or less. Funds invested through the Washington State Treasurer's Local Government Investment Pool (LGIP) are reported as cash equivalents. Cash and cash equivalents that are held with the intent to fund College operations are classified as current assets along with operating funds invested in the LGIP. The College records all cash, cash equivalents, and investments at amortized cost.

Accounts Receivable
Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. This also includes amounts due from federal, state and local governments or private sources as allowed under the terms of grants and contracts. Accounts receivable are shown net of estimated uncollectible amounts.

Inventories
Inventories, consisting primarily of merchandise for resale in the College bookstore and course-related supplies, are valued at cost using the first in, first out (FIFO) method.

Capital Assets
In accordance with state law, capital assets constructed with state funds are owned by the State of Washington. Property titles are shown accordingly. However, responsibility for managing the assets rests with the College. As a result, the assets are included in the financial statements because excluding them would be misleading.

Land, buildings and equipment are recorded at cost, or if acquired by gift, at acquisition value at the date of the gift. GASB 34 guidance concerning preparing initial estimates for historical cost and accumulated depreciation related to infrastructure was followed. Capital additions, replacements and major renovations are capitalized. The value of assets constructed includes all material direct and indirect construction costs. Any interest costs incurred are capitalized during the period of construction. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. In accordance with the state capitalization policy, all land, intangible assets and software with a unit cost of $1,000,000 or more, buildings and improvements with a unit cost of $100,000 or more, library collections with a total cost of $5,000 or more and all other assets with a unit cost of $5,000 or more are capitalized. Depreciation is computed using the straight line method over the estimated useful life of the asset as defined by the State of Washington's Office of Financial Management. Useful lives generally range from 15 to 50 years for buildings and improvements, 15 to 50 years for other improvements and infrastructure, 7 years for library resources and 2 to 10 years for most equipment and 11 to 40 years for heavy duty equipment.

In accordance with GASB Statement No. 42, the College reviews assets for impairment whenever events or changes in circumstances have indicated that the carrying amount of its assets might not be recoverable. Impaired assets are reported at the lower of cost or fair value. At June 30, 2020, no assets had been written down.

Unearned Revenues
Unearned revenues occur when funds have been received prior to the end of the fiscal year but are related to the subsequent fiscal year. Unearned revenues also include tuition and fees paid with financial aid funds. The College has recorded summer and fall quarter tuition and fees as unearned revenues.

Tax Exemption
The College is a tax-exempt organization under the provisions of Section 115 (1) of the Internal Revenue Code and is exempt from federal income taxes on related income. The College does remit unrelated business income tax for qualifying activities.

Pension Liability
For purposes of measuring the net pension liability in accordance with GASB Statement No 68, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of Washington Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) and additions to/deductions from PERS's and TRS's fiduciary net position have been determined on the same basis as they are reported by PERS and TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The College also reports its share of the pension liability for the State Board Retirement Plan in accordance with GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB* Statement No. 68 (*Accounting and Financial Reporting for Pensions*). The reporting requirements are similar to GASB Statement No. 68 but use current fiscal year end as the measurement date for reporting the pension liabilities.

Other Postemployment Benefits Liability
In fiscal year 2018, the College implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB).* This Statement requires the College to recognize its proportionate share of the state's actuarially determined OPEB liability with a one-year lag measurement date similar to GASB Statement No. 68.

Deferred Outflows of Resources and Deferred Inflows of Resources
Deferred outflows of resources represent consumption of net position that is applicable to a future period. Deferred inflows of resources represent acquisition of net position that is applicable to a future period.

Deferred outflows related to pensions are recorded when projected earnings on pension plan investments exceed actual earnings and are amortized to pension expense using a systematic and rational method over a closed period of time. Deferred inflows related to pensions are recorded when actual earnings on pension plan investments exceed projected earnings and are amortized in the same manner as deferred outflows.

Deferred outflows and inflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the college's proportionate share of pension liabilities. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan. Employer transactions to pension plans made subsequent to the measurement date are also deferred and reduce pension liabilities in the subsequent year.

The portion of differences between expected and actual experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, and changes in the college's proportionate share of OPEB liability that are not recognized in OPEB expense should be reported as deferred outflows of resources or deferred inflows of resources related to OPEB. Differences between projected and actual earning on OPEB plan investments that are not recognized in OPEB expense should be reported as deferred outflows of resources or deferred inflows of resources related to OPEB. Employer contributions to the OPEB plan subsequent to the measurement date of the collective OPEB liability should be recorded as deferred outflows of resources related to OPEB.

Net Position
The College's net position is classified as follows:

Net Investment in Capital Assets. This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets.

Restricted for Nonexpendable. This consists of endowment and similar type funds for which donors or other outside sources have stipulated as a condition of the gift instrument that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income which may either be expended or added to the principal.

Restricted for Loans. The loan funds are established for the explicit purpose of providing student support as prescribed by statute or granting authority.

Restricted for Expendable. These include resources the College is legally or contractually obligated to spend in accordance with restrictions imposed by third parties. The expendable balance for the College is funds held for student loans and institutional financial aid funds per RCW 28B.15.820.

Unrestricted. These represent resources derived from student tuition and fees, and sales and services of educational departments and auxiliary enterprises.

Classification of Revenues and Expenses
The College has classified its revenues and expenses as either operating or non-operating according to the following criteria:

Operating Revenues. This includes activities that have the characteristics of exchange transactions such as (1) student tuition and fees, net of waivers and scholarship discounts and allowances, (2) sales and services of auxiliary enterprises and (3) most federal, state and local grants and contracts which includes Running Start revenue and various grants for funding student tuition and operations.

Operating Expenses. Operating expenses include salaries, wages, fringe benefits, utilities, supplies and materials, purchased services, and depreciation.

Non-operating Revenues. This includes activities that have the characteristics of non-exchange transactions, such as gifts and contributions, Federal Pell grant revenue, Cares grant revenue, state appropriations, investment income, and gain on disposal.

Non-operating Expenses. Non-operating expenses include state remittance related to the building fee and the innovation fee, interest on COP, and loss on disposal.

Scholarship Discounts and Allowances
Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or non-governmental programs are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance. Discounts and allowances for the year ending June 30, 2020 are $7,973,627.

State Appropriations
The State of Washington appropriates funds to the College on both an annual and biennial basis. These revenues are reported as non-operating revenues on the Statements of Revenues, Expenses, and Changes in Net Position, and recognized as such when the related expenses are incurred.

Building and Innovation Fee Remittance
Tuition collected includes amounts remitted to the Washington State Treasurer's office to be held and appropriated in future years. The Building Fee portion of tuition charged to students is an amount established by the Legislature and is subject to change annually. The fee provides funding for capital construction and projects on a system wide basis using a competitive biennial allocation process. The Building Fee is remitted on the 35th day of each quarter. The Innovation Fee was established in order to fund the State Board of Community and Technical College's Strategic Technology Plan. The use of the fund is to implement new ERP software across the entire system. On a monthly basis, the College's remits the portion of tuition collected for the Innovation Fee to the State Treasurer for allocation to SBCTC. These remittances are non-exchange transactions reported as an expense in the non-operating revenues and expenses section of the Statement of Revenues, Expenses and Changes in Net Position.

2. Accounting and Reporting Changes

Accounting Standards Impacting the Future

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance,* which postponed the effective dates of Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. The college is following the State's Office of Financial Management directives on these postponements.

In June 2017, the GASB issued Statement No. 87, *Leases*, which was to be in effect beginning fiscal year 2021. GASB 95 postponed the effective date to fiscal year 2022. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The College is following the State's Office of Financial Management directives to prepare for the implementation of this Statement.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for the fiscal year ending June 30, 2021. GASB 95 has postponed the effective date to fiscal year 2022. This Statement require that interest cost incurred before the end of a construction period be recognized as expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, these costs will no longer be included in the capitalized cost of capital assets reported by the College. The Statement will be applied on a prospective basis and the interest costs capitalized prior to implementation will continue to be recognized as those assets are depreciated.

ERP Implementation

In October 2019, the College implemented a new ERP system called ctcLink. The SBCTC managed the implementation of the delivered software solution (PeopleSoft 9.2) driven by the need to replace the 35-plus-year-old legacy system at all 34 community and technical colleges by the end of 2022. The College was the third school to go live on ctcLink. This comprehensive solution provides a single, centralized system of online functions to give students, faculty and staff anytime, anywhere access to a modern, efficient way of doing their college business including student finances, accounting, purchasing and payroll. Business processes, accounting procedures and internal controls have been modified to accommodate the new system but there were no material changes to the financial statements as a result of the implementation.

3. Deposits and Investments

Deposits

Cash and cash equivalents include bank demand deposits, petty cash held at the College and unit shares in the Washington State Treasurer's Local Government Investment Pool (LGIP). The Office of the State Treasurer invests state treasury cash surpluses where funds can be disbursed at any time without prior notice or penalty. For reporting purposes, pooled investments are stated at amortized cost, which approximates fair value. For purposes of reporting cash flows, the state considers cash and pooled investments to be cash equivalents. Pooled investments include short-term, highly-liquid investments that are both readily convertible to cash and are so near their maturity dates that they present insignificant risk of changes in value because of changes in interest rates. For purposes of the statement of cash flows, the College considers all highly liquid investments with an original maturity of 90 days or less to be cash equivalents.

