



2024 FINANCIAL REPORT

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***As of January 24, 2025**

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Our Mission

Eastern Washington University provides an inclusive, equitable, and transformative learning experience, driving the pursuit of knowledge with affordable academic excellence.

LETTER FROM THE PRESIDENT



I am pleased to present the annual financial statements for Eastern Washington University. The university's mission necessitates responsible financial management, a commitment we uphold to facilitate personal transformation for our students through academic excellence.

This year, we are continuing the implementation of numerous recommendations to our university services and academic programs following the comprehensive strategic resource allocation process. These changes will ensure EWU, as the region's polytechnic, remains responsive to our students, reflects the workforce needs of the region we serve, and stabilizes our long-term viability in a changing higher education landscape. Additionally, the collaborative, forward-focused strategic plan charts a path with a bold vision and priorities to which we will hold ourselves accountable.

Through the dedicated work of EWU faculty and staff, our students learn, graduate, and become successful, productive citizens. Our commitment to academic excellence, sustainability, and accessibility is embedded in every aspect of EWU. And, as a higher education leader, we continue to build and promote an inclusive, welcoming campus community to provide opportunities and a sense of belonging for a diverse range of students on their educational journey.

With a history spanning over 140 years, EWU has recognized the importance of defining and expanding its role as a regional public university. We proudly accept our responsibility as a significant contributor to the region's development and continue to forge partnerships with schools, businesses, and organizations in innovative ways. By doing so, we aim to fuel economic and workforce development, spur upward social mobility within the communities we serve, and provide students with valuable applied learning experiences and knowledge.

Thank you for taking time to review this publication. I am very proud of our mission and the achievements of our students, faculty, and staff. Eastern Washington University has and will continue to bring significant benefit to our region and our state as a transformative learning institution.

In gratitude,

A handwritten signature in blue ink, reading "Shari McMahan". The signature is fluid and stylized, with a long horizontal stroke at the end.

Shari McMahan, PhD.
President
Eastern Washington University



**Office of the Washington State Auditor
Pat McCarthy**

**INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE
FINANCIAL STATEMENTS**

Board of Trustees
Eastern Washington University
Cheney, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Eastern Washington University as of and for the years then ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Eastern Washington University, as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Eastern Washington Foundation (the Foundation), which represent 100% of the assets, net position and revenues of the aggregate discretely presented component units. We also did not audit the financial statements of the Eastern Washington Housing and Dining Services (Housing), and the Eastern Washington University Associated Student Activities (Student Activities). Housing represents 8.9%, 9.1%, and 12%, and Student Activities represents 10.4%, 6.1%, and 6.2%, respectively, of the assets, net position, and revenues of the University business-type activities. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Foundation, Housing, and Student Activities, are based solely on the reports of the other auditors. The financial statements of the Foundation, Housing, and Student Activities were not audited in accordance with Government Auditing Standards.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing*

Standards, issued by the Comptroller General of the United States. 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 University 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 opinions.

Matters of Emphasis

As discussed in Note 1 to the financial statements, in 2024, the University adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 100, *Accounting Changes and Error Corrections*. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the financial statements of the Eastern Washington University, an agency of the state of Washington, are intended to present the financial position, and the changes in financial position, and where applicable, cash flows of only the respective portion of the activities of the state of Washington that is attributable to the transactions of the. They do not purport to, and do not, present fairly the financial position of the state of Washington as of June 30, 2024 and 2023, the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 and *Government Auditing Standards* 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.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- 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 University'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 University's ability to continue as a going concern for a reasonable period of time; and
- 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

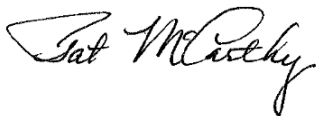
The other information comprises the Introductory section but does not include the basic financial statements and our auditor's report thereon. Management is responsible for the other information included in the financial statements. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated February 10, 2025, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in black ink, appearing to read "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy, State Auditor

Olympia, WA

February 10, 2025

Management's Discussion and Analysis

The following discussion and analysis provides an overview of the financial position and activities of Eastern Washington University ("the University") for the fiscal year ended June 30, 2024, with comparative 2023 and 2022 financial information. This MD&A provides the readers an objective and easily readable analysis of the University's financial performance for the year, based on currently known facts and conditions. This discussion has been prepared by management and should be read in conjunction with the financial statements and accompanying footnotes to the financial statements.

Reporting Entity

Eastern Washington University (EWU), one of six four-year public institutions of higher education in the state of Washington, provides baccalaureate and graduate educational programs for about 22,900 distinct full time and part time students for FY24. The University was established in 1882 and its primary purpose is to prepare individuals for successful contributions to society throughout their careers and in their leadership role as citizens.

The University's main campus is located in Cheney, Washington, a community of approximately 13,000 residents. Eastern also offers a variety of upper division and graduate programs at the EWU Spokane campus and at various locations throughout the state of Washington.

The University is governed by an eight-member Board of Trustees appointed by the governor of the state with the consent of the Senate. One of the members is a full-time student of the University. By statute the Board of Trustees has full control of the University and its property of various kinds, except as otherwise provided by law.

Using the financial statements

The University reports as a business-type activity as defined by Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*, as amended. Under this model, the financial report consists of three statements: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* requires a university to report an organization that raises and holds economic resources for the direct benefit of a government unit. Under this requirement the EWU Foundation is a component unit of the University and their financial statements are incorporated in this financial report.

Impact from Changes in Accounting and Reporting Requirements

The University implemented GASB Statement No. 100, *"Accounting Changes and Error Corrections"* for the year ending June 30, 2024. This statement defines accounting changes and prescribes the accounting and financial reporting, and disclosure requirements for each type.

The University implemented GASB Statement No. 96, *Subscription Based Information Technology Arrangements* for the year ending June 30, 2023. This statement changed the accounting and financial reporting for subscription type contracts conveying the right to use underlying information technology software in an exchange or exchange-like transaction for a term exceeding 12 months, resulting in the recognition of a right to use subscription asset and related subscription liability. This statement was applied retroactively as of July 1, 2021.

Statement of Net Position

The Statement of Net Position presents the financial position of the University at the end of the last two fiscal years and reports all assets, deferred outflows, liabilities and deferred inflows of the University. This statement represents the assets available to continue operations of the institution and also identifies how much the institution owes vendors, investors and lenders.

A summarized comparison of the University's assets, deferred outflows, liabilities, deferred inflows and net position as of June 30 is shown below.

