

Clark College

Board of Trustees Regular Meeting Packet

Wednesday, December 7, at 5:00 pm

[Zoom Meeting Link](#)

Meeting ID: 859 0922 8800

Passcode: 696777

Dial in: 1 (253) 215 8782

Physical Location:

Gaiser Hall, Room 213

Board of Trustee Regular Meeting Packet, December 7, 2022, at 5:00 pm

- I. Call to Order/Agenda Review – Chair Speer
- II. Action Items/Consent Agenda – Chair Speer
 - a. November 16, 2022 – Board Work Session Minutes
 - b. November 16, 2022 – Board Meeting Minutes
- III. Constituent Reports
 - a. ASCC – Casey Figone
 - b. WPEA – Courtney Braddock, Joey Hicklin
No Report Provided
 - c. AHE – Suzanne Southerland
No Report Provided
 - d. Clark College Foundation – Calen Ouellette, CEO
- IV. Faculty Presentation
Clark College Transitional Studies
Presented by Sara Gallow, Division Chair; Heidi Summers, Interim Dean of BEECH; Kristin Sherwood, Interim Associate Dean of BEECH
- V. Reports from Board Members – Chair Speer
- VI. President’s Report – Dr. Karin Edwards
- VII. Public Comment – Chair Speer
Public comments will be limited to two minutes each.
- VIII. Next Meeting
The Board of Trustees' next regular meeting is scheduled for January 26, 2023.
- IX. Executive Session
An Executive Session may be held for any allowable topic under the Open Public Meetings Act.
- X. Adjournment – Chair Speer

Clark College

Board of Trustees Work Session Minutes

Wednesday, November 16, 2022

GHL 213 and Zoom

In Attendance

Paul Speer, Chair

Cristhian Canseco Juarez, Vice Chair

Denise Gideon, Trustee

Jeanne Bennett, Trustee

Absent

Rekah Strong, Trustee

Administrators

Dr. Karin Edwards, President

Dr. Michele Cruse, Vice President of Student Affairs

Paul Wickline, Vice President of Instruction

Sabra Sand, Interim Vice President of Operations

Vanessa Neal, Interim Vice President of Diversity, Equity, and Inclusion

Brad Avakian, Vice President of Human Resources

Das Gupta, Interim Chief Information Officer

Others

Benjamin Haslam, Assistant Attorney General

Brooke Pillsbury, Senior Executive to the President

Julie Taylor, Executive Assistant

Brandon Johnson, Information Technology

Dennis Blew

Darci Fielder

I. Call to Order/Agenda Review

Chair Speer called the work session to order at 3:31 pm.

II. Employee Demographic Overview

Presented by Brad Avakian, Vice President of Human Resources

Avakian shared various updates regarding the recruitment and retention of Clark staff and faculty. He provided a comparative demographic overview of staff and faculty, and students. He also shared barriers and opportunities with recruiting and retaining employees, measures Clark is taking to diversify staff and faculty and provide equitable outcomes, followed by highlights of some of the work staff and faculty are doing in their broader communities.

Discussion and feedback from the Trustees included the following:

- PR opportunities to share inspiring Clark staff and faculty stories, for example, in partnership with the Columbian.
- Preparation for retiring workforce and recruitment needs over the next decade.
- Discussion regarding when diversity in recruitment exceptions are made and the strict process for exception approval.
- Continued advertising and recruitment through diversified channels and organizations. For example, Southwest Washington Equity Coalition (SWECE).
- Discussion regarding diminished state funding in higher education and work to shift funding focus back to higher education.
- Acknowledgement of the opportunities among the challenges and the valuable work that Clark is doing in recruitment, the hiring process, and retention.

III. Caring Campus Update – Clark Cares

Dr. Michele Cruse, Vice President of Student Affairs, and Dennis Blew, Enrollment Services Program Manager

Dennis Blew shared an overview of his commitment to Clark Cares, along with the Caring Campus Committee. He shared the coordinated campus effort and how the initiative is intended to help bring human connectedness to student retention and success strategies. Guiding principles include a focus that students come where they are welcome and stay where they feel cared about.

Anecdotal positive impacts include improved peer relationships, and a higher awareness of departments and how they support students.

Discussion and feedback from the Trustees included the following:

- Celebration of the college's effort to apply a holistic approach to create a sense of belonging. Clark Cares demonstrates the college's commitment to making improvements in the community.
- Gratitude towards faculty and staff engaging in Clark Cares, including wearing nametags, greeting folks on campus, and improving the community culture.
- Shared trustees' experience of Clark Cares in action, including greeting students on campus grounds and supporting new students navigating campus by walking them to their classes.

IV. Public Comment
No public comment.

V. Adjournment
Chair Speer adjourned the work session at 4:30 pm.

Clark College

Board of Trustees Regular Meeting Minutes

Wednesday, November 16, 2022

GHL 213 and Zoom

In Attendance

Paul Speer, Chair

Cristhian Canseco Juarez, Vice Chair

Denise Gideon, Trustee

Rekah Strong, Trustee

Jeanne Bennett, Trustee

Absent

Administrators

Dr. Karin Edwards, President

Dr. Michele Cruse, Vice President of Student Affairs

Paul Wickline, Vice President of Instruction

Sabra Sand, Interim Vice President of Operations

Vanessa Neal, Interim Vice President of Diversity, Equity, and Inclusion

Calen Ouellette, CEO, Clark College Foundation

Brad Avakian, Vice President of Human Resources

Das Gupta, Interim Chief Information Officer

Other

Brooke Pillsbury, Senior Executive to the President

Julie Taylor, Executive Assistant to the President

Brandon Johnson, IT

Benjamin Haslam, AAG

Casey Figone, ASCC

Suzanne Southerland, CCAHE

Joey Hicklin, WPEA

Jacki Kline, Interpreter

Shivani Saunders, Interpreter

Tiffany Elkington, CART

I. Call to Order/Agenda Review

Chair Speer called the Regular Meeting to order at 5:00 pm.

II. Action Items/Consent Agenda

1. October 26, 2022, Board Work Session Minutes
2. October 26, 2022, Board Meeting Minutes
3. November 2, 2022, Special Meeting Minutes

MOTION: Trustee Canseco Juarez motioned to approve all items on the Consent Agenda. Trustee Bennett seconded the motion. Motion passed unanimously, with Trustee Bennett abstaining.

III. Tenure

Tenure Candidate Amy VahnDijk (Nursing)

MOTION: Trustee motioned to approve granting tenure to Amy VahnDijk. Trustee Gideon seconded the motion. Tenure granted to Amy VahnDijk.

IV. Constituent Reports

ASCC

Casey Figone, ASCC President, shared that nine clubs have been chartered, and nine are still under review. Figone also shared that ASCC hosted a successful Pizza with the President lunch Q&A with students and that they look forward to hosting the event quarterly.

Trustee Response:

Chair Speer asked how many students, on average, are in the clubs. While Figone did not have exact numbers, he shared that he has seen anywhere from 3 – 8 student members. For example, there are five students in Computer Science Club and Model UN.

WPEA

Joey Hicklin, WPEA Co-Chair, shared the elimination of Chief from titles of WPEA representatives, an accelerated complaint resolution process from the union to the

college, and gratitude for the communication from Clark leadership regarding the T-Building test results, as well as the emphasis on safety. Hicklin also shared concerns regarding the upcoming December all-campus closure and the impact on staff whose roles require them to complete their work on campus. Finally, Hicklin shared concerns regarding the college's use of non-permanent employees and workforce reduction.

Trustee Response:

Chair Speer shared gratitude for the presentation.

CCAHE

Suzanne Southerland, CCAHE President, shared that the faculty senate is reviewing items for consideration for upcoming negotiation and bargaining. CCAHE is planning lobby days in January and February to seek cost-of-living adjustments (COLA) and budget bill transparency. Suzanne shared support for WPEA and students' need for a strong classified staff. Finally, she congratulated Amy VahnDijk for earning tenure.

Trustee Response:

Chair Speer acknowledged important CCAHE work coming at the beginning of the year and that the Board looks forward to future updates.

Clark College Foundation

No in-person report was shared from the Clark College Foundation.

Trustee Response:

Chair Speer acknowledged the great work the Foundation is doing to align with the college's priorities. He also pointed to the Board Packet, where the Foundation's October report is published.

V. Student Presentation

Dr. Michele Cruse, Vice President of Student Affairs, introduced Laura LeMasters, Director of Athletics, and David Mirenta, cross-country athlete. Mirenta shared that he is a freshman member of the cross-country team, from Kelso, Washington. He shared his background, journey to Clark College and the cross-country team, and his excitement to build the team's culture with Coach Owen Frasier. While Mirenta shared that he was planning to attend another Washington college, Coach Frasier gave him an opportunity and has been a significant impact on him as a college student and athlete. Mirenta is

excited about Track and Field in the Spring, looks forward to cross country next Fall, and wants to join the Treasury Board for Clark College Athletics.

Trustee Responses and Discussion:

Chair Speer – As a student-athlete, how has your work as an athlete and student helped you conversely? Mirenta responded that it has helped him to develop time management skills and commitment to his education.

Trustee Strong – Trustee Strong shared pride and encouragement regarding Mirenta finding his path and being open to where it takes him. She celebrated Mirenta for stepping out of his comfort zone and heading in the right direction. She also shared the value of Coach Frasier's commitment to the sport, but also to developing Mirenta's life skills, including grit, commitment, and resourcefulness.

Trustee Bennett– Echoed what Trustee Strong shared and celebrated Mirenta's ability to pivot and put in work and effort to excel. She wished Mirenta the best of luck in his future.