Investments in Local Government Investment Pool (LGIP)
The College is a participant in the Local Government Investment Pool as authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. The State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually and proposed changes are reviewed by the LGIP Advisory Committee. Investments in the LGIP, a qualified external investment pool, are reported at amortized cost which approximates fair value. The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by the GASB Statement No. 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at http://www.tre.wa.gov.

As of June 30, 2020, the carrying amount of the College's cash and cash equivalents was $11,913,023. The restricted cash included in total cash consists of amounts restricted for loans and institutional financial aid funds per RCW 28B.15.820. The classification is represented in the table below.

Cash and Cash Equivalents	**2020**
Local Government Investment Pool	$ 9,555,782
Bank Demand	1,780,876
Restricted Cash - Held for Financial Aid	557,365
Petty Cash and Change Funds	19,000
Total Cash and Cash Equivalents	**11,913,023**

Custodial Credit Risks—Deposits
Custodial credit risk for bank demand deposits is the risk that in the event of a bank failure, the College's deposits may not be returned to it. All of the College's demand deposits are with the Bank of America. All cash and equivalents, except for change funds and petty cash held by the College, are insured by the Federal Deposit Insurance Corporation (FDIC) or by collateral held by the Washington Public Deposit Protection Commission (PDPC).

Interest Rate Risk—Investments
While the College does not currently have any investments other than the LGIP, when investing historically, the College manages its exposure to interest rate changes by limiting the duration of investments to mature at various points in the year. The College administrative procedures 450.033

identifies investment parameters as ranging from overnight and up to one year in duration, depending on the stability of the cash balance and the annual cycle of cash liquidity needs.

Concentration of Credit Risk—Investments
State law limits College operating investments to the highest quality sectors of the domestic fixed income market and specifically excludes corporate stocks, corporate and foreign bonds, futures contracts, commodities, real estate, limited partnerships and negotiable certificates of deposit. College policy does not limit the amount the College may invest in any one issuer.

Custodial Credit Risk—Investments
Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the College will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. At June 30, 2020, the college did not have any investments other than the LGIP.

Investment Expenses
Investment income for the College is shown net of investment expenses. The investment expenses incurred for the fiscal year ended June 30, 2020 were $1,098.

4. Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. It also includes amounts due from federal, state and local governments or private sources in connection with reimbursements of allowable expenses made according to sponsored agreements. At June 30, 2020, accounts receivable were as follows:

Accounts Receivable		**2020**
Due from State Appropriation	$	4,416,476
Student Tuition and Fees		1,416,946
Due from Other State Agencies		2,293,582
Due from Federal Government		1,575,636
Auxiliary Enterprises		18,199
Other		985,544
Subtotal	$	10,706,383
Less Allowance for Uncollectible Accounts		(605,481)
Accounts Receivable, net	**$**	**10,100,902**

5. Loans Receivable

Loans receivable as of June 30, 2020 consisted of student loans, as follows:

Loans Receivable		**2020**
Student Loans Receivable	$	24,415
Less Allowance for Uncollectible Accounts	$	(4,883)
Loans Receivable, net	**$**	**19,532**

6. Inventories

Merchandise inventories, stated at cost using the FIFO method, consisted of the following as of June 30, 2020:

Inventories		**2020**
Consumable Inventories	$	33,740
Merchandise Inventories	$	661,806
Inventories	**$**	**695,546**

7. Capital Assets

A summary of the changes in capital assets for the year ended June 30, 2020 is presented as follows. The current year depreciation expense was $4,258,255.

Capital Assets	Balance at June 30, 2019	Additions/ Transfers	Retirements	Balance at June 30, 2020
Nondepreciable capital assets				
Land	$ 11,021,429	$ 4,050,000	$ -	$ 15,071,429
Construction in progress	358,392	26,996	-	385,388
Subtotal	11,379,821	4,076,996	-	15,456,817
Depreciable capital assets				
Buildings	171,324,792	-	-	171,324,792
Improvements and infrastructure	7,260,924	0	-	7,260,924
Equipment	9,730,184	962,620	(325,081)	10,367,723
Library resources	4,041,956	50,665	-	4,092,621
Subtotal	192,357,856	1,013,285	(325,081)	193,046,060
Less accumulated depreciation				
Buildings	53,248,750	3,451,986		56,700,736
Improvements and infrastructure	4,611,209	254,572		4,865,781
Equipment	7,558,873	492,429	(299,494)	7,751,808
Library resources	3,801,459	59,268		3,860,727
Total accumulated depreciation	69,220,291	4,258,255	(299,494)	73,179,052
Total depreciable capital assets	123,137,565	(3,244,970)	(25,587)	119,867,008
Capital assets, net of accumulated depreciation	**$ 134,517,386**	**$ 832,026**	**$ (25,587)**	**$ 135,323,825**

8. Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of equity that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense) until then. The category of deferred outflow of resources reported in the statement of net position relates to pensions.

Deferred outflows on pensions are recorded when projected earnings on pension plan investments exceed actual earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred outflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the state's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan. State contributions to pension plans made subsequent to the measurement date are also deferred and reduce net pension liability in the subsequent year.

Deferred outflows related to OPEB are recorded to reflect plan contributions made after the measurement date and reduce OPEB liability in the subsequent year.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of equity that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources reported by the College relate to pensions.

Deferred inflows on pensions are recorded when actual earnings on pension plan investments exceed projected earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred inflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the state's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan.

Deferred inflows related to OPEB are related to the College's proportionate share of the changes in assumptions.

9. Accrued Liabilities

At June 30, 2020, accrued liabilities are the following:

Accrued Liabilities		**2020**
Amounts Owed to Employees	$	1,698,366
Amounts Held for Others and Retainage		1,810,214
Total Accrued Liabilities	**$**	**3,508,580**

10. Unearned Revenue

At June 30, 2020, unearned revenue is comprised of receipts that have not yet met revenue recognition criteria, as follows:

Unearned Revenue		**2020**
Summer and Fall Quarter Tuition and Fees	$	1,498,526
Other Deposits		31,171
Total Unearned Revenue	**$**	**1,529,697**

11. Risk Management

The College is exposed to various risk of loss related to tort liability, injuries to employees, errors and omissions, theft of, damage to, and destruction of assets, and natural disasters. The College purchases insurance to mitigate these risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks.

The College purchases commercial property insurance through the master property program administered by the Department of Enterprise Services. The policy has a deductible of $250,000 per occurrence and the policy limit is $500,000,000 per occurrence. The College has had no claims in excess of the coverage amount within the past three years. The College currently has elected to have coverage for three buildings and the contents of eight buildings. The College made these selections by carefully evaluating building age, condition, contents, and use. The College assumes its potential property losses for all other buildings and contents on campus.

The College participates in a State of Washington risk management self-insurance program, which covers its exposure to tort, general damage and vehicle claims. Premiums paid to the State are based on actuarially determined projections and include allowances for payments of both outstanding and current liabilities. Coverage is provided up to $5,000,000 for each claim with no deductible. The college has had no claims in excess of the coverage amount within the past three years.

The College, in accordance with state policy, pays unemployment claims on a pay-as-you-go basis. The College finances these costs by assessing all funds a monthly payroll expense for unemployment compensation for all employees. Payments made for claims from July 1, 2019 through June 30, 2020, were $97,024. Cash reserves for unemployment compensation for all employees at June 30, 2020, were $52,120.

12. Compensated Absences

At termination of employment, employees may receive cash payments for all accumulated vacation and compensatory time. Employees who retire get 25% of the value of their accumulated sick leave credited to a Voluntary Employees' Beneficiary Association (VEBA) account, which can be used for future medical expenses and insurance purposes. The amounts of unpaid vacation and compensatory time accumulated by College employees are accrued when incurred. An estimated amount, based on a three-year average payout, is accrued as a current liability. The remaining amount of accrued annual and sick leave is categorized as non-current liabilities. The accrued leave liability is shown as follows, as of June 30:

Leave Type		2020		2019		Change
Vacation	$	2,176,476	$	1,843,218	$	333,258
Sick		4,516,803		4,139,253		377,550
Compensatory		-		1,300		(1,300)
Total	**$**	**6,693,279**	**$**	**5,983,771**	**$**	**709,508**
Current Portion	$	442,200	$	421,829	$	20,371
Long Term Portion	$	6,251,079	$	5,561,942	$	689,137

13. Leases Payable

The College has leases for property and office equipment with various vendors. These leases are classified as operating leases. As of June 30, 2020, the minimum lease payments under operating leases consist of the following:

Leases Payable

Fiscal Year		Equipment Leases		Property Leases
2021	$	57,153	$	88,940
2022		55,635		-
2023		55,635		-
2024		55,635		-
2025		55,635		-
2026		9,272		-
Total minimum lease payments	**$**	**288,965**	**$**	**88,940**

14. Certificates of Participation Payable

In August 2016, the College obtained financing for a lighting, plumbing, and HVAC control upgrade through certificates of participation (COP), issued by the Washington Office of State Treasurer (OST) in the amount of $496,205. The amount financed was $440,000, as the bond sold for a premium of $66,437, which the College will amortize over the life of the COP. The interest rate charged is 1.8536% and is for a 12-year term.