Condensed Statements of Net Position (in thousands)

| | 2024 | 2023 | 2022 |
|---------------------------------------|-------------------|-------------------|-------------------|
| Assets | | | |
| Current assets | \$ 192,831 | \$ 229,501 | \$ 199,680 |
| Capital assets, net of depreciation | 443,296 | 427,453 | 405,867 |
| Other non-current assets | 171,760 | 126,573 | 143,590 |
| Total Assets | 807,887 | 783,527 | 749,137 |
| Deferred outflows of resources | 21,387 | 22,141 | 18,371 |
| Liabilities | | | |
| Current liabilities | 35,128 | 39,368 | 36,102 |
| Non-current liabilities | 222,408 | 229,730 | 245,759 |
| Total Liabilities | 257,536 | 269,098 | 281,861 |
| Deferred inflows of resources | 53,476 | 63,082 | 62,280 |
| Net Position | \$ 518,262 | \$ 473,488 | \$ 423,367 |

Current assets consist primarily of cash, short term investments and accounts receivable. Investment activity including purchases and maturities resulted in changes short-term balances in both fiscal year 2024 and 2023. Changes to investments and the direct impact on cash is especially visible on the Statement of Cash Flows presented later in this report. Decreases in accounts receivable in FY24 and FY23 largely resulted from changes in the amount of federal Higher Education Emergency Relief Fund and state appropriation monies owed to the University. Renovation on the University's Science Building contributed to a higher construction in progress balance in FY24 and FY23, included above in capital assets. The implementation of GASB Statements 96 and 87 resulted in right to use lease and subscription assets recorded beginning in FY21 and forward, shown in other non-current assets above. Student loans receivable, also included in other noncurrent assets, continues to decline after the Perkins federal loan program was discontinued and loans are repaid.

Current liabilities include amounts payable to suppliers for goods and services, accrued payroll and related liabilities and unearned revenue while noncurrent liabilities consist mostly of bond debt, right to use leases and subscriptions, and liabilities related to retirement and other postemployment benefits. Accounts payable changed in FY24 and FY23 from yearend construction invoices outstanding.

With the implementation of GASB Statements 87 and 96, liabilities related to noncancellable right to use lease and subscription agreements are now reported under current and noncurrent liabilities. Retirement and OPEB liabilities are calculated by the Washington Office of the State Actuary using actuarial assumptions and methods in conjunction with prescriptive guidance issued in professional accounting regulations. Resulting liabilities can and have varied significantly as these assumptions and estimates change over the course of each actuarial valuation. Related to these liabilities are deferred outflows of resources and deferred inflows of resources, which represent a consumption or acquisition of net position related to a future period, and are therefore a deferral until that time. Examples of these deferrals include changes in actuarial assumptions used in calculating the liabilities, differences between expected and actual experience, and differences between expected returns on plan assets and actual returns, as applicable. Footnotes 12 and 13 detail more information on the balances of deferred outflows and inflows of resources. These actuarial items tend to vary significantly from year to year.

Net position, the difference between assets plus deferred outflows less liabilities and deferred inflows, is a broad indicator of the financial condition of the University. The change in net position measures whether the overall financial condition has improved or worsened during the year. The University reports its net position in four categories:

Net Investment in Capital Assets – This is the University's investment in property, plant and equipment, net of accumulated depreciation and the amount of outstanding debt related to those capital assets.

Restricted-Nonexpendable – This category consists of funds on which the donor or external party has imposed a restriction. Permanent endowments are the primary origin of nonexpendable funds; the corpus is available for investment only.

Restricted Expendable – This category includes resources which the University is legally or contractually obligated to spend in accordance with the time or purpose restrictions on the use of the asset placed upon them by donors or other external parties. The primary expendable funds for the University are student loans and capital project funds. Balances fluctuate with the timing of capital project expenses, contributions to permanent endowments, and other conditions.

Unrestricted – These are all other funds available to the University for the general and educational obligations to meet

current expenses for any purpose. Unrestricted net position is not subject to externally imposed stipulations; however, the University has designated the majority of unrestricted net assets for various academic programs and university support functions such as auxiliary enterprises and student services.

Net position at June 30 is summarized as follows:

| Categories of Net Position (in thousands) | 2024 | 2023 | 2022 |
|--|-------------|-------------|-------------|
| Net investment in capital assets | \$ 360,957 | \$ 343,737 | \$ 321,916 |
| Restricted: | | | |
| Non-expendable | 5,442 | 5,422 | 5,422 |
| Expendable | 35,743 | 29,763 | 44,628 |
| Unrestricted | 116,120 | 94,566 | 51,401 |
| Total net position | \$ 518,262 | \$ 473,488 | \$ 423,367 |

Net investment in capital assets reflects work on the Science Building renovation in all three years show above. The restricted expendable category in FY24 and FY23 includes \$10.4 million and \$9.3 million, respectively, of net retirement assets for certain state administered retirement plans (see footnote 12). That category also includes resources restricted by bond covenants for renewal and replacement costs of the Pence Union Building (PUB) and University Recreation Center (URC). Unrestricted net position is the category most affected by results of normal operations. FY24 and FY23 increases were largely the result of investment related income as well as online program revenues offsetting declines in general undergraduate operating tuition. Unrestricted net position is also affected by the implementation of GASB pronouncements relating to accounting and reporting of retirement and other postemployment benefit liabilities. It is important to evaluate net position of the University with consideration to these pronouncements. The following table is presented to better visualize the impact to the University's unrestricted net position resulting from these accounting standards, and shows net position excluding the impacts from GASB 75 (implemented FY18) and GASB 68 (implemented FY15).

| Unrestricted Net Position Excluding Retirement and OPEB (in thousands) | 2024 | 2023 | 2022 |
|---|-------------|-------------|-------------|
| Unrestricted net position, as reported | \$ 116,120 | \$ 94,566 | \$ 51,401 |
| Impact of GASB 68 (retirement) | 1,147 | 6,489 | 11,728 |
| Impact of GASB 75 (OPEB) | 71,298 | 75,523 | 78,255 |
| Unrestricted net position, excluding retirement and OPEB | \$ 188,565 | \$ 176,578 | \$ 141,384 |

These liabilities, expensed in the period when incurred, represent potential cash outflows in future periods based on current provisions in retirement plans and other post-employment benefit provisions. The latter category could change significantly if explicit or implied subsidies are changed through subsequent changes in administrative policy or legislation.