Vice Chair Canseco Juarez – Vice Chair Canseco Juarez shared his own passion for running and understanding of what goes into the sport. He also shared the opportunity to engage in life lessons as a runner – individually, with coaches and fellow runners, and that it provides a time to reflect and cultivate a healthy lifestyle. Vice Chair Canseco Juarez encouraged Mirenta to keep up the great work.

VI. Reports from the Board Members

Trustee Bennett – Trustee Bennett shared that in the following weeks, there will be several things happening with legislative connections. She will also be heading to the ACT Fall 2022 Conference in Seattle, Washington, and is looking forward to the upcoming Legislative Breakfast and legislative activities in the community.

Vice Chair Canseco Juarez – Vice Chair Canseco Juarez shared that he is looking forward to attending the Legislative Breakfast and the upcoming Guided Pathways Committee Meeting. He attended the POWWOW for the first time at Clark College and celebrated that it was well-attended and positive to see community members engaged in the event.

Trustee Strong – Trustee Strong shared that she will continue to support the Board through December 2022 or January 2023. She looks forward to staying engaged until there is a new Trustee on board. Trustee Strong provided feedback on the value of sharing holistic data vs one-sided as it can be challenging to receive data that isn't inclusive and comprehensive.

Chair Speer – Chair Speer shared that attending the POWWOW was inspirational and that each year the event gets better. He participated in the Community Equity Advisory Meeting, where the group reviewed and provided input on the drafted 2023 - 2028 Strategic Plan shared by Vanessa Neal, Vice President of Diversity, Equity, and Inclusion. He shared his appreciation for the college engaging the community in the strategic planning process. Chair Speer acknowledged the work of IT for the recent Zoom migration, and for Penguin Pantry, currently accepting Thanksgiving donations.

VII. President's Report

Dr. Edwards shared the following update:

- Phi Theta Kappa First Generation College Goers – all-day event, in support of First-Generation college students, providing informative panels, resources, opportunities, and more.
- Pizza with the President – lots of great feedback and questions from students regarding security, cost, schedule, international fees, commitment to DEI, and more.
- International Day – opportunity to talk with several students about what they like about Clark and opportunities for international students attending the college.
- Learn Here Real Heroes – Rekah Strong and Zach Lattin were recognized as Real Heroes. Dr. Edwards expressed appreciation for their work on behalf of the college.
- Dr. Edwards joined today's meeting from Seattle for the ACT Fall 2022 Conference. The conference will be an opportunity to engage with Chancellors, discuss legislative priorities, DEI work across the system, and hear from Paul Francis, State Board Executive Director, to learn more about his vision. She will be joined at the conference by Trustee Bennett.
- Strategic Plan – The college is currently collecting survey responses with the goal to identify if Clark is on the right track and if the mission, vision, tenets, and priorities resonate. Brooke Pillsbury, Julie Robertson, Dr. Edwards, and Executive Cabinet are currently working on KPI metrics. The 2023 – 2028 Strategic Plan will be shared early next year.

- Boschma Farms – The exterior materials were reviewed this week and the project's progress is moving forward.
- Ridgefield City Council Meeting – Clark College will be on the agenda to discuss Boschma Farms. The college will be represented by Calen Ouellette and Mike See.

Trustee Response:

Chair Speer acknowledged Dr. Edwards and the Executive Cabinet for their leadership and excitement for the future of the college.

VIII. Public Comment

No public comment was made

IX. Executive Session

There was no Executive Session held.

X. Next Meeting

The Board of Trustees is currently scheduled for a Special Meeting on December 5, 2022, at 3:30 pm, and a Work Session and Regular Meeting on December 7, 2022, at 3:30 pm.

XI. Adjournment

The meeting adjourned at 5:57 pm.

Clark College

Board of Trustees Special Meeting

Wednesday, November 2, 2022

Virtual via Zoom

BOT Attendees: Paul Speer, Cristhian Canseco Juarez, Denise Gideon

Additional Attendees: Dr. Karin Edwards, AAG Shelley Williams, Rocio Rodriguez, Brooke Pillsbury, Julie Taylor, Brandon Johnson

Chair Speer: Special Meeting called to order at 3:00 pm, Wednesday, November 2, 2022

Year One Tenure Track Candidates:

1. Cydney Topping (English), Quarter 1 of Year 1; Administrator – Heidi Summer; Committee Chair – Toby Peterson
2. Jesse Morse (English), Quarter 1 of Year 1; Administrator – Brenda Walstead; Committee Chair – Amy Castellano
3. Molly Lampros (Communication Studies), Quarter 1 of Year 1; Administrator – Heidi Summers; Committee Chair – Amy Bratton
4. Josie Lesage (Environmental Science), Quarter 1 of Year 1; Administrator – Brenda Walstead; Committee Chair – Rebecca Martin
5. Gibran Zogbi (Accounting), Quarter 1 of Year 1; Administrator – Brenda Walstead; Committee Chair – Drew Johnson

Year One Tenure Track Candidates were asked the following questions:

1. How has your tenure committee and the tenure process supported you in your instructional work during this first quarter? What additional support would benefit you?
2. Describe an equity measure you have implemented or observed being beneficial to students and explain how it has informed your classroom management or teaching style.
3. What role do you see for yourself as a faculty member in modeling the college's values and encouraging a culture of care, appreciation, and inclusion at Clark?
4. Why have you chosen this career path and why at Clark?

Year Three Tenure Track Candidates:

1. Amy VahnDijk (Nursing), Quarter 8 of Year 3; Administrator – Jennifer Obbard; Committee Chair – Angie Bailey

Year Three Tenure Track Candidates were asked the following questions:

1. What has been your largest area of growth and/or learning over the past 3 years and how will that inform your support for all students? How do you measure success in this work?
2. What is something you identify as an equity barrier at Clark College? What do you think should be done to address it and how might you be able to help?
3. After completing the tenure process what do you hope to contribute to the college in your role; in and out of the classroom?
4. What role do you see for yourself as a faculty member in modeling the college's values and encouraging a culture of care, appreciation, and inclusion at Clark?

Chair Speer adjourned the Executive Session at 4:21 pm. The Special Meeting resumed at 4:22 pm.

No public comments were made following Executive Session during the Special Meeting.

Special Meeting adjourned at 4:23 pm, Wednesday, November 2, 2022.



Clark College ASCC Board of Trustees Report

December 2022

Presented by ASCC President Casey Figone

Student Involvement & Campus Climate

- Ten (10) clubs currently chartered: Alliance of Counseling Education Students, Authors Association Club, Cinema Club, Computer Science Club, Gaming Club, International Club, Japanese Club, Korean Club, Spanish Club, and Tabletop Community Club.
- The ASCC is working to orient and charter eight (8) additional groups to include American Sign Language Club, Culinary Club, Christian Club, Environmental Action Club, Megatronics Club, Swing Club, Theater Club, and Veterans of America Club so they can be chartered.
- Vice President David Goebel has filled nineteen (19) of thirty (30) committee spots.
- David Goebel has changed roles in the ASCC from Civics and Sustainability Director to Vice President with the purpose of simplifying committee placements.

Clark College Student Resource Access

- ASCC Student Government has collaborated with the Activities Programming Board to post upcoming events on ASCC Instagram, Facebook, and TikTok. In the same order, our following count is seven hundred and sixty (760), one thousand and four hundred (1,400), and nine (9).

State-Wide Initiatives

- ASCC President Casey Figone and Vice President David Goebel intend to participate in the January 5th Legislative Breakfast.

Clark College Foundation
Board of Trustees Report
December 2022

Enclosed, please find Clark College Foundation financial statements through October 2022. In addition, we have included the recent audited financial report for the Foundation as completed by Moss Adams.

Respectfully submitted,

Calen D.B. Ouellette, MBA
Chief Executive Officer
Clark College Foundation



REPORT OF INDEPENDENT AUDITORS
AND FINANCIAL STATEMENTS

CLARK COLLEGE FOUNDATION

June 30, 2022 and Summarized Comparative
Information for June 30, 2021



MOSSADAMS

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Report of Independent Auditors

The Board of Directors
Clark College Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Clark College Foundation (the Foundation), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter

Report on Summarized Comparative Information

We have previously audited the Foundation's 2021 financial statements, and our report dated November 9, 2021, expressed an unmodified audit opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Moss Adams LLP

Portland, Oregon
November 10, 2022

Clark College Foundation
Statements of Financial Position
June 30, 2022
(With Summarized Financial Information for June 30, 2021)

	June 30, 2022			June 30, 2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
ASSETS				
Cash	\$ 169,678	\$ -	\$ 169,678	\$ 157,507
Investments	20,198,417	74,295,029	94,493,446	102,371,600
Pledges and other receivables, net	178,200	5,294,029	5,472,229	6,673,171
Other assets	241,306	-	241,306	288,315
Split-interest agreements	-	2,240,671	2,240,671	2,107,277
Property and equipment, net	732,770	-	732,770	759,395
Land held for contribution and development	9,632,034	-	9,632,034	9,559,766
Total assets	\$ 31,152,405	\$ 81,829,729	\$ 112,982,134	\$ 121,917,031
LIABILITIES AND NET ASSETS				
Accounts payable and accrued liabilities	\$ 954,490	\$ 92,187	\$ 1,046,677	\$ 817,813
Due to/from	68,296	(68,296)	-	-
Split-interest agreement liabilities	12,957	1,453,817	1,466,774	1,353,122
Notes payable	-	-	-	338,997
Total liabilities	1,035,743	1,477,708	2,513,451	2,509,932
Net assets				
Without donor restrictions	30,116,662	-	30,116,662	31,082,161
With donor restrictions				
Time or purpose restricted	-	15,281,981	15,281,981	16,809,701
Perpetual in nature	-	65,070,040	65,070,040	71,515,237
Total net assets	30,116,662	80,352,021	110,468,683	119,407,099
Total liabilities and net assets	\$ 31,152,405	\$ 81,829,729	\$ 112,982,134	\$ 121,917,031