In February 2017, the College obtained financing to renovate the Gaiser Hall Culinary Arts Facility through certificates of participation (COP), issued by the Washington Office of State Treasurer (OST) in the amount of $8,500,000. The amount financed was $7,350,000, as the bond sold for a premium of $1,168,215, which the College will amortize over the life of the COP. The interest rate charged is 2.27373% and is for a 10-year term.

The College's debt service requirements for these note agreements are as follows in Note 15.

15. Annual Debt Service Requirements

Future debt service requirements for certificates of participation at June 30, 2020 are as follows:

Fiscal year	Principal	Interest	Total
2021	720,000	292,800	1,012,800
2022	755,000	256,800	1,011,800
2023	795,000	219,050	1,014,050
2024	835,000	179,300	1,014,300
2025	875,000	137,550	1,012,550
2026	920,000	93,800	1,013,800
2027	965,000	47,800	1,012,800
2028	45,000	900	45,900
Total	**$ 5,910,000**	**$ 1,228,000**	**$ 7,138,000**

16. Schedule of Long-Term Liabilities

	Balance outstanding 6/30/19	Additions	Reductions	Balance outstanding 6/30/20	Current portion
Certificates of Participation	$ 6,600,000	$ -	$ 690,000	$ 5,910,000	$ 720,000
Compensated Absences	$ 5,983,771	$ 1,765,417	$ 1,055,909	$ 6,693,279	$ 442,200
Total pension obligation	$ 4,640,700	$ 2,118,802	$ 81,288	$ 6,678,214	$ 96,812
Net pension obligation	$ 8,446,726	$ 4,627,607	$ 6,335,441	$ 6,738,892	$ -
OPEB obligation	$ 30,752,545	$ 4,806,761	$ 1,474,259	$ 34,085,047	$ 587,730
Unamortized Premium	$ 946,047	$ -	$ 122,475	$ 823,572	$ -
Total	**$ 57,369,789**	**$ 13,318,587**	**$ 9,759,372**	**$ 60,929,004**	**$ 1,846,742**

17. Retirement Plans

A. General

The College offers three contributory pension plans: the Washington State Public Employees' Retirement System (PERS), the Washington State Teachers' Retirement System (TRS), and the State Board Retirement Plan (SBRP). PERS and TRS are cost sharing multiple employer defined benefit pension plans administered by the Washington State Department of Retirement Systems (DRS). The State Board Retirement Plan (SBRP) is a defined contribution single employer pension plan with a supplemental payment when required. The SBRP is administered by the State Board for Community and Technical Colleges (SBCTC) and available to faculty, exempt administrative and professional staff of the state's public community and technical colleges. The College reports its proportionate share of the total pension liability as it is a part of the college system.

In accordance with GASB Statement No. 68, the College has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities. The College has elected to use the current fiscal year end as the measurement date for reporting pension liabilities for the Higher Education Supplemental Retirement Plan.

Basis of Accounting

Pension plans administered by the state are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, employee and employer contributions are recognized in the period in which employee services are performed; investment gains and losses are recognized as incurred; and benefits and refunds are recognized when due and payable in accordance with the terms of the applicable plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all plans and additions to/deductions from all plan fiduciary net position have been determined in all material respects on the same basis as they are reported by the plans.

The following table represents the aggregate pension amounts for all plans subject to the requirements of GASB Statement No. 68 and No. 73 for Clark College, for reported year ending June 30, 2020:

Aggregate Pension Amounts - All Plans

Pension liabilities	$	13,417,106
Deferred outflows of resources related to pensions	$	5,409,198
Deferred inflows of resources related to pensions	$	4,930,996
Pension expense	$	1,149,727

Department of Retirement Systems
As established in chapter 41.50 of the Revised Code of Washington (RCW), the Department of Retirement Systems (DRS) administers eight retirement systems covering eligible employees of the state and local governments. The Governor appoints the director of the DRS.

The DRS administered systems that Clark College offers its employees are comprised of four defined benefit pension plans and two defined benefit/defined contribution plans. Below are the DRS plans that the College offers its employees:

- Public Employees' Retirement System (PERS)
  Plan 1 - defined benefit
  Plan 2 - defined benefit
  Plan 3 - defined benefit/defined contribution

- Teachers' Retirement System (TRS)
  Plan 1 - defined benefit
  Plan 2 - defined benefit
  Plan 3 – defined benefit/defined contribution

Although some assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan in accordance with the terms of the plan.

Administration of the PERS and TRS systems and plans was funded by an employer rate of 0.18% of employee salaries.

Pursuant to RCW 41.50.770, the College offers its employees that elect to participate a deferred compensation program in accordance with Internal Revenue Code Section 457. The deferred compensation is not available to employees until termination, retirement, disability, death, or unforeseeable financial emergency. This deferred compensation plan is administered by the DRS.

The DRS prepares a stand-alone financial report that is compliant with the requirements of Statement 67 of the Governmental Accounting Standards Board. Copies of the report may be obtained by contacting the Washington State Department of Retirement Systems, PO Box 48380, Olympia, Washington 98504-8380 or online at http://www.drs.wa.gov/administration/annualreport/.

Higher Education
As established in chapter 28B.10 RCW, eligible higher education state employees may participate in higher education retirement plans. These plans include a defined contribution plan administered by a third party with a supplemental defined benefit component (funded on a pay-as-you-go basis) which is administered by the state.

B. College Participation in Plans Administered by the Department of Retirement Systems

PERS
Plan Description. The Legislature established the Public Employees' Retirement System (PERS) in 1947. PERS retirement benefit provisions are established in chapters 41.34 and 41.40 RCW and may be amended only by the Legislature. Membership in the system includes: elected officials; state employees; employees of the Supreme Court, Court of Appeals, and Superior Courts (other than judges currently in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees not in national higher education retirement programs; judges of district and municipal courts; and employees of local governments.

PERS is a cost-sharing, multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/defined contribution plan. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered a single defined benefit plan for reporting purposes. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members.

PERS members who joined the system by September 30, 1977, are Plan 1 members. Plan 1 is closed to new entrants. Those who joined on or after October 1, 1977, and by February 28, 2002, for state and higher education employees, or August 31, 2002, for local government employees, are Plan 2 members unless they exercised an option to transfer their membership to PERS Plan 3.

PERS participants joining the system on or after March 1, 2002 have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. Employees who fail to choose within 90 days default to PERS Plan 3.

Benefits Provided. PERS plans provide retirement, disability, and death benefits to eligible members.

PERS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) per year of service, capped at 60 percent. The AFC is the average of the member's 24 highest consecutive service months.

PERS Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. Plan 1 members may elect to receive an optional cost of living allowance (COLA) that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 2 members are vested after completing five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. There is no cap on years of service credit and a COLA is granted based on the Consumer Price Index, capped at 3 percent annually. The AFC is the average of the member's 60 highest paid consecutive months. PERS Plan 2 members have the option to retire early with reduced benefits.

The defined benefit portion of PERS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. There is no cap on years of service credit. Plan 3 provides the same COLA as Plan 2. The AFC is the average of the member's 60 highest paid consecutive months.

PERS Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service; or after five years of service, if 12 months of that service are earned after age 44. PERS Plan 3 members have the option to retire early with reduced benefits. PERS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors, with reduced benefits.

<u>Contributions.</u> PERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions.

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. The methods used to determine contribution requirements are established under state statute.

Members in PERS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from PERS covered employment.

TRS

<u>Plan Description</u>. The Legislature established the Teachers' Retirement System (TRS) in 1938. TRS retirement benefit provisions are established in chapters 41.32 and 41.34 RCW and may be amended only by the Legislature. Eligibility for membership requires service as a certificated public school employee working in an instructional, administrative, or supervisory capacity. TRS is comprised principally of non-state agency employees.

TRS is a cost-sharing, multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered a single defined benefit plan for reporting purposes. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members.

TRS members who joined the system by September 30, 1977, are Plan 1 members. Plan 1 is closed to new entrants. Those who joined on or after October 1, 1977, and by June 30, 1996, are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. TRS members joining the system on or after July 1, 1996, are members of TRS Plan 3. Legislation passed in 2007 gives TRS members hired on or after July 1, 2007, 90 days to make an irrevocable choice to become a member of TRS Plan 2 or Plan 3. At the end of 90 days, any member who has not made a choice becomes a member of Plan 3.

<u>Benefits Provided.</u> TRS plans provide retirement, disability, and death benefits to eligible members. TRS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) for each year of service credit, up to a maximum of 60 percent. The AFC is the total earnable compensation for the two consecutive highest-paid fiscal years, divided by two.