Statement of Revenues, Expenses and Changes in Net Position

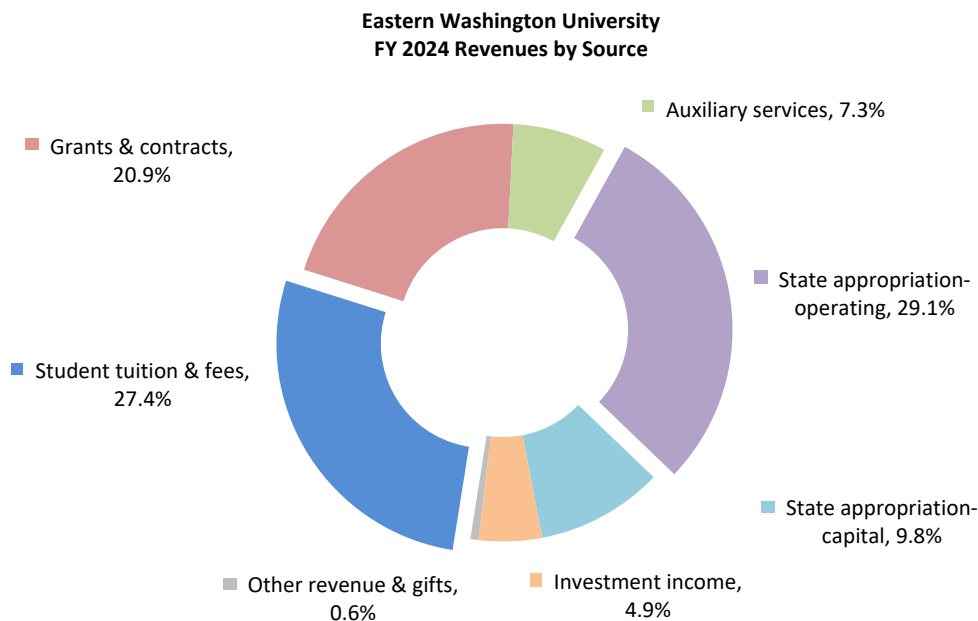
The Statement of Revenues, Expenses and Changes in Net Position provides information about the operating performance of the University. The statement classifies revenues and expenses as either operating or non-operating. Under current reporting guidelines, state appropriations are classified as non-operating revenues though such funding is used to cover operating expenses. To better assess the University's financial health, include all revenue sources and focus on the increase (or decrease) in net position. A summarized comparison of the University's operating performance and change in net position follows for the fiscal years ended June 30:

| Condensed Operating Results (in thousands) | 2024 | 2023 | 2022 |
|---|-------------|-------------|-------------|
| Operating revenue | \$ 152,648 | \$ 152,773 | \$ 164,760 |
| Operating expenses | 246,116 | 237,258 | 223,122 |
| Net operating loss | (93,468) | (84,485) | (58,362) |
| Net non-operating revenues | 108,876 | 100,665 | 81,442 |
| Income/(loss) before other revenues | 15,408 | 16,180 | 23,080 |
| Other revenues and expenses | 29,366 | 33,941 | 18,838 |
| Increase in net position | 44,774 | 50,121 | 41,918 |
| Net position, beginning of year | 473,488 | 423,367 | 380,086 |
| Adjustment to beginning net position | - | - | 1,363 |
| Net position, end of year | \$ 518,262 | \$ 473,488 | \$ 423,367 |

Operating and Nonoperating Revenues

Operating revenues consist primarily of tuition and fees, sponsored program revenue (i.e., grants and contracts), and sales and services revenue generated by auxiliary enterprises. Non-operating revenues consist primarily of state appropriations, investment income and Pell grants for student financial aid. Other revenues and expenses include state capital project appropriations, and may also report one time transactions such as losses on the demolition of capital assets and the expense associated with termination and closeout of the Perkins federal loan program.

The illustration below shows revenues by source (both operating and non-operating) used to fund the University's programs for the year ended June 30, 2024. The ensuing table compares revenues by source across fiscal years.



Revenues by Source (in thousands) For the year ended June 30

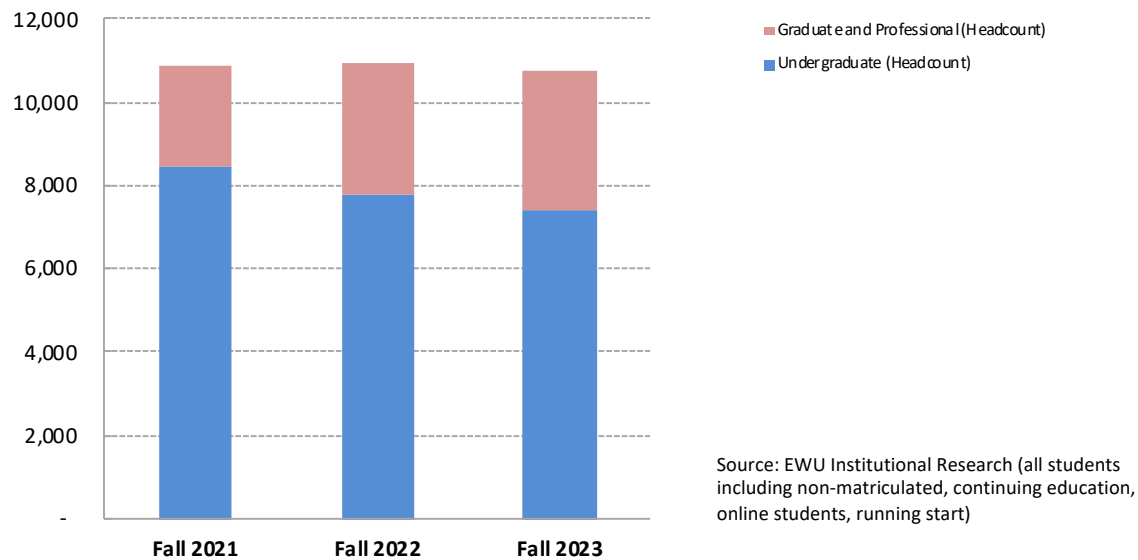
| | 2024 | | 2023 | | 2022 | |
|-------------------------------|------------|--------|------------|--------|------------|--------|
| Student tuition & fees | \$ 81,282 | 27.4% | \$ 84,887 | 29.0% | \$ 81,088 | 30.1% |
| Grants & contracts | 62,113 | 20.9% | 56,695 | 19.3% | 77,279 | 28.6% |
| Auxiliary services | 21,549 | 7.3% | 22,351 | 7.6% | 18,015 | 6.7% |
| State appropriation-operating | 86,462 | 29.1% | 83,188 | 28.4% | 71,922 | 26.6% |
| State appropriation-capital | 29,184 | 9.8% | 33,747 | 11.5% | 18,898 | 7.0% |
| Investment income | 14,459 | 4.9% | 10,108 | 3.4% | 503 | 0.2% |
| Other revenue & gifts | 1,867 | 0.6% | 2,087 | 0.7% | 2,195 | 0.8% |
| Total | \$ 296,916 | 100.0% | \$ 293,063 | 100.0% | \$ 269,900 | 100.0% |

Tuition, student fees, and state operating appropriations are the primary sources of funding for the University's academic programs. Revenue from tuition and fees, net of scholarship allowances, has historically represented almost one third of total revenue. Undergraduate enrollment levels account for most operating tuition revenues. The university has been responsive to market demand by investing in new programs such as online graduate programs which continue to represent an increasing proportion of overall enrollment. The following two tables illustrate the changing levels in full-time resident and nonresident tuition rates over the past three years and enrollment levels during that time.