Clark College Foundation
Statements of Activities
Year Ended June 30, 2022
(With Summarized Financial Information for the Year Ended June 30, 2021)

	June 30, 2022			June 30, 2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT, REVENUE, AND GAINS				
Support				
Contributions	\$ 987,102	\$ 3,863,973	\$ 4,851,075	\$ 3,062,183
Noncash contributions	219,934	-	219,934	70,080
Total support	1,207,036	3,863,973	5,071,009	3,132,263
Revenue and gains				
Special events and other	459,703	113,575	573,278	374,955
Investment return (loss), net	651,743	(8,535,365)	(7,883,622)	23,104,063
Change in value of split-interest agreements	(7,029)	(722,986)	(730,015)	40,355
Total revenue and gains	1,104,417	(9,144,776)	(8,040,359)	23,519,373
Net assets released from restrictions and other redesignations	2,692,114	(2,692,114)	-	-
Total support, revenue, and gains	5,003,567	(7,972,917)	(2,969,350)	26,651,636
EXPENSES				
Program services				
College program and capital support	2,667,488	-	2,667,488	2,426,817
Scholarships	1,118,349	-	1,118,349	1,222,508
Total program services	3,785,837	-	3,785,837	3,649,325
Supporting services				
Fundraising	1,140,831	-	1,140,831	1,032,062
Management and general	1,042,398	-	1,042,398	975,153
Total supporting services	2,183,229	-	2,183,229	2,007,215
Total expenses	5,969,066	-	5,969,066	5,656,540
CHANGE IN NET ASSETS	(965,499)	(7,972,917)	(8,938,416)	20,995,096
NET ASSETS, beginning of year	31,082,161	88,324,938	119,407,099	98,412,003
NET ASSETS, end of year	\$ 30,116,662	\$ 80,352,021	\$ 110,468,683	\$ 119,407,099

Clark College Foundation
Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services			Supporting Services			
	College Program and Capital Support	Scholarships	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total Expenses
Salaries and benefits	\$ 958,512	\$ -	\$ 958,512	\$ 870,589	\$ 721,037	\$ 1,591,626	\$ 2,550,138
Scholarships	-	1,118,349	1,118,349	-	-	-	1,118,349
Capital and program expenditures	1,009,083	-	1,009,083	-	-	-	1,009,083
Professional & service provider fees	134,212	-	134,212	96,710	211,694	308,404	442,616
Supplies, postage, printing and software	241,608	-	241,608	106,420	28,247	134,667	376,275
Utilities, repairs/maintenance, insurance	101,310	-	101,310	26,414	26,546	52,960	154,270
Catering and meetings	60,675	-	60,675	4,150	6,379	10,529	71,204
Staff development	61,396	-	61,396	4,599	2,189	6,788	68,184
Publications, dues, and memberships	23,660	-	23,660	13,941	3,674	17,615	41,275
Awards and sponsorships	37,409	-	37,409	2,106	-	2,106	39,515
Travel and lodging	17,596	-	17,596	11,069	10,009	21,078	38,674
Depreciation	-	-	-	-	28,749	28,749	28,749
Taxes, licenses, and registration	16,094	-	16,094	4,653	3,854	8,507	24,601
Scholarship management	5,932	-	5,932	-	-	-	5,932
Other	1	-	1	180	20	200	201
	<u>\$ 2,667,488</u>	<u>\$ 1,118,349</u>	<u>\$ 3,785,837</u>	<u>\$ 1,140,831</u>	<u>\$ 1,042,398</u>	<u>\$ 2,183,229</u>	<u>\$ 5,969,066</u>

Clark College Foundation
Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services			Supporting Services			
	College Program and Capital Support	Scholarships	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total Expenses
Salaries and benefits	\$ 950,635	\$ -	\$ 950,635	\$ 822,213	\$ 690,139	\$ 1,512,352	\$ 2,462,987
Scholarships	-	1,222,508	1,222,508	-	-	-	1,222,508
Capital and program expenditures	811,295	-	811,295	-	-	-	811,295
Professional & service provider fees	71,872	-	71,872	46,120	184,023	230,143	302,015
Supplies, postage, printing and software	168,967	-	168,967	105,899	23,021	128,920	297,887
Utilities, repairs/maintenance, insurance	22,813	-	22,813	24,943	23,909	48,852	71,665
Catering and meetings	53,771	-	53,771	935	1,513	2,448	56,219
Staff development	24,227	-	24,227	5,981	2,238	8,219	32,446
Publications, dues, and memberships	7,856	-	7,856	15,126	3,268	18,394	26,250
Awards and sponsorships	34,297	-	34,297	4,135	-	4,135	38,432
Travel and lodging	3,568	-	3,568	1,227	93	1,320	4,888
Depreciation	-	-	-	-	27,363	27,363	27,363
Taxes, licenses, and registration	65,801	-	65,801	4,504	3,789	8,293	74,094
Scholarship management	8,503	-	8,503	-	-	-	8,503
Other	203,212	-	203,212	979	15,797	16,776	219,988
	<u>\$ 2,426,817</u>	<u>\$ 1,222,508</u>	<u>\$ 3,649,325</u>	<u>\$ 1,032,062</u>	<u>\$ 975,153</u>	<u>\$ 2,007,215</u>	<u>\$ 5,656,540</u>

Clark College Foundation Statements of Cash Flows

	Years Ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (8,938,416)	\$ 20,995,096
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	28,749	27,363
Unrealized loss (gain) on investments	16,738,522	(15,377,913)
Realized gain on investments	(8,854,900)	(7,726,150)
Change in value of split-interest agreements	730,015	(40,355)
Contributions restricted to long-term investment	(2,576,066)	(1,264,358)
Change in pledges receivable discount	(88,487)	(106,892)
(Gain) on debt extinguishment	(338,997)	(339,700)
Change in cash due to changes in		
Pledges and other receivables	1,289,429	208,301
Other assets	47,009	58,667
Accounts payable and accrued liabilities	228,864	(901,616)
Split-interest agreement liabilities	113,652	145,046
Net cash flows used in operating activities	<u>(1,620,626)</u>	<u>(4,322,511)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, equipment and land held	(74,392)	(86,090)
Purchase of investments	(15,256,096)	(27,188,205)
Proceeds from sale of investments	15,250,628	29,925,253
Net cash flows from investing activities	<u>(79,860)</u>	<u>2,650,958</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of notes payable	-	338,997
Payments to split-interest beneficiaries	(187,216)	(92,791)
Contributions to split-interest agreements	(676,193)	-
Contributions restricted to long-term investment	2,576,066	1,264,358
Net cash flows from financing activities	<u>1,712,657</u>	<u>1,510,564</u>
NET CHANGE IN CASH	12,171	(160,989)
CASH, beginning of year	157,507	318,496
CASH, end of year	<u><u>\$ 169,678</u></u>	<u><u>\$ 157,507</u></u>
SUPPLEMENTAL DISCLOSURE OF NONCASH OPERATING ACTIVITIES		
Noncash contributions	<u><u>\$ 219,934</u></u>	<u><u>\$ 70,080</u></u>
Cash paid for estimated taxes on investment income	<u><u>\$ 50,000</u></u>	<u><u>\$ -</u></u>

Clark College Foundation

Notes to Financial Statements

Note 1 – Description of Organization

Clark College Foundation (the Foundation) is a community-based nonprofit organization formed in July 1973 for the purpose of augmenting funding for facilities, programs, and student needs at Clark College (the College). Formed in 1933, Clark College is a Community College providing two-year transfer degree studies, select baccalaureate programs, technical training, and basic skills classes. The College has a local, state, and national reputation for providing high quality education. In order to maintain that level of excellence, the Foundation seeks private funding to supplement state and federal support, maximize student access to educational programs and services; and to cultivate community, business, and governmental partnerships for the benefit of the College. Substantially all of the Foundation's activities support the College.

The Foundation's scholarship program and capital support are provided to the College, and the Foundation's fundraising expense is on behalf of the College. This support is provided in accordance with donor restrictions from both current fundraising activities and endowment distributions. College committees determine scholarship recipients and at the request of the College, fundraising initiatives are strategically undertaken for specific institutional needs.

The Foundation is the sole member in an entity, Clark College Foundation Holdings, LLC (the LLC), which is a Washington limited liability company. The LLC was created for the sole purpose of holding property that the Foundation owns. As of June 30, 2022 and 2021, no assets were held by the LLC nor was there any activity and therefore the LLC has not been consolidated.

Note 2 – Summary of Significant Accounting Policies

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP). Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor restrictions. The Foundation's Board has designated the use of a portion of net assets without donor restrictions for conditional grants and grants awarded under Board initiatives.
- *Net assets with donor restrictions* – Net assets subject to donor-imposed restrictions. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or can be fulfilled and removed by actions of the Foundation pursuant to these stipulations. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Note 2 – Summary of Significant Accounting Policies (continued)

Noncash contributions

Donated noncash assets are recorded at fair value as of the date of donation. Donated services that create or enhance nonfinancial assets or that require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The Foundation receives donated services and facility use from the College. The estimated value of donated services and use of facilities during the years ended June 30, 2022 and 2021, were \$58,085. This has been reflected in the accompanying financial statements as support with a like amount included as college program and capital support expense.

During the years ended June 30, 2022 and 2021, there were noncash contributions with donor restrictions of \$0. Noncash contributions without donor restrictions include \$161,849 and \$39,947 for the years ended June 30, 2022 and 2021, respectively.

Estimates

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The fair value of investments is a significant estimate and can change significantly, which could have a material effect on these financial statements.