TRS Plan 1 members may elect to receive an optional cost of living allowance (COLA) amount based on the Consumer Price Index, capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

TRS Plan 2 members are vested after completing five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. A COLA is granted based on the Consumer Price Index, capped at 3 percent annually. The AFC is the average of the member's 60 highest paid consecutive months. TRS Plan 2 members have the option to retire early with reduced benefits.

The defined benefit portion of TRS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. Plan 3 provides the same COLA as Plan 2. The AFC is the average of the member's 60 highest paid consecutive months. TRS Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service; or after five years of service, if 12 months of that service are earned after age 44. TRS Plan 3 members have the option to retire early with reduced benefits.

TRS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors, with reduced benefits.

Contributions
PERS and TRS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. The methods used to determine contribution requirements are established under state statute.

Members in PERS or TRS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from PERS or TRS-covered employment.

The College's contribution rates (expressed as a percentage of covered payroll) and actual contributions for the above retirement plans for the year ending June 30, 2020 were as follows:

	PERS 1	PERS 2/3*	TRS 1	TRS 2/3*
Contribution Rate	12.86%	12.86%	15.51%	15.51%
Actual Contributions	$2,258	$2,093,159	$0	$355,783

* Plan 2/3 employer rate includes a component to address the Plan 1 unfunded actuarial accrued liability

Investments
The Washington State Investment Board (WSIB) has been authorized by statute as having investment management responsibility for the pension funds. The WSIB manages retirement fund assets to maximize return at a prudent level of risk.

Retirement funds are invested in the Commingled Trust Fund (CTF). Established on July 1, 1992, the CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate, and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of written WSIB adopted investment policies for the various asset classes in which the WSIB invests.

For the year ended June 30, 2019, the annual money-weighted rate of return on the pension investments, net of pension plan expenses are as follows:

Pension Plan	Rate of Return
PERS Plan 1	8.68%
PERS Plan 2/3	8.89%
TRS Plan 1	8.65%
TRS Plan 2/3	8.93%

These money-weighted rates of return express investment performance, net of pension plan investment expense, and reflects both the size and timing of cash flows.

Actuarial Assumptions
The total pension liability was determined by an actuarial valuation as of June 30, 2018 with the results rolled forward to the June 30, 2019 measurement date using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation 2.75%
- Salary Increases 3.50%
- Investment rate of return 7.40%

Mortality rates were based on the RP-2000 Combined Healthy Table and Combined Disabled Table published by the Society of Actuaries. The Office of the State Actuary (OSA) applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year, throughout their lifetime.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of the 2007-2012 Experience Study Report and the 2017 Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2018 actuarial valuation report.

The expected future rates of return (expected returns, net of pension plan investment expense, including inflation) are developed by the WSIB for each major asset class.

The Office of the State Actuary (OSA) selected a 7.40 percent long-term expected rate of return on pension plan investments using a building-block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns provided by Washington State Investment Board.

The CMAs contain the following three pieces of information for each class of assets the WSIB currently invests in:

- Expected annual return.
- Standard deviation of the annual return.
- Correlations between the annual returns of each asset class with every other asset class.

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns over various time horizons.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019, are summarized in the following table:

Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Fixed Income	20%	2.2%
Tangible Assets	7%	5.1%
Real Estate	18%	5.8%
Global Equity	32%	6.3%
Private Equity	23%	9.3%
Total	**100%**	

The inflation component used to create the above table is 2.20 percent, and represents the WSIB's most recent long-term estimate of broad economic inflation.

There were no material changes in assumptions, benefit terms, or methods for the reporting period.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The discount rate used to measure the net pension liability was 7.40 percent. To determine the discount rate an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.50 percent long-term discount rate to determine funding liabilities for calculating future contributions rate requirements. Consistent with the long-term expected rate of return, a 7.40 percent future investment rate of return on invested assets was assumed for the test.

Contributions from plan members and employers are assumed to continue to be made at contractually required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.40 percent on pension plan investments was applied to determine the total pension liability.

The following presents the net pension liability of the College calculated using the discount rate of 7.40 percent, as well as what the College's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.40 percent) or 1-percentage-point higher (8.40 percent) than the current rate.

Pension Plan	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
PERS Plan 1	$ 5,551,867	$ 4,433,271	$ 3,462,742
PERS Plan 2/3	$ 10,926,759	$ 1,424,684	$ (6,372,397)
TRS Plan 1	$ 903,962	$ 707,263	$ 536,640
TRS Plan 2/3	$ 946,507	$ 173,674	$ (454,691)

Pension Liability
Pension liabilities reported as of June 30, 2020 consists of the following:

Pension Liability by Plan		
PERS 1	$	4,433,271
PERS 2/3		1,424,684
TRS 1		707,263
TRS 2/3		173,674
SBRP		6,678,214
Total	**$**	**13,417,106**

Pension Expense
Pension expense is included as part of "Employee benefits" expense in the statement of revenues, expenses and changes in net position. The following table shows the pension expense the College recognized for the year ended June 30, 2020:

		Pension Expense
PERS Plan 1	$	354,794
PERS Plan 2/3	$	227,371
TRS Plan 1	$	33,371
TRS Plan 2/3	$	109,965
SBRP	$	424,226

Proportionate Shares of Pension Liabilities
The College's proportionate share of pension liabilities for fiscal years ending June 30, 2018 and June 30, 2019 for each retirement plan are listed below:

Plan	2018	2019	Change
PERS 1	0.112013%	0.115289%	0.003276%
PERS 2/3	0.141271%	0.146672%	0.005401%
TRS 1	0.030547%	0.028567%	-0.001980%
TRS 2/3	0.031094%	0.028824%	-0.002270%

The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan to the projected contributions of all participating state agencies, actuarially determined.

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions
The following represent the components of the College's deferred outflows and inflows of resources as reflected on the Statement of Net Position, for the year ended June 30, 2020:

PERS 1

		Deferred Outflows		Deferred Inflows
Difference between expected and actual experience		-		-
Difference between expected and actual earnings of pension plan investments		-		296,180
Changes of assumptions		-		-
Changes in College's proportionate share of pension liabilities		-		-
Contributions subsequent to the measurement date		783,829		-
Totals	**$**	**783,829**	**$**	**296,180**

PERS 2/3

	Deferred Outflows		Deferred Inflows
Difference between expected and actual experience		408,175	306,299
Difference between expected and actual earnings of pension plan investments		-	2,073,759
Changes of assumptions		36,482	597,750
Changes in College's proportionate share of pension liabilities		153,628	167,470
Contributions subsequent to the measurement date		1,292,856	-
Totals	**$**	**1,891,141**	**$ 3,145,278**

TRS 1

	Deferred Outflows		Deferred Inflows
Difference between expected and actual experience		-	-
Difference between expected and actual earnings of pension plan investments		-	54,241
Changes of assumptions		-	-
Changes in College's proportionate share of pension liabilities		-	-
Contributions subsequent to the measurement date		156,966	-
Totals	**$**	**156,966**	**$ 54,241**

TRS 2/3

	Deferred Outflows		Deferred Inflows
Difference between expected and actual experience		120,759	5,588
Difference between expected and actual earnings of pension plan investments		-	149,941
Changes of assumptions		65,475	46,145
Changes in College's proportionate share of pension liabilities		30,265	17,298
Contributions subsequent to the measurement date		177,010	-
Totals	**$**	**393,509**	**$ 218,973**

The $2,410,662 reported as deferred outflows of resources above represent the College's contributions made subsequent to the measurement date and will be recognized as a reduction of the net pension liability for the year ended June 30, 2021.

Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	PERS 1	PERS 2/3	TRS 1	TRS 2/3
2021	(65,383)	(649,584)	(11,134)	(18,123)
2022	(154,874)	(1,070,858)	(29,120)	(52,065)
2023	(55,268)	(478,549)	(10,240)	(10,309)
2024	(20,655)	(259,152)	(3,747)	5,134
2025	-	(120,711)	-	17,777
thereafter	-	31,861	-	55,112
	$ (296,180)	**$ (2,546,993)**	**$ (54,241)**	**$ (2,474)**

C. College Participation in Plan Administered by the State Board for Community and Technical Colleges

State Board Retirement Plan (SBRP) – Supplemental Defined Benefits Plans
Plan Description. The State Board Retirement Plan is a privately administered single-employer defined contribution plans with a supplemental defined benefit plan component, which guarantees a minimum retirement benefit based upon a one-time calculation at each employee's retirement date. The supplemental component is financed on a pay-as-you-go basis. Clark College participates in this plan as authorized by chapter 28B.10 RCW and reports its proportionate share of the total pension liability The State Board for Community and Technical Colleges makes direct payments to qualifying retirees when the retirement benefits provided by the fund sponsors do not meet the benefit goals, no assets are accumulated in trusts or equivalent arrangements.

Clark College participate in this plan as authorized by chapter 28B.10 RCW, the plan covers faculty and other positions as designated by each participating employer.

Benefits Provided. The State Board Supplemental Retirement Plans provide retirement, disability, and death benefits to eligible members.

As of July 1, 2011, the State Board Supplemental Retirement Plan was closed to new entrants.