**Full-Time Quarterly Tuition and S&A Fee Rates (10 through 18 credits)
with Percentage Change over Prior Year**

| Academic Year | Resident Undergraduate | Change | Resident Graduate | Change | Nonresident Undergraduate | Change | Nonresident Graduate | Change |
|---------------|------------------------|--------|-------------------|--------|---------------------------|--------|----------------------|--------|
| 2023-24 | 2,431 | 3.1% | 4,233 | 0.3% | 8,278 | 0.2% | 9,348 | 0.2% |
| 2022-23 | 2,358 | 2.6% | 4,220 | 2.5% | 8,258 | 0.2% | 9,329 | 0.2% |
| 2021-22 | 2,299 | 2.8% | 4,118 | 2.8% | 8,241 | 0.2% | 9,313 | 0.2% |

Eastern Washington University Fall Enrollment



Revenues received from governmental and private sources in the form of grants and contracts have generally been a consistent percentage of total revenue with the exception of funds available to the University from the federal HEERF legislation which resulted in much more federal grant revenue recognized, especially in FY23 and prior.

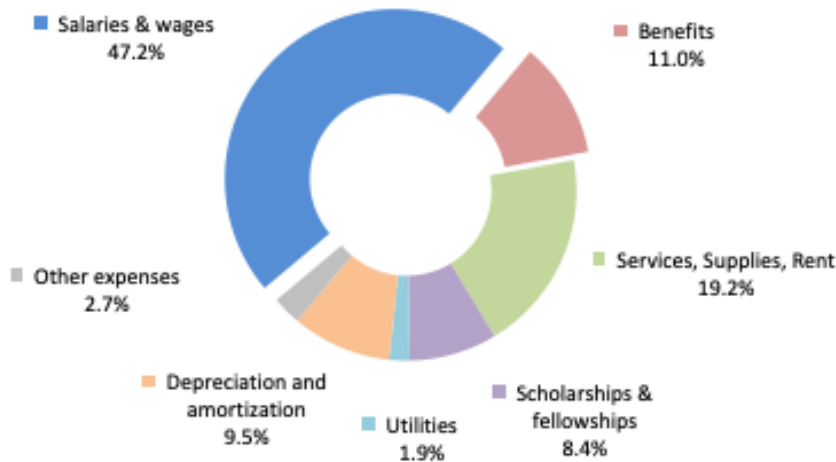
Over half of auxiliary revenue comes from room and board charges within the Housing and Dining System, a separately audited segment of the university. Prior to FY23, revenue was heavily impacted by the COVID-19 pandemic. Average annual occupancy in FY24 was 1,009, a decrease of 6.8% from the prior year of 1,083. FY22 occupancy was 857. Dining services revenue typically follows the number of students living on campus because most students have both room and meal plans. The Eagle Store, another auxiliary unit, experienced modest increases in revenue in FY24 and FY23. Other auxiliary operations such as parking services and athletics saw declines in revenue in FY24 after increases in FY23.

State operating appropriations increased in FY24 and FY23, continuing to represent a higher percentage of total revenue for the institution. New appropriations for College in the High School (FY24), Cybersecurity (FY23) and Nursing (FY23) have added a significant amount to this revenue source. Major capital projects funded through state appropriations include the science renovation (FY24, FY23, FY22), Albers Court Improvements (FY22), and infrastructure projects (FY23 and FY22). Other revenues noted on the previous page include miscellaneous fines and charges for services.

Operating Expenses

Shown below is an illustration of operating expenses by type (object) for the year ended June 30, 2024. The ensuing table compares expenses for fiscal years ending June 30.

**Eastern Washington University
FY 2024 Operating Expenses by Type**



**Operating Expenses by Type (in thousands)
For the year ended June 30**

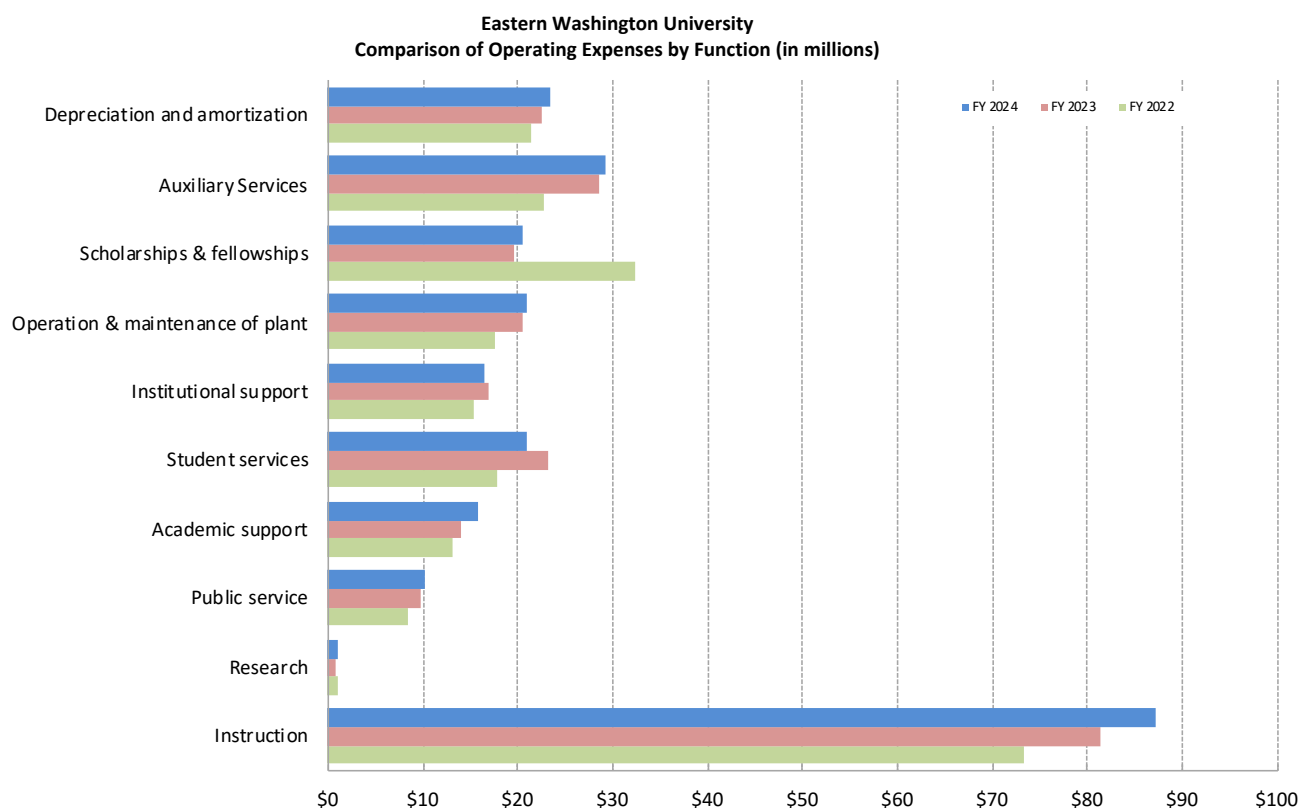
| | 2024 | | 2023 | | 2022 | |
|-------------------------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|
| Salaries & wages | \$ 116,250 | 47.2% | \$ 109,619 | 46.2% | \$ 102,194 | 45.8% |
| Benefits | 27,180 | 11.0% | 27,394 | 11.5% | 18,853 | 8.4% |
| Services, supplies and rent | 47,114 | 19.2% | 44,524 | 18.8% | 39,095 | 17.5% |
| Scholarships & fellowships | 20,643 | 8.4% | 19,772 | 8.3% | 32,275 | 14.5% |
| Utilities | 4,764 | 1.9% | 6,818 | 2.9% | 5,341 | 2.4% |
| Depreciation and amortization | 23,436 | 9.5% | 22,597 | 9.5% | 21,351 | 9.6% |
| Other expenses | 6,729 | 2.7% | 6,534 | 2.8% | 4,013 | 1.8% |
| Total | \$ 246,116 | 100.0% | \$ 237,258 | 100.0% | \$ 223,122 | 100.0% |