Cash

For purposes of the statement of cash flows, the Foundation considers only cash and other demand deposits with banks to be cash. The Foundation allocates a portion of their investment pool to cash and cash equivalents (money market funds) as part of their investment strategy as disclosed in Note 4.

Concentration of credit risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash deposits at financial institutions and investments in marketable securities. At times, balances in the Foundation's cash and investment accounts exceed the Federal Deposit Insurance Corporation (FDIC) or Securities Investors Protection Corporation (SIPC) insured limits.

Investments

Investments consist of money market funds, mutual funds, equity securities, fixed income funds, and alternative investments. Money market funds are carried at market prices which approximates fair value. Mutual funds, equity securities, and fixed income funds are carried at fair value based upon quoted market prices for identical assets. Alternative investments are carried at estimated fair value based upon financial information received from the investment managers. The Foundation reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining fair value of the alternative investments. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these investments existed.

Clark College Foundation

Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

The Foundation utilizes an asset allocation strategy in managing investments. Under this strategy, investment decisions are guided by a predetermined target mix of investment vehicles based upon their risks and potential returns.

Investment earnings are allocated to individual endowment or other funds based upon the fund's percentage of the total pool.

Investment income consists of realized and unrealized gains and losses, net of investment expenses. Realized investment income or losses represents interest, dividends, and capital gains and losses. Unrealized investment income or losses represents appreciation or depreciation in fair value.

Pledges receivable

Pledges are considered unconditional commitments of the donors. Accordingly, recognition of these contributions is recognized when the pledge is made. Management evaluates collectability at the time that the pledge is recorded and annually thereafter. The allowance for uncollectable pledges is the Foundation's best estimate of the amount of probable losses on existing receivables. There was no allowance for uncollectable pledges at June 30, 2022 or 2021.

Split-interest agreements

The Foundation uses the actuarial method of recording certain split-interest agreements. Under this method, the present value of the payments to beneficiaries is determined based upon life expectancy tables when the gift is received. The present value of those payments is recorded as a liability and the remainder as contribution revenue.

Assets related to the split-interest agreements consist of mutual funds and equity securities. Mutual funds and equity securities are carried at fair value based upon quoted market prices for those or similar investments.

Property and equipment

Property and equipment, which meet the capitalization policy criteria of \$1,000 or more, are stated at cost for items purchased and at fair value on the gift date for items donated. Expenditures for major renewals and betterments which extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation and amortization are computed using the straight-line method over the estimated useful lives ranging from three to thirty years.

Expense allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and statements of functional expenses. Accordingly, personnel and occupancy costs have been allocated among the programs and supporting services benefited. This allocation is done based on estimates of time and effort spent on the programs benefited.

Note 2 – Summary of Significant Accounting Policies (continued)

Comparative financial information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute 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 financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Income taxes

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) except to the extent of unrelated business taxable income as defined under IRC sections 511 through 515. No provision for income taxes has been recorded because the tax liability, if any, is minimal.

The Foundation recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Foundation recognizes interest and penalties related to income tax matters in income tax expense.

The Foundation had no unrecognized tax benefits at June 30, 2022 or 2021. No interest and penalties have been accrued for the years ended June 30, 2022 and 2021. The Foundation files an exempt organization return and unrelated business income tax return in the U.S. federal jurisdiction and unrelated business income tax returns in various state jurisdictions when required.

Related-party transactions

Members of the Foundation's Board of Directors and senior management may, from time to time, be associated, either directly or indirectly, with companies doing business with the Foundation. For senior management, the Foundation requires annual disclosure of significant financial interests in, or employment or consulting relationships with, entities doing business with the Foundation. These annual disclosures cover both senior management and their immediate family members. When such relationships exist, measures are taken to appropriately manage the actual or perceived conflict in the best interests of the Foundation. The Foundation has a written conflict of interest policy that requires, among other things, that no member of the Board of Directors can participate in any decision in which he or she (or an immediate family member) has a material financial interest. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring that such transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and for the benefit of the Foundation, and in accordance with applicable conflict of interest laws. No such associations are considered to be significant.

Clark College Foundation

Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

Recent accounting pronouncements

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. Under ASU 2020-07, contributed nonfinancial assets are required to be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The Foundation adopted this ASU on July 1, 2021 using the retrospective method. The adoption of the ASU did not have a material impact on the Foundation's financial statements.

Reclassification

Certain June 30, 2021 balances have been reclassified for consistency with the current year presentation. These reclassifications have no effect on previously reported change in net assets.

Subsequent events

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are available to be issued. The Foundation recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The Foundation's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before financial statements are available to be issued.

The Foundation has evaluated subsequent events through November 10, 2022, which is the date the financial statements were available to be issued.

Note 3 – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following for the years ending June 30, 2022 and 2021:

	2022	2021
Cash	\$ 169,678	\$ 157,507
Pledges and other receivables	16,412	18,820
Marketable investments	11,904,735	13,843,129
Redeemable alternative investments	2,127,635	1,225,290
	<u>\$ 14,218,460</u>	<u>\$ 15,244,746</u>

The Foundation's cash flows have variations during the year attributable to the timing of contributions received. The Foundation typically maintains cash on hand equal to 1-2 months of operating expenses. Excess funds have historically been transferred to the investment pool until needed for expenditure.

Note 3 – Liquidity and Availability (continued)

Additionally, the Foundation has \$10,977,402 and \$11,984,686 in long-term investments as of June 30, 2022 and 2021, respectively, which are unrestricted by the donor but quasi-endowed by the board. These funds are included in the table above.

Note 4 – Investments

The Foundation's investment policy is to manage total risk by investing in a diversified portfolio of financial assets, including domestic and international stocks, bonds, fixed income funds, mutual funds, private equity, real estate, and cash equivalents.

The return objective of the portfolio is to provide for the inflation-adjusted spending and expense needs of the portfolio over time. The objective of the Foundation's spending policy is to provide the College with an annual distribution that is relatively stable and predictable from year to year regardless of irregular market performance. In keeping with this goal, endowment investment's net appreciation/ depreciation, both realized and unrealized, is considered with donor restrictions unless the donor agreement states otherwise. The endowment spending policy is to distribute a maximum of 5% of a fund's three-year rolling average December 31 market value.

An amount equaling not more than 3% of the three-year rolling average December 31 market value of each individual endowment account is distributed to the with or without donor restricted account associated with the endowment, in accordance with the donor's wishes.

An amount equaling not more than 1% of the three-year rolling average December 31 market value of each individual endowment account may be placed in a with or without donor restrictions reserve account associated with the endowment. When the reserve account for an endowed fund has reached the equivalent of two years of program support distributions, the annual 1% distribution will either remain in the endowment or be released for program support.

An amount equaling not more than 1% of the three-year rolling average December 31 market value of each individual endowment account will be made available for unrestricted use. This administrative fee provides operating funds for the Foundation.

Investment return on the statements of activities is netted with endowment distributions during the year; see Note 12 for endowment distributions.

Clark College Foundation

Notes to Financial Statements

Note 4 – Investments (continued)

Investments are summarized below at June 30:

	2022	2021
Money market funds	\$ 251,358	\$ 614,371
Marketable domestic equity securities	24,542,687	27,855,899
Marketable international equity securities	10,179,102	14,896,406
Marketable balanced funds	2,988,496	3,356,852
Fixed income domestic funds	18,060,344	14,643,173
Alternative investments		
Domestic private equity funds	13,789,324	13,964,929
Long/short growth special opportunity	10,540,191	12,220,040
International private equity funds	6,826,673	6,810,901
Capital preservation hedge funds	4,587,700	5,350,218
Real estate funds	2,727,571	2,658,811
Total investments	<u>\$ 94,493,446</u>	<u>\$ 102,371,600</u>

Investments are held in an investment pool for administrative and portfolio management purposes. Specific endowments or other funds are assigned ownership interests and receive a ratable portion of the investment income or loss.

The majority of the Foundation's investment assets consist of endowed funds, given by donors to provide perpetual funding to specific College and Foundation activities. The following table summarizes non-trust investments by the donor restrictions placed upon them. Trust assets are discussed in Note 5.

	2022	2021
Endowed funds		
Net assets with donor restrictions (perpetual in nature)	\$ 61,437,648	\$ 67,339,952
Net assets with donor restrictions (time and purpose restricted)	1,605,081	2,154,311
Board designated endowments	10,977,402	11,984,686
Total endowed funds	<u>74,020,131</u>	<u>81,478,949</u>
Net assets with donor restrictions (time and purpose restricted)	11,252,300	11,542,278
Net assets without donor restrictions	9,221,015	9,350,373
Total nonendowed funds	<u>20,473,315</u>	<u>20,892,651</u>
Total investments (nontrust)	<u>\$ 94,493,446</u>	<u>\$ 102,371,600</u>

Clark College Foundation Notes to Financial Statements

Note 4 – Investments (continued)

The Foundation's interests in alternative investments represent 41% and 40% of the total investments as of June 30, 2022 and 2021, respectively. These instruments may contain elements of both credit and market risk. Such risks include, but are not limited to, limited liquidity, absence of regulatory oversight, dependence upon key individuals, emphasis on speculative investments (both derivatives and non-marketable investments), and nondisclosure of portfolio composition.

The following table summarizes these investments by investment strategy type at June 30:

	2022		2021	
	Number of Funds	Fair Value	Number of Funds	Fair Value
Domestic private equity funds	17	\$ 13,789,324	16	\$ 13,964,929
Long/short growth special opportunity	5	10,540,191	6	12,220,040
International private equity funds	12	6,826,673	12	6,810,901
Capital preservation hedge funds	1	4,587,700	2	5,350,218
Real estate funds	6	2,727,571	5	2,658,811
Total alternative investments	41	\$ 38,471,459	41	\$ 41,004,899

Included in the investment pool are charitable gift annuity assets with a fair value of \$720,782 and \$762,341 as of June 30, 2022 and 2021, respectively. The Foundation has also recorded a corresponding actuarially determined liability of \$286,142 and \$278,854 at June 30, 2022 and 2021, respectively. The charitable gift annuity program is regulated by the State of Washington Insurance Commissioner. The annuity reserves were valued at \$123,803 and \$134,392 at June 30, 2022 and 2021, respectively.