The SBRP supplemental pension benefits are unfunded. For the year ended June 30, 2020, supplemental benefits were paid by the SBCTC on behalf of the system as a total in the amount of $1,785,348. The College's share of this amount was $81,288. In 2012, legislation (RCW 28B.10.423) was passed requiring colleges to pay into a Supplemental Benefit Fund managed by the State Investment Board, for the purpose of funding future benefit obligations. During FY 2020, the College paid into this fund at a rate of 0.5% of covered salaries, totaling $136,202. This amount was not used as a part of GASB 73 calculations, its status as an asset has not been determined by the Legislature. As of June 30, 2020, the SBCTC system accounted for $23,208,875 of the fund balance.

Members are eligible to receive benefits under this plan at age 62 with 10 years of credited service. The supplemental benefit is a lifetime benefit equal to the amount a member's goal income exceeds their assumed income. The monthly goal income is the one-twelfth of 2 percent of the member's average annual salary multiplied by the number of years of service (such product not to exceed one-twelfth of fifty percent of the member's average annual salary). The member's assumed income is an annuity benefit the retired member would receive from their defined contribution Retirement Plan benefit in the first month of retirement had they invested all employer and member contributions equally between a fixed income and variable income annuity investment.

Plan members have the option to retire early with reduced benefits.

Actuarial Assumptions
The total pension liability was determined by an actuarial valuation as of June 30, 2018, with the results rolled forward to the June 30, 2019, measurement date using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases 3.50%-4.25%
Fixed Income and Variable Income Investment Returns* 4.25%-6.50%
**Measurement reflects actual investment returns through June 30, 2018*

Mortality rates were based on the RP-2000 Combined Healthy Table and Combined Disabled Table published by the Society of Actuaries. The Office of the State Actuary applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year, throughout their lifetime.

Most actuarial assumptions used in the June 30, 2018 valuation were based on the results of the April 2016 Supplemental Plan Experience Study. Additional assumptions related to the fixed income and variable income investments were based on feedback from financial administrators of the Higher Education Supplemental Retirement Plans.

Material assumption changes during the measurement period include the discount rate decrease from 3.50 percent to 2.21 percent.

Discount Rate
For purposes of determining the discount rate, the Bond Buyer 20-year Bond general obligation index was used. Also reflected was the Fiscal Year 2020 returns for the Teachers Insurance and Annuity Association of America (TIAA) and CREF investments which are used to determine a member's assumer income.

Pension Expense
For the year ended June 30, 2020, the College will recognize the following amounts in pension expense in the State Board Supplemental Retirement Plans:

Clark College		
Proportionate Share (%)		**4.553050%**
Service Cost	$	160,105
Interest Cost		180,099
Amortization of Differences Between Expected and Actual Experience		(115,173)
Amortization of Changes in Assumptions		168,489
Administrative Expenses		-
Proportionate Share of Collective Pension Expense	**$**	**393,520**
Amortization of Changes in Proportion		30,706
Total Pension Expense	**$**	**424,226**

Proportionate Shares of Pension Liabilities

The College's proportionate share of pension liabilities for fiscal year ending June 30, 2020 was 4.553050%. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan to the projected contributions of all participating College's. The changes to the College's proportionate share of the total pension liability from 2019 to 2020 for the SRP is listed as follows:

Proportionate Share (%) 2019		**4.204103%**
Proportionate Share (%) 2020		**4.553047%**
Total Pension Liability - Ending 2019	$	4,640,700
Total Pension Liability - Beginning 2020		5,025,885
Total Pension Liability - Change in Proportion		385,185
Total Deferred Inflow/Outflows - 2019		554,785
Total Deferred Inflow/Outflows - 2020		600,833
Total Deferred Inflows/Outflows - Change in Proportion		46,048
Total Change in Proportion	**$**	**431,233**

Plan Membership

Membership of the State Board Supplemental Retirement Plan (SBRP) consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

Number of Participating Members

Plan	Inactive Members (or Beneficiaries) Currently Receiving Benefits	Inactive Members Entitled to But Not Yet Receiving Benefits	Active Members	Total Members
SBRP-Clark College	30	12	248	290

Change in Total Pension Liability

The following table presents the College's proportionate share of the change in total pension liability of State Board Supplemental Retirement Plans at June 30, 2020, the latest measurement date for all plans:

Change in Total Pension Liability

Total Pension Liability		**Amount**
Service Cost	$	160,105
Interest		180,099
Changes of benefit terms		-
Differences between expected and actual experience		379,476
Changes of assumptions		1,013,940
Benefit Payments		(81,288)
Change in proportionate share		385,182
Other		-
Net Change in Total Pension Liability		2,037,514
Total Pension Liability - Beginning		4,640,700
Total Pension Liability - Ending	**$**	**6,678,214**

Sensitivity of the Total Pension Liability to Changes in the Discount Rate
The following table presents the total pension liability, calculated using the discount rate of 3.50 percent, as well as what the employers' total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50 percent) or 1 percentage point higher (4.50 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Pension Plan	**(2.50%)**	**(3.50%)**	**(4.50%)**
SBRP	$ 7,679,364	$ 6,678,214	$ 5,853,360

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
The following represents the components of the College's deferred outflows and inflows of resources as it relates to the State Board Supplemental Retirement Plan, as reflected on the Statement of Net Position, for the year ended June 30, 2020:

	Deferred Outflows of Resources		Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 539,723	$	842,435
Changes of Assumptions	1,271,074	$	229,099
Changes in College's proportionate share of pension liability	372,956	$	144,790
Transactions Subsequent to the Measurement Date	-		-
Total	**$ 2,183,753**	**$**	**1,216,323**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the fiscal years ended June 30:

	SBRP
2021	84,022
2022	84,022
2023	84,022
2024	159,056
2025	271,653
Thereafter	284,655
	$ 967,430

D. Defined Contribution Plans

Public Employees' Retirement System Plan 3

The Public Employees' Retirement System (PERS) Plan 3 is a combination defined benefit/defined contribution plan administered by the state through the Department of Retirement Systems (DRS). Refer to Note 18.B for PERS Plan descriptions.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. As established by chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 percent to 15 percent of salaries, based on member choice. Members who do not choose a contribution rate default to a 5 percent rate. There are currently no requirements for employer contributions to the defined contribution component of PERS Plan 3.

PERS Plan 3 defined contribution retirement benefits are dependent on employee contributions and investment earnings on those contributions. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, PERS Plan 3 contributions are invested in the retirement strategy fund that assumes the member will retire at age 65.

Members in PERS Plan 3 are immediately vested in the defined contribution portion of their plan, and can elect to withdraw total employee contributions, adjusted by earnings and losses from investments of those contributions, upon separation from PERS-covered employment.

Teachers' Retirement System Plan 3
The Teachers' Retirement System (TRS) Plan 3 is a combination defined benefit/defined contribution plan administered by the state through the Department of Retirement Systems (DRS). Refer Note 18.B for TRS Plan descriptions.

TRS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. As established by chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 percent to 15 percent of salaries, based on member choice. Members who do not choose a contribution rate default to a 5 percent rate. There are currently no requirements for employer contributions to the defined contribution component of TRS Plan 3.

TRS Plan 3 defined contribution retirement benefits are dependent on employee contributions and investment earnings on those contributions. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, TRS Plan 3 contributions are invested in the retirement strategy fund that assumes the member will retire at age 65.

Members in TRS Plan 3 are immediately vested in the defined contribution portion of their plan, and can elect to withdraw total employee contributions, adjusted by earnings and losses from investments of those contributions, upon separation from TRS-covered employment.

State Board Retirement Plan
Plan Description. As authorized by chapter 28B.10 RCW, faculty and exempt administrative and professional staff are eligible to participate in SBRP. The Teacher's Insurance and Annuity Association (TIAA) and the College Retirement Equities Fund (CREF) are the companion organizations through which individual retirement annuities are purchased. Employees have at all times a 100% vested interest in their accumulations.

TIAA-CREF benefits are payable upon termination at the member's option unless the participant is re-employed in another institution which participates in TIAA-CREF.

The Plan has a supplemental payment component that guarantees a minimum retirement benefit goal based upon a one-time calculation at each employee's retirement date. The SBCTC makes direct payments on behalf of the College to qualifying retirees when the retirement benefit provided by TIAA-CREF does not meet the benefit goal. Employees are eligible for a non-reduced supplemental payment after the age of 65 with ten years of full-time service.

The minimum retirement benefit goal is 2% of the average annual salary for each year of full-time service up to a maximum of 25 years. However, if the participant does not elect to make the 10%

TIAA-CREF contribution after age 49, the benefit goal is 1.5% for each year of full-time service for those years the lower contribution rate is selected.

The SBCTC is authorized to amend benefit provisions including contribution rates under RCW 28B.10.400. In 2011, the plan was amended to eliminate the supplemental benefit provisions for all employees hired after June 30, 2011.

<u>Contributions</u>. Contribution rates for the SBRP (TIAA-CREF), which are based upon age, are 5%, 7.5% or 10% of salary and are 100% matched by the College. Employee and employer contributions for the year ended June 30, 2020 were each $2,435,162 and $2,434,781, respectively.