Employee compensation continues to account for well over half of total operating expenses. Salaries and wages expense increased 6.0% in FY24 and 7.3% in FY23, resulting from a growth in FTEs in addition to overall wage increases.

Benefits expense was flat in FY24 and increased 45% in FY23 which is partly attributable to the cost of health benefit premiums. More significantly, benefits expense is impacted by EWU's share of the collective retirement benefit and OPEB expense. Under current accounting requirements, expenses for these benefits are actuarially calculated and no longer based on the cash contributions to health and retirement plans. As such, investment gains on plan assets during the measurement periods used to determine the benefits expense were unusually high, leading to decreases of varying degrees in the University's share of collective retirement benefit expense.

Total operating expenses in FY24 were up 3.7% after increasing 6% the prior year. Scholarships expenses were higher in FY22 from the disbursement of HEERF student aid funding discussed previously. Services and supplies expenses increased significantly in FY23 partly from more contractual payments resulting from higher accelerated program revenue as well as higher cost of goods sold expense following dining sales. Utilities expense fell in FY24 resulting from lower natural gas commodity prices. Noncapitalized facility improvements are impacted by the amount of capital construction activity and typically varies each year. Other expenses, located below the nonoperating revenues and expenses section on the Statement of Revenues, Expenses, and Changes in Net Position, includes repayment of a portion of the federal capital contribution for the Perkins loan program and losses related to disposal and demolition of capital assets.

An alternative view of operating expenses is by functional (programmatic) classification as shown below for the years ended June 30.



Instructional expense comprises the largest single category of operating costs and mostly consists of compensation costs. Fluctuations in expenses for operation and maintenance of plant are largely impacted by changes in non-capitalized facility improvement activity. The amount varies by year depending on several factors including the types and timing of projects undertaken. Student aid funding provided through HEERF and disbursed to students resulted in the large decrease in FY23 in the scholarships and fellowships category. Costs for auxiliary services in FY22 were still reflective of pandemic related cuts. See Footnote 15 for additional detail regarding functional expenses.

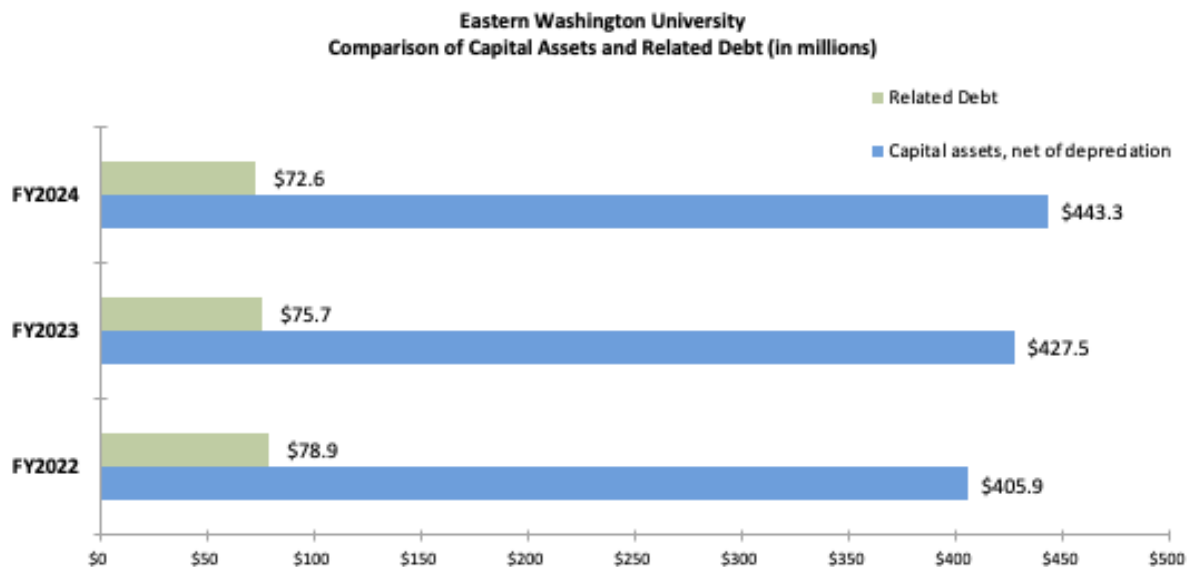
To monitor financial health the University calculates a variety of indicators that focus on results of operations, which are largely driven by tuition pricing, state appropriations, and compensation levels. These financial indicators are useful for institutional trend analysis and become more meaningful when compared to peer institutions (not included here) such as those with the same debt rating, similar student population and degree offerings, or to industry norms. Factors that could affect these financial indicators are student enrollment levels, tuition pricing, issuance of new revenue debt, new leases, funding levels for state and federal financial aid, and state appropriations at levels to cover increasing operating costs. It is important to be aware of the impact that new accounting pronouncements have on many of these metrics. In many cases significant changes over prior years occur as a result.