Note 5 – Split-Interest Agreements

The Foundation serves as trustee in several irrevocable charitable remainder unitrust arrangements, whereby the donor contributes assets in exchange for distributions to the donor or other income beneficiaries over a specified lifetime. At the end of the specified lifetime, the remaining assets are distributed to the Foundation and other remainder beneficiaries to be used according to the donor's wishes. When the Foundation serves as trustee, assets received are recorded at fair value on the date the unitrust is funded, and a liability equal to the present value of the future distributions is recorded. The discount rate and actuarial assumptions used in calculating the unitrust obligation are those provided in Internal Revenue Service guidelines and actuarial tables. The difference between the fair value of the assets received and the liability to the donor or other income beneficiary is recognized as contribution revenue in the year the trust is funded.

Clark College Foundation

Notes to Financial Statements

Note 5 – Split-Interest Agreements (continued)

The Foundation's trust assets are as follows as of June 30:

	2022	2021
Assets held in trusts		
Charitable remainder unitrusts		
Money market funds	\$ 11,498	\$ 53,858
Equity securities	1,198,358	1,092,374
Fixed income funds	1,030,815	961,045
	<u>2,240,671</u>	<u>2,107,277</u>
Total assets held in trusts	<u>\$ 2,240,671</u>	<u>\$ 2,107,277</u>

Summarized below are the Foundation's trust assets categorized according to restrictions placed on funds the Foundation will receive as of June 30:

	2022	2021
Net assets with donor restrictions		
Time or purpose restricted	\$ 1,447,571	\$ 1,102,280
Perpetual in nature	793,100	1,004,997
	<u>2,240,671</u>	<u>2,107,277</u>
Total assets held in trusts	<u>\$ 2,240,671</u>	<u>\$ 2,107,277</u>

Clark College Foundation
Notes to Financial Statements

Note 6 – Pledges and Other Receivables

Pledges and other receivables at June 30, 2022 and 2021, are either with or without donor restrictions based upon donor-imposed stipulations or time restrictions. Receivables are expected to be collected by the Foundation within one to five years, except for loan funds receivable, which will be collected from College employees repaying interest-free computer loans via payroll deduction over the next two years, and pledges receivable as indicated in the schedule below. Pledges receivable greater than one year are reflected at the present value of estimated future payments using an adjusted risk free interest rate commensurate with the period over which the pledges will be received. The discount totaled \$141,780 and \$230,267 for the years ended June 30, 2022 and 2021, respectively. Loan funds and other receivables are originally recorded at fair value based upon the character of the assets expected to be received and are deemed to be fully collectible by management.

	<u>2022</u>	<u>2021</u>
Loan funds receivable	\$ 22,372	\$ 29,614
Other receivables	3,068,438	3,541,289
Pledges receivable, net	<u>2,381,419</u>	<u>3,102,268</u>
Total	<u><u>\$ 5,472,229</u></u>	<u><u>\$ 6,673,171</u></u>

Amounts due for pledges receivable at June 30, 2022 are as follows:

Amounts receivable in less than one year	\$ 744,040
Amounts receivable in one to five years	<u>1,779,159</u>
	2,523,199
Unamortized discount	<u>(141,780)</u>
Total pledges receivable	<u><u>\$ 2,381,419</u></u>

Clark College Foundation

Notes to Financial Statements

Note 7 – Fair Value of Assets

Accounting literature defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The valuation techniques used are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Foundation's market assumptions. These two types of inputs create the following fair value hierarchy:

Level I – Inputs are unadjusted and represent quoted prices in active markets for identical assets at the measurement date.

Level II – Inputs (other than quoted prices included in Level I) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date.

Level III – Inputs reflect management's best estimate of what market participants would use in pricing the asset at the measurement date. Consideration is given to the risk inherent in the valuation technique and/or the risk inherent in the inputs to the model.

The Foundation used the following methods and significant assumptions to estimate fair value for its assets measured and carried at fair value in the financial statements:

Investments – Investments measured at fair value are comprised of marketable securities, mutual funds, money market funds, fixed income funds, and alternative investments. Marketable securities, money market funds, and fixed income funds fair values are based on quoted market prices. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities. Alternative investments are valued at net asset value. The Foundation considers alternative investments to include only those investments whose underlying investments are not marketable securities. The values of these investments are determined by fund managers and valuation experts, using relevant market data.

Split-interest agreement assets – Split-interest agreement assets measured at fair value are comprised of marketable securities, mutual funds, money market funds, and fixed income funds, based on quoted market prices for identical assets.

Clark College Foundation Notes to Financial Statements

Note 7 – Fair Value of Assets (continued)

The following is a summary categorization of the Foundation's assets based on the level of inputs utilized in determining the value of such assets:

As of June 30, 2022				
	Level I	Level II	Level III	Total
Investments				
Money market funds	\$ 251,358	\$ -	\$ -	\$ 251,358
Marketable domestic equity securities	24,542,687	-	-	24,542,687
Marketable international equity securities	10,179,102	-	-	10,179,102
Marketable balanced funds	2,988,496	-	-	2,988,496
Fixed income domestic funds	18,060,344	-	-	18,060,344
Subtotal investments	56,021,987	-	-	56,021,987
Split-interest agreements				
Money market funds	11,498	-	-	11,498
Marketable domestic equity securities	841,266	-	-	841,266
Marketable international equity securities	357,092	-	-	357,092
Fixed income domestic funds	1,030,815	-	-	1,030,815
Subtotal split-interest agreements	2,240,671	-	-	2,240,671
Investments measured at NAV (practical expedient)	-	-	-	38,471,459
Totals	\$ 58,262,658	\$ -	\$ -	\$ 96,734,117
As of June 30, 2021				
	Level I	Level II	Level III	Total
Investments				
Money market funds	\$ 614,371	\$ -	\$ -	\$ 614,371
Marketable domestic equity securities	27,855,899	-	-	27,855,899
Marketable international equity securities	14,896,406	-	-	14,896,406
Marketable balanced funds	3,356,852	-	-	3,356,852
Fixed income domestic funds	14,643,173	-	-	14,643,173
Subtotal investments	61,366,701	-	-	61,366,701
Split-interest agreements				
Money market funds	53,858	-	-	53,858
Marketable domestic equity securities	771,048	-	-	771,048
Marketable international equity securities	321,326	-	-	321,326
Fixed income domestic funds	961,045	-	-	961,045
Subtotal split-interest agreements	2,107,277	-	-	2,107,277
Investments measured at NAV (practical expedient)	-	-	-	41,004,899
Totals	\$ 63,473,978	\$ -	\$ -	\$ 104,478,877

Clark College Foundation

Notes to Financial Statements

Note 7 – Fair Value of Assets (continued)

The Foundation uses the Net Asset Value (NAV) to determine the fair value of all the underlying investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles or have the attributes of an investment company. The following table shows the fair value, unfunded commitments and redemption restrictions for investments reported at NAV as of June 30, 2022:

	Strategy	Fair Value at Year End	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Other Restrictions
Capital preservation hedge funds	Hedge fund strategies pursuing a variety of investment strategies	\$ 4,587,700	\$ -	Quarterly*	30–60 Days	Funds may limit the redemption to 20-25% of NAV
Domestic private equity funds	Venture and buyout of primarily U.S. funds	13,789,324	2,780,668	N/A***	N/A***	N/A***
International private equity funds	Venture and buyout of primarily international funds	6,826,673	1,633,536	Monthly****	90 days	Written notice required
Long/short growth special opportunity	Specialized equities in the market neutral strategies	10,540,191	-	Annually and Quarterly**	30–90 Days	Various redemption limitations based on valuations
Real estate funds	Real estate and natural resources, primarily in the U.S.	2,727,571	460,733	N/A***	N/A***	N/A***
Totals		<u>\$ 38,471,459</u>	<u>\$ 4,874,937</u>			

* All of these funds have the ability to be redeemed.

** One of these funds is private equity structure, with no ability to be redeemed.

*** These funds are private equity structures, with no ability to be redeemed.

****All of these funds are private equity structures. All except one has no ability to be redeemed.

Funds noted above held at year end have future commitments ranging from 1 to 15 years, due as follows for the years ending June 30:

2023	\$ 1,264,102
2024	743,715
2025	515,024
2026	452,659
2027	438,209
Thereafter	<u>1,461,228</u>
Total	<u>\$ 4,874,937</u>

To meet ongoing investment commitments, the Foundation utilizes funds from investment distributions (including return of capital), liquidation of investment holdings, and available cash balances.

Clark College Foundation
Notes to Financial Statements

Note 8 – Property and Equipment

The following is a summary of property and equipment net of accumulated depreciation as of June 30:

	<u>2022</u>	<u>2021</u>
Land	\$ 610,498	\$ 610,498
Buildings and land improvements	542,647	542,647
Equipment	<u>119,838</u>	<u>122,862</u>
	1,272,983	1,276,007
Less accumulated depreciation	<u>540,213</u>	<u>516,612</u>
Total	<u><u>\$ 732,770</u></u>	<u><u>\$ 759,395</u></u>

The Foundation capitalizes and depreciates a variety of property and equipment, from office equipment to buildings. Depreciation expense is categorized in the statement of activities according to the underlying asset's usage.