Washington State Deferred Compensation Program
The College, through the state of Washington, offers its employees a deferred compensation plan created under Internal Revenue Code Section 457. The plan, available to all State employees, permits individuals to defer a portion of their salary until future years. The state of Washington administers the plan on behalf of the College's employees. The deferred compensation is not available to employees until termination, retirement or unforeseeable financial emergency. The College does not have access to the funds.

18. Other Post-Employment Benefits

Plan Description. In addition to pension benefits as described in Note 18, the College, through the Health Care Authority (HCA), administers a single employer defined benefit other postemployment benefit (OPEB) plan. Per RCW 41.05.065, the Public Employees' Benefits Board (PEBB), created within the HCA, is authorized to design benefits and determine the terms and conditions of employee and retired employee participation and coverage. PEBB establishes eligibility criteria for both active employees and retirees. Benefits purchased by PEBB include medical, dental, life, and long-term disability.

The relationship between the PEBB OPEB plan and its member employers, their employees, and retirees is not formalized in a contract or plan document. Rather, the benefits are provided in accordance with a substantive plan in effect at the time of each valuation. A substantive plan is one in which the plan terms are understood by the employers and plan members. This understanding is based on communications between the HCA, employers and plan members, and the historical pattern of practice with regard to the sharing of benefit costs.

The PEBB OPEB plan is administered by the state and is funded on a pay-as-you-go basis. In the state CAFR the plan is reported in governmental funds using the modified accrual basis and the current financial resources measurement focus. For all proprietary and fiduciary funds, the OPEB plan is reported using the economic resources measurement focus and the accrual basis of accounting. The PEBB OPEB plan has no assets and does not issue a publicly available financial report.

Employees Covered by Benefit Terms. Employers participating in the PEBB plan for the state include general government agencies, higher education institutions, and component units. Additionally, there are 76 of the state's K-12 schools and educational service districts (ESDs), and 249 political subdivisions and tribal governments not included in the state's financial reporting who participate in the PEBB plan. The plan is also available to the retirees of the remaining 227 K-12 schools, charter schools, and ESDs. Membership in the PEBB plan for the College consisted of the following:

Summary of Plan Participants
As of June 30, 2019

Active Employees*	736
Retirees Receiving Benefits**	191
Retirees Not Receiving Benefits***	35
Total Active Employees and Retirees	962

*Reflects active employees eligible for PEBB program participation as of June 30, 2019.
**Headcounts exclude spouses of retirees that are participating in a PEBB program as a dependent.
***This is an estimate of the number of retirees that may be eligible to join a post-retirement PEBB program in the future. No benefits are allowed to them unless they choose to join in the future. In order to do so, they must show proof of continuous medical coverage since their separation of employment with the State of Washington that meets the requirements set forth in Washington Administrative Code 182-12-205.

The PEBB retiree OPEB plan is available to employees who elect to continue coverage and pay the administratively established premiums at the time they retire under the provisions of the retirement system to which they belong. Retirees' access to the PEBB plan depends on the retirement eligibility of their respective retirement system. PEBB members are covered in the following retirement systems: PERS, PSERS, TRS, SERS, WSPRS, Higher Education, Judicial, and LEOFF 2. However, not all employers who participate in these plans offer PEBB to retirees.

Benefits Provided. Per RCW 41.05.022, retirees who are not yet eligible for Medicare benefits may continue participation in the state's non-Medicare community-rated health insurance risk pool on a self-pay basis. Retirees in the non-Medicare risk pool receive an implicit subsidy. The implicit subsidy exists because retired members pay a premium based on a claims experience for active employees and other non-Medicare retirees. The subsidy is valued using the difference between the age-based claims costs and the premium. In calendar year 2018, the weighted implicit subsidy was valued at $347 per adult unit per month. In calendar year 2019, the average weighted implicit subsidy is projected to be $367 per adult unit per month. In calendar year 2020, the average weighted implicit subsidy is projected to be $373 per adult unit per month.

Retirees who are enrolled in both Parts A and B of Medicare may participate in the state's Medicare community-rated health insurance risk pool. Medicare retirees receive an explicit subsidy in the form of reduced premiums. Annually, the HCA administrator recommends an amount for the next calendar year's explicit subsidy for inclusion in the Governor's budget. The final amount is approved by the state Legislature. In calendar year 2018 and 2019 the explicit subsidy was up to $168 per member per month. In calendar year 2020, the explicit subsidy was up to $183 per member per month, and it will remain at $183 per member per month in calendar years 2021.

Contribution Information. Administrative costs as well as implicit and explicit subsidies are funded by required contributions (RCW 41.05.050) from participating employers. The subsidies provide monetary assistance for medical benefits.

Contributions are set each biennium as part of the budget process. The benefits are funded on a pay-as-you-go basis.

The estimated monthly cost for PEBB benefits for the reporting period for each active employee (average across all plans and tiers) is as follows (expressed in dollars):

Required Premium*		
Medical	$	1,100
Dental		81
Life		4
Long-term Disability		2
Total		1,187
Employer contribution		1,025
Employee contribution		162
Total	$	1,187

*Per 2020 PEBB Financial Projection Model 7.0. Per capita cost based on subscribers; includes non-Medicare risk pool only. Figures based on CY2020 which includes projected claims cost at the time of this

For information on the results of an actuarial valuation of the employer provided subsidies associated with the PEBB plan, refer to:
http://leg.wa.gov/osa/additionalservices/Pages/OPEB.aspx

Total OPEB Liability
As of June 30, 2020, the state reported a total OPEB liability of $5.804 billion. The College's proportionate share of the total OPEB liability is $34,085,047. This liability was determined based on a measurement date of June 30, 2019.

Actuarial Assumptions. Projections of benefits for financial reporting purposes are based on the terms of the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members (active employees and retirees) to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations. The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.75%
Projected Salary Changes	3.50% Plus Service-Based Salary Increases
Health Care Trend Rates*	Trend rate assumptions vary slightly by medical plan. Initial rate is approximately 8%, reaching an ultimate rate of approximately 4.5% in 2080
Post-Retirement Participation Percen	65%
Percentage with Spouse Coverage	45%

In projecting the growth of the explicit subsidy, after 2020 when the cap is $183, it is assumed to grow at the health care trend rates. The Legislature determines the value of the cap and no future increases are guaranteed; however, based on historical growth patterns, future increases to the cap are assumed.

Mortality rates were based on the RP-2000 Combined Healthy Table and Combined Disabled Table published by the Society of Actuaries. The Office of the State Actuary applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year, throughout their lifetime.

Most demographic actuarial assumptions, including mortality and when members are expected to terminate and retire, were based on the results of the 2007-2012 Experience Study Report. The post-retirement participation percentage and percentage with spouse coverage, were reviewed in 2017. Economic assumptions, including inflation and salary increases, were based on the results of the 2017 Economic Experience Study.

Actuarial Methodology. The total OPEB liability was determined using the following methodologies:

Actuarial Valuation Date	6/30/2018
Actuarial Measurement Date	6/30/2019
Actuarial Cost Method	Entry Age
Amortization Method	The recognition period for the experience and assumption changes is 9 years. This is equal to the average expected remaining service lives of all active and inactive members.
Asset Valuation Method	N/A - No Assets

Discount Rate. Since OPEB benefits are funded on a pay-as-you-go basis, the discount rate used to measure the total OPEB liability was set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index, or 3.87 percent for the June 30, 2018 measurement date and 3.50 percent for the June 30, 2019 measurement date.

Additional detail on assumptions and methods can be found on OSA's website:
http://leg.wa.gov/osa/additionalservices/Pages/OPEB.aspx

Changes in Total OPEB Liability
As of June 30, 2020, components of the calculation of total OPEB liability determined in accordance with GASB Statement No. 75 for the College are represented in the following table:

Clark College		
Proportionate Share (%)		**0.5872824621%**
Service Cost	$	1,380,123
Interest Cost		1,197,178
Differences Between Expected and Actual Experienc		-
Changes in Assumptions*		2,229,460
Changes of Benefit Terms		-
Benefit Payments		(547,637)
Changes in Proportionate Share		(926,622)
Other		-
Net Change in Total OPEB Liability		3,332,502
Total OPEB Liability - Beginning		30,752,545
Total OPEB Liability - Ending	**$**	**34,085,047**

*The recognition period for these changes is nine years. This is equal to the average expected remaining service lives of all active and inactive members.