Liquidity is an important indicator of financial stability which can be measured by the number of days an institution is able to operate using unrestricted cash and investments that can be liquidated and spent within one year. The University has maintained its ability to cover operating costs. Additionally, the University has nearly six dollars of current assets to cover every dollar of current liabilities, better than the industry baseline of 2:1.

| Financial Indicator | Definition | Calculation | FY 2024 | FY 2023 | FY 2022 |
|--|---|---|---------|---------|---------|
| Tuition dependency ratio (%) | Helps measure sensitivity to changes in enrollment levels | Net tuition and fees plus governmental grants to the institution for student tuition divided by the sum of operating and non-operating revenues | 44.1 | 46.6 | 46.5 |
| Unrestricted financial resources-to-operations (x) | Measures coverage of annual operations by the most liquid resources | Unrestricted net position divided by total adjusted operating expenses | .505 | .426 | .263 |
| Annual days cash on hand | Measures the number of days an institution is able to operate (cover its cash operating expenses) | Annual liquidity times 365 divided by total expenses less depreciation and unusually large non-cash expenses | 388 | 369 | 359 |
| Current ratio | Measures liquidity – ability to meet current obligations with liquid assets | Current assets divided by current liabilities | 5.49 | 5.83 | 5.53 |

Capital Asset and Debt Activities

The University continues to increase the investment in capital assets each year. Construction costs for the new Interdisciplinary Science Center, Albers Court improvements, Science Building renovation and various infrastructure projects continue to impact total capital assets.



The University's Comprehensive Facilities Master Plan is used to guide the long-range physical development of campus facilities, focusing on critical areas of need, space utilization, and preservation of the infrastructure of state assets. The chart above shows the change of investment in capital assets and the associated debt load used to partially finance the construction of those assets.

No new bond debt was issued during the fiscal years 2024, 2023 or 2022. The University issued Services and Activities Fee Refunding Bonds, Series 2016A, on August 30, 2016 and Revenue bonds, Series 2016B, on October 13, 2016. The proceeds of the Series 2016A bonds were used to refinance the remaining principal balance of the Series 2006 bonds (which had both revenue and refunding components), and the proceeds of the Series 2016B bonds were used to finance the remodel of the Pence Union Building. During FY21, the University issued nearly \$4.5 million in new debt through the Office of State Treasurer's (OST) Certificate of Participation (COP) program, which provides funding for equipment and real estate purchases through financing contracts. See footnote 9 for more information. Moody's has assigned an A1 issuer rating to Eastern Washington University and modified the University's limited pledge revenue bonds to A2. Debt service coverage remains healthy as demonstrated by the financial ratios below.

| Financial Indicator | Definitions | Calculation | FY 2024 | FY 2023 | FY 2022 |
|---|---|---|---------|---------|---------|
| Expendable financial resources to direct debt (x) | Measures coverage of direct debt by financial resources that are ultimately expendable | Expendable financial resources divided by direct debt | 0.82 | 0.64 | 0.41 |
| Financial debt burden ratio (%) | Examines dependence on borrowed funds as a source of financing the mission and the relative cost of borrowing to overall expenditures | Principal and interest on capital debt and lease divided by operating and non-operating expenses less depreciation plus principal paid on capital debt and leases | 6.07 | 5.66 | 5.85 |
| Debt service coverage (x) | Measures actual margin of protection for annual debt service payments from annual operations. A higher ratio is considered to be advantageous while a declining ratio may be cause for concern. | Annual operating surplus (deficit) plus interest and depreciation expenses divided by actual principal and interest payments | 3.00 | 3.36 | 3.90 |

Additional information concerning capital asset and debt activity is provided in the footnotes (see Footnote 7 through 11).

Summary of Financial Health and Economic Factors That Will Affect the Future

In fiscal years 2024 and 2023, unrestricted net position improved from continued growth in online graduate programs, increasing state operating and capital appropriations, and changes in operating tuition rates. Both years benefited from strong investment related income due to a favorable interest rate environment.

The University's information, whether conveyed in written or oral form by its representatives, may include forward-looking statements. These statements pertain to future activities, events, or developments that may impact the University. It's important to note that actual results may vary significantly from the projections or suggestions in such forward-looking information.

The state of Washington, through the legislative process, allocates funding to higher education institutions based on prior biennia operating appropriations adjusted for the current biennium policy and funding decisions.

Washington's tuition policy for resident undergraduate students imposes limitations on increases, linked to a rolling average of the state's median hourly wage, currently allowing approximately a 3% annual increase. The university expects this trend to persist for resident undergraduate tuition, while the Board of Trustees retains broad authority for setting tuition in other enrollment categories.

During the 2023 legislative session, the state passed a biennial operating budget, which included \$19 million more in appropriations for the 2023-25 biennium (effective for fiscal years 2024 and 2025). As part the new operating appropriations, State lawmakers authorized compensation increases for EWU represented and non-represented faculty and staff in fiscal years 2024 and 2025.

Statements of Net Position

June 30, 2024 and 2023

| | June 30, 2024 | June 30, 2023 |
|---|-----------------------|-----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 142,922,795 | \$ 75,580,941 |
| Short-term investments | 18,613,660 | 116,696,360 |
| Deposit with State of Washington | 6,587,916 | 6,352,434 |
| Accounts receivable (net of allowances of \$1,070,410 and \$705,799, respectively) | 21,726,997 | 29,030,608 |
| Inventories | 1,213,055 | 1,465,759 |
| Other assets | 1,766,979 | 374,950 |
| Total current assets | <u>192,831,402</u> | <u>229,501,052</u> |
| Noncurrent assets: | | |
| Endowment investments | 10,805,328 | 9,954,424 |
| Other long-term investments | 58,571,089 | 10,008,693 |
| Student loans receivable (less allowances of \$123,085 and \$208,129, respectively) | 425,379 | 882,906 |
| Right to use lease receivable, less current portion | 138,774 | 17,099 |
| Unamortized insurance costs on bond issuance | 46,422 | 49,925 |
| Restricted net pension asset | 10,351,300 | 9,336,470 |
| Capital assets | | |
| Capital assets, net of accumulated depreciation | 443,296,366 | 427,453,418 |
| Right to use lease and subscription assets, net of amortization | 91,421,016 | 96,323,363 |
| Total noncurrent assets | <u>615,055,674</u> | <u>554,026,298</u> |
| Total assets | <u>\$ 807,887,076</u> | <u>\$ 783,527,350</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflows of resources related to pensions | \$ 16,698,599 | \$ 16,834,129 |
| Deferred outflows of resources related to OPEB | 4,687,972 | 5,306,797 |
| Total deferred outflows of resources | <u>\$ 21,386,571</u> | <u>\$ 22,140,926</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | \$ 7,378,475 | \$ 9,403,985 |
| Accrued liabilities | 10,269,613 | 10,408,374 |
| Deposits or funds held for others | 671,031 | 759,296 |
| Unearned revenue | 5,148,934 | 8,214,028 |
| Net pension liability, current portion | 409,281 | 307,569 |
| Total other postemployment benefit (OPEB) liability, current portion | 1,024,850 | 993,321 |
| Lease and subscription liabilities, current portion | 6,773,316 | 5,904,945 |
| Long-term liabilities, current portion | 3,452,557 | 3,376,172 |
| Total current liabilities | <u>35,128,057</u> | <u>39,367,690</u> |
| Noncurrent liabilities: | | |
| Compensated absences | 8,973,546 | 8,909,156 |
| Net pension liability | 9,820,578 | 10,798,192 |
| Total other postemployment benefit liability | 39,645,591 | 38,364,224 |
| Lease and subscription liabilities, net of current portion | 94,193,429 | 98,279,210 |
| Long-term liabilities | 69,774,644 | 73,379,701 |
| Total noncurrent liabilities | <u>222,407,788</u> | <u>229,730,483</u> |
| Total liabilities | <u>\$ 257,535,845</u> | <u>\$ 269,098,173</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unamortized gain on bond refunding | \$ 15,831 | \$ 17,026 |
| Remainder interest in irrevocable split interest agreements | 19,208 | 14,892 |
| Related to lease receivables | 157,615 | 24,162 |
| Related to pensions | 17,967,189 | 21,554,105 |
| Related to OPEB | 35,315,915 | 41,472,042 |
| Total deferred inflows of resources | <u>\$ 53,475,758</u> | <u>\$ 63,082,227</u> |
| NET POSITION | | |
| Net investment in capital assets | \$ 360,957,005 | \$ 343,737,067 |
| Restricted for: | | |
| Nonexpendable: | | |
| Endowments | 5,441,587 | 5,421,610 |
| Expendable: | | |
| Loans | 6,613,605 | 6,612,204 |
| Capital projects | 10,672,339 | 9,813,281 |
| Endowments and other | 8,105,651 | 4,001,528 |
| Net pension asset | 10,351,300 | 9,336,470 |
| Unrestricted | 116,120,557 | 94,565,716 |
| Total net position | <u>\$ 518,262,044</u> | <u>\$ 473,487,876</u> |