Depreciation expense for the years ended June 30, 2022 and 2021 was as follows:

	<u>2022</u>	<u>2021</u>
Foundation furniture and equipment	\$ 25,251	\$ 23,865
Real estate buildings and improvements held for College and Foundation use	<u>3,498</u>	<u>3,498</u>
Total depreciation expense	<u><u>\$ 28,749</u></u>	<u><u>\$ 27,363</u></u>

Note 9 – Notes Payable

In February 2021, the Foundation applied for and received a loan through the Small Business Administration in the amount of \$338,997 under the criteria outlined in the Paycheck Protection Program (PPP) of the CARES Act of 2020. This loan was forgiven in February 2022 through utilization of the loan forgiveness opportunity within the PPP.

Clark College Foundation

Notes to Financial Statements

Note 10 – Net Assets with Donor Restrictions: Time or Purpose Restricted

Net assets restricted by time or purpose are contributions restricted by donors for college program support, scholarships, and loans.

At June 30, 2022 and 2021, net assets restricted by time or purpose were donor stipulated to be used for:

	<u>2022</u>	<u>2021</u>
Scholarships and grants	\$ 5,059,400	\$ 5,131,615
College program support	9,484,885	11,000,783
Loan funds	100,000	100,000
All other	<u>637,696</u>	<u>577,303</u>
Total	<u>\$ 15,281,981</u>	<u>\$ 16,809,701</u>

During the years ended June 30, 2022 and 2021, \$2,692,114 and \$2,801,992, respectively, was released from net assets restricted by time or purpose for use in operations, college program support, and scholarships.

Note 11 – Net Assets with Donor Restrictions: Perpetual in Nature

Net assets held in perpetuity consist of contributions restricted in perpetuity by donors for College program support, scholarships, and general Foundation purposes. The Foundation retains all earnings in excess of its spending rule net assets held in perpetuity as communicated to donors in donor agreements unless the donor has stipulated differently.

At June 30, 2022 and 2021, net assets held in perpetuity were donor stipulated for:

	<u>2022</u>	<u>2021</u>
Scholarships, grants, and loans	\$ 23,169,818	\$ 24,229,135
College program support	6,601,191	7,255,803
General purpose	<u>35,299,031</u>	<u>40,030,299</u>
Total	<u>\$ 65,070,040</u>	<u>\$ 71,515,237</u>

Clark College Foundation Notes to Financial Statements

Note 11 – Net Assets with Donor Restrictions: Perpetual in Nature (continued)

Net assets held in perpetuity consist of the following as of June 30:

	<u>2022</u>	<u>2021</u>
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA	<u>\$ 61,437,648</u>	<u>\$ 67,339,952</u>
Total endowments	61,437,648	67,339,952
Receivables	3,044,945	3,538,109
Split-interest agreements	793,100	1,004,997
Due to/from	68,296	68,296
Split-interest liabilities	<u>(273,949)</u>	<u>(436,117)</u>
Total net assets held in perpetuity	<u><u>\$ 65,070,040</u></u>	<u><u>\$ 71,515,237</u></u>

Note 12 – Endowments

The Foundation's endowment funds consist of over 241 individual funds established for a variety of purposes. The Foundation's endowment funds include donor-restricted and board-designated endowment funds. As required by GAAP, net assets associated with endowment funds, including funds that are board-designated, are classified and reported based on the existence of donor-imposed restrictions.

The Foundation invests its endowment investment portfolio and allocates the related earnings for expenditure in accordance with the total return concept. A distribution of endowment return that is independent of the cash yield and appreciation of investments earned during the year is provided for program support. The Foundation has adopted an endowment spending policy designed specifically to stabilize annual spending levels and to preserve the real value of the endowment portfolio over time. The spending policy attempts to achieve these two objectives by using a long-term targeted spending rate combined with a smoothing rule, which adjusts spending gradually to changes in the endowment market value.

The Uniform Prudent Management of Institutional Funds Act (UPMIFA or the Act) applies to endowment funds. The Board of Directors of the Foundation has interpreted the Act as requiring net assets with donor restrictions (perpetual in nature) to be recorded at the historical dollar value. As a result of this interpretation, the Foundation defines historical dollar value as (a) the fair market value of the endowment fund at the time of creation and (b) the fair market value of any later gifts made to the endowment fund.

Clark College Foundation

Notes to Financial Statements

Note 12 – Endowments (continued)

The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions (time or purpose restricted) until those amounts are appropriated for expenditure by the Foundation or, if stipulated by donors, the Foundation retains all earnings in excess of its spending rule as net assets with donor restrictions in a manner consistent with the standard of prudence prescribed by the Act. In accordance with the Act, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in net assets with donor restrictions were \$0 as of June 30, 2022 and 2021.

Endowment net assets consist of the following at June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 63,042,729	\$ 63,042,729
Board-designated endowment funds	10,977,402	-	10,977,402
Total endowment net assets	<u>\$ 10,977,402</u>	<u>\$ 63,042,729</u>	<u>\$ 74,020,131</u>

Endowment net assets consist of the following at June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 69,494,263	\$ 69,494,263
Board-designated endowment funds	11,984,686	-	11,984,686
Total endowment net assets	<u>\$ 11,984,686</u>	<u>\$ 69,494,263</u>	<u>\$ 81,478,949</u>

Clark College Foundation
Notes to Financial Statements

Note 12 – Endowments (continued)

Changes in endowment net assets for the year ended June 30, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2021	\$ 11,984,686	\$ 69,494,263	\$ 81,478,949
Investment return			
Investment income (realized)	1,119,284	6,352,878	7,472,162
Net depreciation (unrealized)	<u>(2,143,045)</u>	<u>(12,134,428)</u>	<u>(14,277,473)</u>
Total investment return	(1,023,761)	(5,781,550)	(6,805,311)
Contributions	587,471	2,501,231	3,088,702
Transfer of earnings in accordance with spending policy and donor agreements	2,162,829	(2,197,087)	(34,258)
Appropriation of endowment assets for expenditure	<u>(2,733,823)</u>	<u>(974,128)</u>	<u>(3,707,951)</u>
Endowment net assets, end of year June 30, 2022	<u>\$ 10,977,402</u>	<u>\$ 63,042,729</u>	<u>\$ 74,020,131</u>

Clark College Foundation

Notes to Financial Statements

Note 12 – Endowments (continued)

Changes in endowment net assets for the year ended June 30, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2019	\$ 9,636,392	54,994,275	\$ 64,630,667
Investment return			
Investment income (realized)	975,623	5,623,761	6,599,384
Net appreciation (unrealized)	1,903,214	11,102,986	13,006,200
Total investment return	2,878,837	16,726,747	19,605,584
Contributions	-	811,255	811,255
Transfer of earnings in accordance with spending policy and donor agreements	2,159,460	(2,227,357)	(67,897)
Appropriation of endowment assets for expenditure	(2,690,003)	(810,657)	(3,500,660)
Endowment net assets, end of year June 30, 2020	<u>\$ 11,984,686</u>	<u>\$ 69,494,263</u>	<u>\$ 81,478,949</u>

Note 13 – Future Interests

Future interests represent primarily beneficiary interests in wills and trusts. The Foundation's ownership interest is not perfected until validation of the will by probate court or the occurrence of other events specific to each trust. Future interests are not recorded until the Foundation's ownership interest is perfected.

Note 14 – Commercial Rental Property

Vancouver, Washington

In 2004, the Foundation purchased commercial property near the College, which is leased to the College at no cost until either party terminates the agreement.

The Foundation owns land adjacent to the College. The land is being leased to the College at no cost until either party terminates the agreement.

Note 15 – Retirement Plan

The Foundation has a defined contribution retirement plan (the Plan). The Plan allows all eligible employees to contribute up to the limit allowed by federal regulation. The Foundation matches those contributions, up to 4.5% of base compensation, for all eligible employees. Total expense for the years ended June 30, 2022 and 2021 was \$63,074 and \$65,723, respectively.



COMMUNICATIONS WITH THOSE CHARGED WITH
GOVERNANCE

Clark College Foundation

June 30, 2022



Communications with Those Charged with Governance

To the Board of Directors
Clark College Foundation

We have audited the financial statements of Clark College Foundation (the "Foundation") as of and for the year ended June 30, 2022 and have issued our report thereon dated November 10, 2022. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated June 3, 2022, we are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). As part of an audit conducted in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we considered Foundation's internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated June 3, 2022, as well as our Finance Committee presentation on May 10, 2022.

Significant Audit Findings and Issues

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Foundation are described in Note 2 to the financial statements. No new accounting policies were adopted and there were no changes in the application of existing policies, other than the Foundation adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, on July 1, 2021 using the retrospective method. The adoption of the ASU did not have a material impact on the Foundation's financial statements. We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the collectability of pledges and other receivables, functional allocation of expenses, valuation of investments, fixed asset lives, and split interest agreements related to the discount rate and lives. We evaluated the key factors and assumptions used to develop these balances and determined that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

The disclosures in the financial statements are consistent, clear, and understandable. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were Note 3 – Liquidity and Availability, Note 6 – Pledges and Other Receivables, Note 7 – Fair Value of Assets, and Note 12 – Endowments.

Significant Unusual Transactions

We encountered no significant unusual transactions during our audit of the Foundation's financial statements.

Significant Difficulties Encountered in Performing the Audit

Professional standards require us to inform you of any significant difficulties encountered in performing the audit. No significant difficulties were encountered during our audit of the Foundation's financial statements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of our audit.