Sensitivity of the Total Liability to Changes in the Discount Rate. The following represents the total OPEB liability of the College, calculated using the discount rate of 3.50 percent as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50 percent) or 1 percentage point higher (4.50 percent) than the current rate:

Discount Rate Sensitivity

1% Decrease	Current Discount Rate	1% Increase
$ 41,275,851	$ 34,085,047	$ 28,499,923

Sensitivity of Total OPEB Liability to Changes in the Health Care Cost Trend Rates. The following represents the total OPEB liability of the College, calculated using the health care trend rates of 8.00 percent decreasing to 4.50 percent, as well as what the total OPEB liability would be if it were calculated using health care trend rates that are 1 percentage point lower (7.00 percent decreasing to 3.50 percent) or 1 percentage point higher (9.0 percent decreasing to 5.50 percent) than the current rate:

Health Care Cost Trend Rate Sensitivity

1% Decrease	Current Discount Rate	1% Increase
$ 27,586,670	$ 34,085,047	$ 42,830,876

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ending June 30, 2020, the College will recognize OPEB expense of $1,110,039. OPEB expense consists of the following elements:

Clark College		
Proportionate Share (%)		**0.5872824621%**
Service Cost	$	1,380,123
Interest Cost		1,197,178
Amortization of Differences Between Expected and Actual Experience		130,026
Amortization of Changes in Assumptions		(1,248,224)
Changes of Benefit Terms		-
Amortization of Changes in Proportion		(349,064)
Administrative Expenses		-
Total OPEB Expense	**$**	**1,110,039**

As of June 30, 2020, the deferred inflows and deferred outflows of resources for the College are as follows:

Clark College				
Proportionate Share (%)		**0.5872824621%**		
Deferred Inflows/Outflows of Resources		**Deferred Inflows**		**Deferred Outflows**
Difference between expected and actual experience	$	-	$	910,179
Changes in assumptions		9,882,723		1,981,742
Transactions subsequent to the measurement date		-		587,730
Changes in proportion		2,467,408		-
Total Deferred Inflows/Outflows	**$**	**12,350,131**	**$**	**3,479,651**

Amounts reported as deferred outflow of resources related to OPEB resulting from transactions subsequent to the measurement date will be recognized as a reduction of total OPEB liability in the year ended June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense in subsequent years for the College as follows:

Proportionate Share (%)		0.5872824621%
2021	$	(1,467,262)
2022	$	(1,467,262)
2023	$	(1,467,262)
2024	$	(1,467,262)
2025	$	(1,467,262)
Thereafter	$	(2,121,900)

The change in the College's proportionate share of OPEB liability and deferred inflows and deferred outflows of resources based on measurement date are representing in the following table:

Proportionate Share (%) 2018		**0.6055279623%**
Proportionate Share (%) 2019		**0.5872824621%**
Total OPEB Liability - Ending 2018	$	30,752,545
Total OPEB Liability - Beginning 2019		29,825,923
Total OPEB Liability Change in Proportion		(926,622)
Total Deferred (Inflows)/Outflows - 2018		(10,095,001)
Total Deferred (Inflows)/Outflows - 2019		(9,790,824)
Total Deferred (Inflows)/Outflows Change in Proportion		304,177
Total Change in Proportion	**$**	**(1,230,799)**

19. Operating Expenses by Program

In the Statement of Revenues, Expenses and Changes in Net Position, operating expenses are displayed by natural classifications, such as salaries, benefits, and supplies. The table below summarizes operating expenses by program or function such as instruction, student financial aid, and academic support. The College included compensated absence accrual expense and pension expense with institutional support for the purpose of this table. The following table lists operating expenses by program for the year ending June 30, 2020.

Expenses by Functional Classification		
Instruction	$	42,347,565
Academic Support Services		9,645,590
Student Services		9,882,443
Institutional Support		9,639,330
Operations and Maintenance of Plant		8,528,828
Scholarships and Other Student Financial Aid		11,508,841
Auxiliary enterprises		8,001,746
Depreciation		4,258,255
Total Operating Expenses	**$**	**103,812,598**

20. Commitments and Contingencies

In September 2020, the College received notice of intent to file a tort claim from a former executive alleging harassment based on gender and violation of the employee's rights under the Family and Medical Leave act. The complainant is seeking $338,000. This case remains in the investigative phase. The College is also a respondent to an EEOC complaint filed by a former work study student, and to two other formal complaints from students disputing their removal from academic programs. Additionally, the College is still party to a suit filed by the Clark College Foundation enjoining the College from releasing public records to Oregon Public Broadcasting. The College continues to work with the Attorney General’s office on these matters. Lastly, the Office of Civil Rights is currently investigating a case related to accessibility at the College. Management does not believe the ultimate outcomes of these actions will have a material adverse effect on the financial statement.

As discussed in Note 11, the College participates in the State of Washington risk management self-insurance program, and coverage is adequate to protect the College from a negative impact to its financial position.

21. Subsequent Events

The 2019 Novel Coronavirus (or “COVID-19”) has adversely affected, and may continue to adversely affect, economic activity globally, nationally and locally. In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. The extent of the impact of the outbreak on the College’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the College’s employees, vendors, and governmental, regulatory, and private sector responses. The full extent of the economic uncertainty caused by COVID-19 on the College’s financial statements in future periods is not yet determinable.

In March 2020, in response to the Executive Orders of Governor Inslee and in an effort to minimize the risk of COVID-19, the College transitioned to remote learning and cancelled all in person activities. The College incurred costs totaling approximately $1.1 million in the fiscal year ended June 30, 2020, comprised primarily of costs associated with moving courses online, lower enrollment caps in online courses requiring additional courses, student laptop and wifi access, and personal protective equipment. In addition, revenue for spring and subsequent quarters has been at approximately 85% of budget, as a direct result of COVID and the loss of in-person learning. The estimated impact of that is approximately $3 million between spring 2020, and the subsequent quarters. The College instituted a variety of cost reduction measures as a result of the pandemic and is poised to enact additional cost reduction measures as necessary during the upcoming fiscal year.

Prior to fiscal year-end, the College received federal CARES Act Awards totaling $5.2 million. The student emergency assistance portion of federal CARES Act funds, $2.6 million, has been distributed directly to students as emergency financial aid grants as required under the federal program. The institutional assistance portion, totaling $2.6 million, has been used to cover the additional costs associated with moving to online learning, as well additional costs of supporting our students during the time. Additionally, in January 2021, the College was awarded more

CARES grant funding. This new award includes as additional $2.6 million for student emergency assistance, and an additional $7.7 million for institutional support to offset revenue loss and costs incurred that are associated with the impacts of COVID.

The degree of future impacts to the College's operations and finances are extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its duration, severity, ultimate geographic spread, as well as actions by other governmental authorities including limitations on public assemblies and gatherings. The College continues to closely monitor and respond to COVID-19.

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Required Supplementary Information

Pension Plan Information

Cost Sharing Employer Plans

Schedules of Clark College's Proportionate Share of the Net Pension Liability

Schedule of Clark College's Share of the Net Pension Liability

Public Employees' Retirement System (PERS) Plan 1

Measurement Date of June 30

Fiscal Year	College's proportion of the net pension liability	College proportionate share of the net pension liability	College covered payroll	College's proportionate share of the net pension liability as a percentage of its covered payroll	Plan's fiduciary net position as a percentage of the total pension liability
2014	0.126007%	$ 6,347,662	$ 13,737,461	46.21%	61.19%
2015	0.119202%	$ 6,235,373	$ 13,482,980	46.25%	59.10%
2016	0.116781%	$ 6,271,681	$ 13,828,741	45.35%	57.03%
2017	0.115396%	$ 5,475,631	$ 14,419,186	37.97%	61.24%
2018	0.112013%	$ 5,002,529	$ 14,764,631	33.88%	63.22%
2019	0.115289%	$ 4,433,271	$ 16,043,142	27.63%	67.12%
2020					
2021					
2022					
2023					

*These schedules are to be built prospectively until they contain 10 years of data.

Cost Sharing Employer Plans

Schedules of Clark College's Proportionate Share of the Net Pension Liability

Schedule of Clark College's Share of the Net Pension Liability Public Employees' Retirement System (PERS) Plan 2/3 Measurement Date of June 30					
Fiscal Year	College's proportion of the net pension liability	College proportionate share of the net pension liability	College covered payroll	College's proportionate share of the net pension liability as a percentage of its covered payroll	Plan's fiduciary net position as a percentage of the total pension liability
2014	0.158501%	$ 3,203,878	$ 13,594,117	23.57%	93.29%
2015	0.150332%	$ 5,371,449	$ 13,339,404	40.27%	89.20%
2016	0.146773%	$ 7,389,896	$ 13,712,161	53.89%	85.82%
2017	0.146025%	$ 5,073,661	$ 14,316,617	35.44%	90.97%
2018	0.141271%	$ 2,412,078	$ 14,660,814	16.45%	95.77%
2019	0.146672%	$ 1,424,684	$ 15,948,424	8.93%	97.77%
2020					
2021					
2022					
2023					

*These schedules are to be built prospectively until they contain 10 years of data.

Cost Sharing Employer Plans

Schedules of Clark College's Proportionate Share of the Net Pension Liability

Schedule of Clark College's Share of the Net Pension Liability

Teachers' Retirement System (TRS) Plan 1

Measurement Date of June 30

Fiscal Year	College's proportion of the net pension liability	College proportionate share of the net pension liability	College covered payroll	College's proportionate share of the net pension liability as a percentage of its covered payroll	Plan's fiduciary net position as a percentage of the total pension liability
2014	0.026433%	$ 779,629	$ 1,189,441	65.55%	68.77%
2015	0.026463%	$ 838,385	$ 1,267,135	66.16%	65.70%
2016	0.028512%	$ 973,463	$ 1,400,943	69.49%	62.07%
2017	0.028094%	$ 849,358	$ 1,590,618	53.40%	65.60%
2018	0.030547%	$ 892,160	$ 1,790,360	49.83%	66.52%
2019	0.028567%	$ 707,263	$ 1,927,767	36.69%	70.37%
2020					
2021					
2022					
2023					

*These schedules are to be built prospectively until they contain 10 years of data.