Statements of Revenues, Expenses, and Changes in Net Position

For the Years Ended June 30, 2024 and 2023

| REVENUES | 2024 | 2023 |
|---|----------------|----------------|
| Operating revenues: | | |
| Student tuition and fees (net of scholarship allowances of \$29,827,548 and \$27,526,356, respectively) | \$ 81,282,231 | \$ 84,886,848 |
| Federal grants and contracts | 12,112,566 | 8,209,901 |
| State and local grants and contracts | 31,129,375 | 30,642,617 |
| Nongovernmental grants and contracts | 4,889,432 | 4,789,904 |
| Sales and services of auxiliary enterprises | | |
| Housing and dining services (net of scholarship allowances of \$6,973,058 and \$6,142,551, respectively) | 11,003,514 | 11,642,055 |
| Other auxiliary enterprises | 10,545,060 | 10,708,791 |
| Other operating revenue | 1,685,543 | 1,893,284 |
| Total operating revenue | 152,647,721 | 152,773,400 |
| EXPENSES | | |
| Operating expenses: | | |
| Salaries and wages | 116,250,349 | 109,618,816 |
| Benefits | 27,180,061 | 27,393,987 |
| Scholarships and fellowships | 20,642,535 | 19,771,805 |
| Utilities | 4,764,061 | 6,818,367 |
| Rentals | 1,426,494 | 1,502,765 |
| Services and supplies | 44,651,555 | 41,810,249 |
| Non-capitalized facility improvements (NCFI) | 1,036,155 | 1,210,730 |
| Travel and other | 6,729,111 | 6,533,922 |
| Depreciation and amortization | 23,436,134 | 22,597,346 |
| Total operating expenses | 246,116,455 | 237,257,987 |
| Operating loss | (93,468,734) | (84,484,587) |
| NON-OPERATING REVENUES (EXPENSES) | | |
| State appropriations | 86,462,000 | 83,188,000 |
| Investment income, gains and losses | 14,458,844 | 10,108,156 |
| Interest on capital related debt and right to use leases and subscriptions | (4,417,881) | (4,542,939) |
| Loss on disposal of capital assets | (1,608,074) | (1,141,209) |
| Pell grant revenue | 13,982,422 | 13,052,824 |
| Net non-operating revenues | 108,877,311 | 100,664,832 |
| Gain before capital appropriations and special items | 15,408,577 | 16,180,245 |
| State appropriations - capital | 29,183,802 | 33,747,454 |
| Gifts of capital equipment | - | 40,000 |
| Gifts to permanent endowments | 24,452 | - |
| Perkins loan program termination | 157,337 | 153,316 |
| Total other revenues and expenses | 29,365,591 | 33,940,770 |
| Increase in net position | 44,774,168 | 50,121,015 |
| NET POSITION | | |
| Net position, beginning of year | 473,487,876 | 423,366,861 |
| Net position, end of year | \$ 518,262,044 | \$ 473,487,876 |

Statements of Cash Flows

For the Years Ended June 30, 2024 and 2023

| | 2024 | 2023 |
|---|----------------|---------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Tuition and fees | \$ 84,598,418 | \$ 86,061,176 |
| Grants and contracts | 47,680,161 | 49,948,363 |
| Payments to vendors | (60,101,556) | (56,131,198) |
| Payments to employees | (153,071,768) | (144,132,234) |
| Payments for scholarships and fellowships | (20,642,535) | (19,771,805) |
| Collection of student loans | 231,228 | 296,073 |
| Auxiliary enterprise receipts | 21,308,690 | 22,938,081 |
| Other receipts | 273,616 | 1,447,108 |
| Net cash used by operating activities | (79,723,746) | (59,344,436) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State appropriations | 86,462,000 | 85,784,703 |
| Pell grant | 13,982,422 | 13,052,824 |
| Perkins loan repayment | (287,661) | (416,134) |
| Endowments and charitable gift annuities | 28,768 | (138,821) |
| Direct loans receipts | 48,096,865 | 47,692,214 |
| Direct loans disbursements | (48,096,865) | (47,692,214) |
| Receipts made on behalf of others | 8,605,866 | 9,321,299 |
| Disbursements made on behalf of others | (8,776,319) | (9,160,517) |
| Net cash provided by noncapital financing activities | 100,015,076 | 98,443,354 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Capital appropriations | 30,650,855 | 31,798,417 |
| Purchases of capital assets | (32,306,261) | (37,202,380) |
| Proceeds from Certificates of Participation (COP) | - | 85,960 |
| Principal paid on capital debt and leases | (9,979,171) | (8,341,603) |
| Interest paid on capital debt and leases | (4,443,143) | (4,566,768) |
| Net cash used by capital financing activities | (16,077,720) | (18,226,374) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sales and maturities of investments | 115,187,584 | 78,108,529 |
| Interest on investments | 14,636,100 | 6,675,516 |
| Purchase of investments | (66,695,440) | (156,740,128) |
| Net cash provided (used) by investing activities | 63,128,244 | (71,956,083) |
| Net increase in cash | 67,341,854 | (51,083,539) |
| Cash, beginning of year | 75,580,941 | 126,664,480 |
| Cash, end of year | \$ 142,922,795 | \$ 75,580,941 |

Statements of Cash Flows (Continued)