Circumstances that Affect the Form and Content of the Auditor's Report

There may be circumstances in which we would consider it necessary to include additional information in the auditor's report in accordance with accounting principles generally accepted in the United States of America. There were no circumstances that affected the form and content of the auditor's report.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all factual and judgmental misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

There were no corrected or uncorrected misstatements noted as a result of our audit procedures.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 10, 2022.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Foundation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Audit Findings or Issues

We are required to communicate to you other findings or issues arising from the audit that are, in our professional judgment, significant and relevant to your oversight of the financial reporting process. There were no such items identified.

This information is intended solely for the use of the Board of Directors and management of the Foundation and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

Portland, Oregon
November 10, 2022

FY 2023 for Strategic Initiative # 3
Fiduciary Responsibility

✓	Complete
✓	In Process
✓	Challenged

A. Address financial sustainability and long-term funding structure of foundation.

			Current Status	Comments
1	Clear reporting to board to make financial decisions. a. Create budget process to provide increased opportunities for board members to evaluate, question and provide feedback on the budget. b. Monthly financial close completed by the 20 th of the following month. c. Provide annual board education.	✓ ✓	Complete In Process	Budgeting process to begin in March 2023. October 2022 financials provided in board packet.
2	Establish long-term budget projections (5 years) to review with finance committee and board.	✓	Complete	Long-term budget reviewed with finance committee and provided in October 2022 board packet.

B. Oversight of key financial processes and compliance with governing documents.

			Current Status	Comments
1	Oversee investment management and provide education to board on strategy, allocation and returns. (Investment Committee)	✓	In Process	Next education session to be determined and scheduled.
2	Bi-annual review of articles of incorporation, board policy manual and bylaws (completed FY 2019). (Executive Committee)			Process to review articles of incorporation and board policy manual not yet underway.
3	Review and revise operating agreement between foundation and college.	✓	In Process	

C. Transparency to college regarding support and assets available.

			Current Status	Comments
1	Bi-monthly reporting of support to college (Dashboard). a. Check in with college to consider their needs.	✓	Complete	Provided in each board of trustee report packet.
2	Biannually, meet with divisional deans to review funds available. Gain insight on outstanding needs and potential plans for programming under their purview.	✓	In Process	

D. Compliance Standards and Other

		Completed	Date Required	Comments
1	Legal standing requirements	✓	July 2022	
2	Charitable gift annuity filings	✓	August 2022	
3	Annual unqualified audit		December 2022 Board Meeting	
4	Operating agreement compliance letter to college		January 2023	
5	990 & 990T filing		May 15, 2023	
6	Increase GuideStar transparency rating from Gold to Platinum status			



Financial Dashboard as of October 31, 2022

Contributions/Donations Received

1973 - Present

	Year to Date	6/30/2022	6/30/2021	6/30/2020	Life to date
Unrestricted	\$ 243,298	\$ 986,602	\$ 430,886	\$ 578,482	
Temp. Restricted	303,940	1,138,094	1,378,934	1,967,355	
Perm. Restricted	147,508	2,576,066	1,264,358	829,171	
Total	\$ 694,746	\$ 4,700,762	\$ 3,074,178	\$ 3,375,008	\$ 112,141,458

College Support Expended

	Year to date		6/30/2022		6/30/2021		6/30/2020		1973 - Present	
	Unrestricted	Temp Restricted	Unrestricted	Temp Restricted	Unrestricted	Temp Restricted	Unrestricted	Temp Restricted	Unrestricted	Life to date
Program	\$ 95,180	\$ 194,581	\$ 1,029,707	\$ 1,530,538	\$ 838,124	\$ 1,580,191	\$ 976,128	\$ 1,560,587	\$ 46,150,585	
Student financial assistance & admin supp.	4,749	463,535	5,932	1,118,349	8,503	1,222,508	17,789	1,236,826	16,279,941	
Capital projects-NC/STEM/Dent. Hyg./Oth.	-	-	-	-	-	-	1,625,936	-	15,612,790	
Boschma Farms land acquisition	-	-	-	-	-	-	-	-	4,306,786	
Total	\$ 99,929	\$ 658,116	\$ 1,035,639	\$ 2,648,887	\$ 846,627	\$ 2,802,699	\$ 2,619,852	\$ 2,797,413	\$ 82,350,101	

Student financial assistance

	YTD	FY 22	FY 21	FY 20	FY 19
Number of students receiving awards	400	550	611	575	561
Clark College Students (Fall excl. Running Start)	5,537	5,983	6,220	9,430	10,461

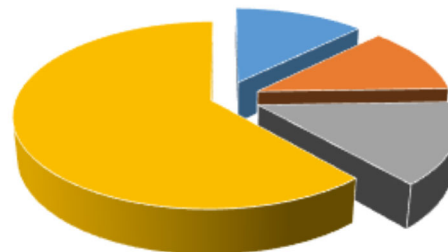
Cost of tuition (2022-2023).
12 credits for 3 qtrs. = \$4,062.

Lower division courses. WA
resident. Excludes books or
class fees.

Net Assets by Type

Unrestricted	\$ 13,822,416
Board Restricted	15,428,637
Temporarily Restricted	14,992,821
Permanently Restricted	65,702,146
Net Assets	\$ 109,946,020

Net Assets by Type



- Unrestricted
- Board Restricted
- Temporarily Restricted
- Permanently Restricted

Unrestricted Net Assets	Year to date	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Assets					
Cash	\$ 118,210	\$ 169,678	\$ 157,507	\$ 318,496	\$ 81,765
Investments	3,197,760	6,237,164	7,731,091	6,896,319	6,120,908
Receivables	167,922	178,201	217,868	231,966	265,344
Prepays/Deposits/Other Assets	242,281	241,305	288,315	346,982	312,012
Land/building/equipment	10,361,496	10,364,804	10,319,160	11,471,498	12,821,759
Liabilities					
A/P/Other Liabilities	(265,253)	(1,035,748)	(896,757)	(2,829,085)	(1,086,594)
Note Payable	-	-	(338,997)	(339,700)	-
	<u>\$ 13,822,416</u>	<u>\$ 16,155,404</u>	<u>\$ 17,478,187</u>	<u>\$ 16,096,476</u>	<u>\$ 18,515,194</u>

Projected - Liquid Unrestricted Net Assets Available

6/30/2023	218,000
6/30/2024	183,000
6/30/2025	148,000
6/30/2026	123,000
6/30/2027	98,000

*Excludes operational
reserve of \$1,300,000.

Investment Pool Returns (Losses)



Endowment

Distribution Details	FY 23	FY 22	FY 21	FY 20	FY 19
College Program	\$ 1,644,434	\$ 1,409,123	\$ 1,364,992	\$ 1,100,044	\$ 1,522,786
Unrestricted	2,660,664	2,462,113	2,421,451	2,275,514	1,884,177
College Program Reserves	165,992	73,002	95,217	99,247	221,260
	<u>\$ 4,471,090</u>	<u>\$ 3,944,238</u>	<u>\$ 3,881,660</u>	<u>\$ 3,474,805</u>	<u>\$ 3,628,223</u>



Clark College Foundation

BALANCE SHEET

(STATEMENT OF FINANCIAL POSITION)

For the Period Ended:

		<u>October 31, 2022</u>	<u>October 31, 2021</u>
ASSETS			
Cash	A	\$ 118,210	\$ 909,125
Investments	B	94,246,894	105,468,938
Assets Held in Trust	C	1,846,093	2,483,412
Receivables	D	4,800,955	5,972,753
Other Assets		242,281	414,965
Fixed Assets		10,361,496	10,317,133
TOTAL ASSETS		<u>\$ 111,615,928</u>	<u>\$ 125,566,325</u>
LIABILITIES & FUND BALANCES			
LIABILITIES			
Current Liabilities	A	\$ 229,166	\$ 540,212
Liabilities-Assets Held in Trust		1,440,743	1,600,494
Notes Payable	E	-	338,997
TOTAL LIABILITIES		<u>\$ 1,669,909</u>	<u>\$ 2,479,703</u>
NET ASSETS			
Unrestricted Fund Balance	F	\$ 29,251,053	\$ 31,352,300
Temporarily Restricted Fund Balance	F	14,992,821	17,161,082
Permanently Restricted Fund Balance	F	65,702,146	74,573,239
NET ASSETS		<u>\$ 109,946,019</u>	<u>\$ 123,086,622</u>
TOTAL LIAB & FUND BALANCES		<u>\$ 111,615,928</u>	<u>\$ 125,566,325</u>



Clark College Foundation
BALANCE SHEET
(STATEMENT OF FINANCIAL POSITION)

For the Period Ended: October 31, 2022

Explanation of Variances

- A Change due to timing of cash payments and donations. As donations are deposited, invoices are processed and checks issued, we end a month with varying levels of cash and liability balances.
- B The investment balance is impacted by inflows (donations), outflows (college support and foundation expenses) and cumulative realized and unrealized gains/losses. The investment pool recorded a 3.2% loss for the previous 3 months and a 11.3% loss for the previous 12 months.
- C Decrease in Assets Held in Trust due to change in market value of trust investments and the termination of 2 trusts upon passing of a beneficiary. The remaining trust value was transferred to the investment pool to establish a donor directed endowment.
- D Reduction in receivables primarily due to pledge payments of \$805,000 and reduction in trust receivable of \$487,000.
- E In February 2021 a PPP loan of \$338,997 was received for qualified expenditures. The board approved foundation staff to seek forgiveness for this loan which was finalized in February 2022.
- F Changes in Net Assets based on net income (loss) over the prior period. See income statement page for review of revenue/expenses.