Cost Sharing Employer Plans

Schedules of Clark College's Proportionate Share of the Net Pension Liability

Schedule of Clark College's Share of the Net Pension Liability Teachers' Retirement System (TRS) Plan 2/3 Measurement Date of June 30					
Fiscal Year	College's proportion of the net pension liability	College proportionate share of the net pension liability	College covered payroll	College's proportionate share of the net pension liability as a percentage of its covered payroll	Plan's fiduciary net position as a percentage of the total pension liability
2014	0.026905%	$ 86,900	$ 1,159,481	7.49%	96.81%
2015	0.026383%	$ 222,620	$ 1,232,234	18.07%	92.48%
2016	0.027884%	$ 382,925	$ 1,374,104	27.87%	88.72%
2017	0.028910%	$ 266,823	$ 1,589,505	16.79%	93.10%
2018	0.031094%	$ 139,959	$ 1,790,360	7.82%	96.88%
2019	0.028824%	$ 173,674	$ 1,927,767	9.01%	96.36%
2020					
2021					
2022					
2023					

*These schedules are to be built prospectively until they contain 10 years of data.

Pension Plan Information

Cost Sharing Employer Plans

Schedules of Contributions

Schedule of Contributions Public Employees' Retirement System (PERS) Plan 1 Fiscal Year Ended June 30					
Fiscal Year	Contractually Required Contributions	Contributions in relation to the Contractually Required Contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2014	$ 557,742	$ 557,742	$ -	$13,737,461	4.06%
2015	$ 547,849	$ 547,849	$ -	$13,482,980	4.06%
2016	$ 662,258	$ 662,258	$ -	$13,828,741	4.79%
2017	$ 694,134	$ 694,134	$ -	$14,419,186	4.81%
2018	$ 748,720	$ 748,720	$ -	$14,764,631	5.07%
2019	$ 826,669	$ 826,669	$ -	$16,043,142	5.15%
2020	$ 783,829	$ 783,829	$ -	$16,379,295	4.79%
2021					
2022					
2023					

Notes: These schedules will be built prospectively until they contain 10 years of data.

Cost Sharing Employer Plans
Schedules of Contributions

Schedule of Contributions Public Emplyees' Retirement System (PERS) Plan 2/3 Fiscal Year Ended June 30					
Fiscal Year	Contractually Required Contributions	Contributions in relation to the Contractually Required Contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2014	$ 1,214,484	$ 1,214,484	$ -	$13,594,117	8.93%
2015	$ 1,204,544	$ 1,204,544	$ -	$13,339,404	9.03%
2016	$ 1,496,858	$ 1,496,858	$ -	$13,712,161	10.92%
2017	$ 1,574,755	$ 1,574,755	$ -	$14,316,617	11.00%
2018	$ 1,825,851	$ 1,825,851	$ -	$14,660,814	12.45%
2019	$ 2,012,643	$ 2,012,643	$ -	$15,948,424	12.62%
2020	$ 2,076,685	$ 2,076,685	$ -	$16,359,305	12.69%
2021					
2022					
2023					

Notes: These schedules will be built prospectively until they contain 10 years of data.

Cost Sharing Employer Plans
Schedules of Contributions

Schedule of Contributions Teachers' Retirement System (TRS) Plan 1 Fiscal Year Ended June 30					
Fiscal Year	Contractually Required Contributions	Contributions in relation to the Contractually Required Contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2014	$ 52,271	$ 52,271	$ -	$ 1,189,441	4.39%
2015	$ 59,219	$ 59,219	$ -	$ 1,267,135	4.67%
2016	$ 64,952	$ 64,952	$ -	$ 1,400,943	4.64%
2017	$ 98,312	$ 98,312	$ -	$ 1,590,618	6.18%
2018	$ 127,044	$ 127,044	$ -	$ 1,790,360	7.10%
2019	$ 141,871	$ 141,871	$ -	$ 1,927,767	7.36%
2020	$ 156,966	$ 156,966	$ -	$ 2,179,925	7.20%
2021					
2022					
2023					

Notes: These schedules will be built prospectively until they contain 10 years of data.

Cost Sharing Employer Plans
Schedules of Contributions

Schedule of Contributions Teachers' Retirement System (TRS) Plan 2/3 Fiscal Year Ended June 30					
Fiscal Year	Contractually Required Contributions	Contributions in relation to the Contractually Required Contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2014	$ 115,350	$ 115,350	$ -	$ 1,159,481	9.95%
2015	$ 125,768	$ 125,768	$ -	$ 1,232,234	10.21%
2016	$ 174,273	$ 174,273	$ -	$ 1,374,104	12.68%
2017	$ 204,687	$ 204,687	$ -	$ 1,589,505	12.88%
2018	$ 265,282	$ 265,282	$ -	$ 1,790,360	14.82%
2019	$ 292,531	$ 292,531	$ -	$ 1,927,767	15.17%
2020	$ 333,976	$ 333,976	$ -	$ 2,179,925	15.32%
2021					
2022					
2023					

Notes: These schedules will be built prospectively until they contain 10 years of data.

State Board Supplemental Defined Benefit Plan

Schedule of Changes in the Total Pension Liability and Related Ratios For the Fiscal Year Ended June 30	2017	2018	2019	2020
Total Pension Liability				
Service Cost	$ 237,039	$ 164,899	$ 119,877	$ 160,105
Interest	153,768	$ 151,539	145,004	180,099
Changes of benefit terms	-	$ -	-	-
Differences between expected and actual experience	(1,108,661)	$ (448,208)	273,384	379,476
Changes of assumptions	(261,675)	$ (151,634)	514,039	1,013,940
Benefit payments	(39,470)	$ (56,024)	(76,446)	(81,288)
Change in proportionate share	-	$ (63,428)	(91,530)	385,182
Net Change in Total Pension Liability	**(1,018,999)**	**$ (402,856)**	**$ 884,328**	**$ 2,037,514**
Total Pension Liability - Beginning	**5,178,227**	**$ 4,159,228**	**$ 3,756,372**	**$ 4,640,700**
Total Pension Liability - Ending	**$ 4,159,228**	**$ 3,756,372**	**$ 4,640,700**	**$ 6,678,214**
College's Proportion of the Pension Liability	4.375831%	4.309100%	4.204100%	4.553047%
Covered-employee payroll	$ 24,531,125	$ 24,536,498	$ 24,613,116	$ 27,403,660
Total Pension Liability as a percentage of covered-employee payroll	16.954901%	15.309324%	18.854582%	24.369789%

Notes: These schedules will be built prospectively until they contain 10 years of data.

State Board Supplemental Defined Benefit Plans
Notes to Required Supplementary Information

The State Board Supplemental Retirement Plans are financed on a pay-as-you-go basis. State institutions of higher education make direct payments to qualifying retirees when the retirement benefits provided by the fund sponsors do not meet the benefit goals, no assets are accumulated in trusts or equivalent arrangements. Potential factors that may significantly affect trends in amounts reported include changes to the discount rate, salary growth and the variable income investment return.

Other Post-Employment Benefits

Schedule of Changes in the Total OPEB Liability and Related Ratios For the Fiscal Year Ended June 30	2017	2018	2019
Total Pension Liability			
Service Cost	$ 2,445,682	$ 1,922,697	$ 1,380,123
Interest	$ 1,145,572	1,321,843	1,197,178
Changes of benefit terms	$ -	-	-
Differences between expected and actual experience	$ -	1,206,586	-
Changes of assumptions	$ (5,588,122)	(8,417,284)	2,229,460
Benefit payments	$ (583,802)	(558,281)	(547,637)
Change in proportionate share	$ (1,030,806)	(798,267)	(926,622)
Net Change in Total OPEB Liability	**$ (3,611,476)**	**(5,322,706)**	**3,332,502**
Total OPEB Liability - Beginning	**$ 39,686,727**	**36,075,251**	**30,752,545**
Total OPEB Liability - Ending	**$ 36,075,251**	**$30,752,545**	**$34,085,047**
College's Proportion of the OPEB Liability	0.61923000%	0.60552796%	0.58728246%
Covered-employee payroll	$ 40,817,244	$ 41,174,981	$ 42,620,733
Total OPEB Liability as a percentage of covered-employee payroll	88.382378%	74.687454%	79.972926%

Notes: These schedules will be built prospectively until they contain 10 years of data.

Notes to Required Supplementary Information

The Public Employee's Benefits Board (PEBB) OPEB plan does not have assets in trusts or equivalent arrangements and is funded on a pay-as-you-go basis. Potential factors that may significantly affect trends in amounts reported include changes to the discount rate, health care trend rates, salary projections, and participation percentages.

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