Clark College Foundation

INCOME STATEMENT (STATEMENT OF ACTIVITIES)

		For the Four Months Ending October 31, 2022				October 31, 2021
		Unrestricted	Temp Restricted	Perm Restricted	Total	Total
REVENUE (Excluding Investments)						
Cash Donations (Including Scholarships)	A	\$ 243,298	\$ 303,940	\$ 147,508	\$ 694,746	\$ 748,800
In-Kind Donations		1,500	-		1,500	16,897
Income - Fundraising Activities			55,501		55,501	24,412
Income - Operations		24,073			24,073	22,867
Total REVENUE (Excluding Investments)		\$ 268,871	\$ 359,441	\$ 147,508	\$ 775,820	\$ 812,975
EXPENSES (UNRESTRICTED)						
Wages/Benefits/PR Taxes	B	\$ 718,008	\$ -	\$ -	\$ 718,008	\$ 657,743
Occupancy (Utilities & Maint & Repair)	C	129,354	-	-	129,354	8,893
College Capital & Program Support		84,969		-	84,969	90,473
Professional & Service Provider Fees	D	79,399		-	79,399	115,771
Software/Support & Website		23,165		-	23,165	17,723
Printing/Copying		19,924		-	19,924	10,219
Operating Agreement/In Kind Expense		19,362		-	19,362	19,362
Insurance		16,608		-	16,608	14,397
Catering/Meetings		12,570		-	12,570	2,246
College & Community Relations		10,210		-	10,210	5,491
Postage		10,056		-	10,056	794
Travel/Lodging		9,250		-	9,250	1,600
Publications/Dues		6,047		-	6,047	7,078
Advertising/Awards/Prizes		4,848		-	4,848	2,926
Scholarship Management/Support		4,749		-	4,749	2,273
Supplies/Recruit/Misc./Transfers		4,470		-	4,470	3,892
Taxes/Licenses/Registrations		4,191		-	4,191	4,334
Staff Development		2,974		-	2,974	2,070
Thank/Honor/Remember		2,406		-	2,406	1,353
Entrance Fees/Green Fees/Rentals		975		-	975	625

		For the Four Months Ending October 31, 2022				October 31, 2021
		Unrestricted	Temp Restricted	Perm Restricted	Total	Total
Depreciation		8,574	-	-	8,574	8,338
Total EXPENSES (UNRESTRICTED)		\$ 1,172,109	\$ -	\$ -	\$ 1,172,109	\$ 977,600
EXPENSES (RESTRICTED)						
Student Financial Assistance	E	\$ -	\$ 463,535	\$ -	\$ 463,535	\$ 405,658
Stipends/Fees/Temp Services	F	-	87,142	-	87,142	135,911
Advertising/ Awards/Prizes		-	33,307	-	33,307	24,081
Supplies	G	-	18,167	-	18,167	45,307
Professional & Service Provider Fees		-	12,498	-	12,498	764
Catering/Meetings		-	12,103	-	12,103	3,427
Travel/Lodging		-	7,645	-	7,645	1,814
Taxes/Licenses/Registrations		-	6,280	-	6,280	10,223
Thank/Honor/Remember		-	4,962	-	4,962	220
Publications/Dues		-	4,894	-	4,894	5,813
Staff Development		-	3,974	-	3,974	13,029
Entrance Fees/Green Fees/Rentals		-	2,811	-	2,811	75
Printing/Copying		-	764	-	764	389
Postage		-	36	-	36	-
Total EXPENSES (RESTRICTED)		\$ -	\$ 658,116	\$ -	\$ 658,116	\$ 646,711
Total EXPENSES		\$ 1,172,109	\$ 658,116	\$ -	\$ 1,830,225	\$ 1,624,311
NET INCOME (LOSS) Excl Investments		\$ (903,238)	\$ (298,675)	\$ 147,508	\$ (1,054,405)	\$ (811,337)
INVESTMENT INCOME (LOSS)						
Interest/Dividends	H	\$ 79,323	\$ 53,871	\$ 170,353	\$ 303,547	\$ 171,171
Realized Investment Income (Loss)	H	(229,330)	(96,569)	(605,995)	(931,894)	239,100
Unrealized Investment Income (Loss)	H	187,641	79,034	888,217	1,154,892	4,066,064
Change in Value-Split Interests		-	-	5,216	5,216	14,530
Total INVESTMENT INCOME (LOSS)		\$ 37,634	\$ 36,336	\$ 457,791	\$ 531,761	\$ 4,490,864
NET INCOME (LOSS)		\$ (865,604)	\$ (262,339)	\$ 605,299	\$ (522,644)	\$ 3,679,527



Clark College Foundation
INCOME STATEMENT
(STATEMENT OF ACTIVITIES)
For the Four Months Ending October 31, 2022

Explanation of Variances

- A Donations decreased \$54,000 over the same period last year. Cultivation efforts are underway with significant gifts being discussed to support the college cybersecurity program and development of Boschma Farms campus.
- B Increase in Wages/Benefits/PR Taxes due to transition efforts for the new CEO/CAO. The outgoing CAO has remained on staff through the end of the calendar year which has increased wage expense compared to the prior year.
- C Increased Occupancy expense in FY 2023 is due to foundation office repairs of \$120,000 to address water leakage into the building.
- D Decrease in Professional/Service Provider Fees due to DEI training and CEO search fees in the prior fiscal year totaling \$25,000 and \$16,000, respectively. Similar expenses have not occurred in the current year.
- E Student Financial Assistance increased \$58,000 as compared to the prior year. The change is due to increased available funding and the number of scholarships awarded.
- F Stipends for college staff fluctuate from year to year based on program needs. In the prior year funds were used primarily for nursing and Veterans Resource center staff.
- G Supplies decreased due to a dental vacuum system (\$31,000) purchased in the prior year. Similar purchases have not been made in the current year.
- H Investment income reflects year to date cumulative realized and unrealized gains/losses. The investment pool recorded a 3.2% loss for the previous 3 months and a 11.3% loss for the previous 12 months.

General item: The income statement includes all financial activities that flow through the foundation. These include foundation operations and college expenditures (program, scholarships and capital expenditures).



Clark College Foundation OPERATIONAL BUDGET COMPARISON

For the Four Months Ending: October 31, 2022

		YTD Actual Thru 10/31/2022	Budget to Date Thru 10/31/2022	YTD Variance	% Variance
INCOME					
Endowment Distributions (Unrestricted)	A	\$ 898,621	\$ 898,621	\$ -	0.0%
Unrestricted Fundraising	B	263,903	167,000	96,903	58.0%
		<u>\$ 1,162,524</u>	<u>\$ 1,065,621</u>	<u>\$ 96,903</u>	<u>9.1%</u>
OPERATIONAL EXPENSES					
Salaries, Wages & Benefits		\$ 718,008	\$ 700,125	\$ (17,883)	-2.6%
Advancement					
Service Provider Fees		\$ 38,137	\$ 44,207	\$ 6,070	13.7%
Software/Publications/Dues		24,270	22,771	(1,499)	-6.6%
Printing/Copying		14,838	18,743	3,905	20.8%
Postage		9,955	11,756	1,801	15.3%
Catering/Meetings		8,789	5,883	(2,906)	-49.4%
Travel/Lodging		8,201	8,425	224	2.7%
Advertising/ Awards/Prizes		4,848	3,477	(1,371)	-39.4%
Staff Development		2,545	5,077	2,532	49.9%
Thank/Honor/Remember		1,915	1,550	(365)	-23.5%
Supplies/Misc.		1,454	1,608	154	9.6%
		<u>\$ 114,952</u>	<u>\$ 123,496</u>	<u>\$ 8,544</u>	<u>6.9%</u>
Administration					
Occupancy	C	\$ 127,677	\$ 9,620	\$ (118,057)	-1227.2%
Professional Fees		36,250	37,413	1,163	3.1%
Serv. Prov. Fees/Publications/Taxes		11,711	13,298	1,587	11.9%
Insurance		10,914	10,881	(33)	-0.3%

	YTD Actual Thru 10/31/2022	Budget to Date Thru 10/31/2022	YTD Variance	% Variance
Printing/Copying/Graphics	5,086	5,417	331	6.1%
Scholarship Management	4,749	4,433	(316)	-7.1%
Supplies/Postage/Recruiting	4,583	11,535	6,952	60.3%
Software & Support	4,112	4,583	471	10.3%
Catering/Meetings	3,781	3,400	(381)	-11%
Travel & Lodging	1,048	1,990	942	47.3%
Staff Development & Continue Ed	429	1,550	1,121	72.3%
	\$ 210,340	\$ 104,121	\$ (106,219)	-102.0%
TOTAL OPERATIONAL EXPENSES	\$ 1,043,300	\$ 927,742	\$ (115,558)	-12.5%
NET INCOME BEFORE COLLEGE EXPENSES	\$ 119,224	\$ 137,879	\$ (18,655)	-13.5%
COLLEGE PROGRAM EXPENSES				
College Foundation Funds Allocation	\$ 49,455	\$ 54,917	\$ 5,462	9.9%
College Campus Priorities	30,104	24,667	(5,437)	-22.0%
College & Community Relations	10,210	10,517	307	2.9%
	\$ 89,769	\$ 90,100	\$ 331	0.4%
NET INCOME (EXPENSE)	\$ 29,455	\$ 47,779	\$ (18,324)	-38%



Clark College Foundation

OPERATIONAL BUDGET COMPARISON

For the Four Months Ending: October 31, 2022

Explanation of Variances

- A Represents funds distributed from endowment investments for the fiscal year 2023 operational budget.
- B The budget anticipated \$167,000 in unrestricted revenue from fundraising and gift fees. To date, \$264,000 has been recorded. Largest impact was a \$200,000 unrestricted gift from donor advised fund and \$34,000 in gift fee revenue.
- C Occupancy expense over budget due to foundation office repairs of \$120,000 to address water leakage into the building. Project was budgeted in the prior year but scheduling issues required the work to be delayed into the current year.

General item: The operational budget includes only expenditures from unrestricted funds. This includes foundation operations and board approved college expenditures utilizing unrestricted funds.