For the Years Ended June 30, 2024 and 2023

| | 2024 | 2023 |
|--|------------------------|------------------------|
| Reconciliation of operating loss to net cash used by operating activities | | |
| Operating loss | \$ (93,468,734) | \$ (84,484,587) |
| Adjustments to reconcile net loss to net cash used by operating activities: | | |
| Depreciation and amortization expense | 23,436,134 | 22,597,346 |
| Changes in assets and liabilities: | | |
| Receivables, net | 5,479,401 | 7,679,512 |
| Inventories | 252,705 | (13,553) |
| Other assets | (1,258,576) | (196,206) |
| Accounts payable | (2,136,701) | 2,267,090 |
| Unearned revenue | (3,065,093) | 218,859 |
| Deposits held for others | 82,188 | (46,927) |
| Compensated absences and other | 63,927 | 79,248 |
| Retirement liabilities and OPEB | (9,566,524) | (7,970,681) |
| Loans to students | 457,527 | 525,463 |
| Net cash used by operating activities | <u>\$ (79,723,746)</u> | <u>\$ (59,344,436)</u> |
| Noncash Transactions | | |
| Gifts of capital equipment | - | 40,000 |
| Loss on demolition and disposal of capital assets | (1,608,074) | (1,141,209) |

Statements of Financial Position - Component Unit (Foundation)

June 30, 2024 and 2023

| | 2024 | 2023 |
|---|----------------------|----------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 7,506,818 | \$ 7,360,261 |
| Certificates of deposit | 5,279,470 | 5,064,561 |
| Promises to give, net | 6,422,845 | 8,491,891 |
| Property and equipment, net | 250,619 | 254,273 |
| Assets held under split interest agreements | 608,364 | 655,797 |
| Beneficial interest in charitable trusts held by others | - | 449,737 |
| Beneficial interest in perpetual trusts | 2,331,761 | 2,187,971 |
| Investments | 39,996,391 | 31,751,270 |
| Total assets | <u>\$ 62,396,268</u> | <u>\$ 56,215,761</u> |
| LIABILITIES AND NET ASSETS | | |
| Accounts payable | \$ 503,177 | \$ 113,140 |
| Program support payable | 3,000,000 | 3,500,000 |
| Liabilities under split interest agreements | 447,737 | 422,969 |
| Total liabilities | <u>3,950,914</u> | <u>4,036,109</u> |
| NET ASSETS | | |
| Without donor restriction | | |
| Undesignated | 2,759,348 | 1,042,968 |
| Designated by the Board for endowment | 187,462 | 140,033 |
| | <u>2,946,810</u> | <u>1,183,001</u> |
| With donor restriction | 55,498,544 | 50,996,651 |
| Total net assets | <u>58,445,354</u> | <u>52,179,652</u> |
| Total liabilities and net assets | <u>\$ 62,396,268</u> | <u>\$ 56,215,761</u> |

Statements of Activities – Component Unit (Foundation)

For the Years Ended June 30, 2024 and 2023

| | FY 2024 | | | FY 2023 | | |
|---|-------------------------------|----------------------------|---------------|-------------------------------|----------------------------|---------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| REVENUES, GAINS, AND SUPPORT | | | | | | |
| Contributions | \$ 77,513 | \$ 5,601,456 | \$ 5,678,969 | \$ 55,053 | \$ 5,345,016 | \$ 5,400,069 |
| In-kind contributions | - | 921,902 | 921,902 | - | 346,197 | 346,197 |
| Net investment return | 411,029 | 3,887,038 | 4,298,067 | 148,945 | 2,929,265 | 3,078,210 |
| Marketing revenue | - | 397,813 | 397,813 | - | 606,741 | 606,741 |
| Gross special events revenue | - | 246,242 | 246,242 | - | 105,812 | 105,812 |
| Less cost of special events | - | (45,489) | (45,489) | - | (75,852) | (75,852) |
| Net special events revenue | - | 200,753 | 200,753 | - | 29,960 | 29,960 |
| Other | 13,000 | 11,870 | 24,870 | 901 | 41,111 | 42,012 |
| Support provided by Eastern Washington University | 2,211,226 | - | 2,211,226 | 2,030,573 | - | 2,030,573 |
| Change in value of split-interest agreements held by the Foundation | - | 104,097 | 104,097 | - | 83,983 | 83,983 |
| Distributions from and change in value of beneficial interests in assets held by others | - | 66,473 | 66,473 | - | 83,642 | 83,642 |
| Net assets released from restrictions | 6,689,509 | (6,689,509) | - | 5,408,351 | (5,408,351) | - |
| Total revenue, support, and gains | 9,402,277 | 4,501,893 | 13,904,170 | 7,643,823 | 4,057,564 | 11,701,387 |
| EXPENSES | | | | | | |
| Program services expense | 4,473,786 | - | 4,473,786 | 4,728,894 | - | 4,728,894 |
| Support services expense | | | | | | |
| Management and general | 1,725,453 | - | 1,725,453 | 1,235,136 | - | 1,235,136 |
| Fundraising and development | 1,439,229 | - | 1,439,229 | 1,459,512 | - | 1,459,512 |
| Total supporting services expenses | 3,164,682 | - | 3,164,682 | 2,694,648 | - | 2,694,648 |
| Total expenses | 7,638,468 | - | 7,638,468 | 7,423,542 | - | 7,423,542 |
| CHANGE IN NET ASSETS | 1,763,809 | 4,501,893 | 6,265,702 | 220,281 | 4,057,564 | 4,277,845 |
| NET ASSETS, Beginning of Year | 1,183,001 | 50,996,651 | 52,179,652 | 962,720 | 46,939,087 | 47,901,807 |
| NET ASSETS, End of Year | \$ 2,946,810 | \$ 55,498,544 | \$ 58,445,354 | \$ 1,183,001 | \$ 50,996,651 | \$ 52,179,652 |

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Financial Reporting Entity

Eastern Washington University, an agency of the State of Washington, is governed by an eight-member Board of Trustees that are appointed by the Governor and confirmed by the state senate. The University’s financial activity is included in the general purpose financial statements of the State of Washington.

The Eastern Washington University Foundation (Foundation) is established as a tax exempt, nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. The Foundation’s 35 member board consists of graduates and friends of the University. The University has an agreement with the Foundation to design and implement such programs and procedures to persuade continuous and philanthropic support for the benefit of the University. In exchange, the University provides the Foundation with partial office space, furniture and equipment, supplies, and staff to operate the Foundation. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests is restricted to activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by or for the benefit of the University, the Foundation is considered a legally separate component unit of the University and is discretely presented in the University’s financial statements. The Foundation’s financial statements include assets and earnings of other unrelated entities; these amounts are not material to the Foundation’s financial position taken as a whole. For the fiscal years ended June 30, the net distribution from the Foundation to the University for restricted and unrestricted purposes which includes both student scholarships and program support follows:

| <u>Fiscal Year</u> | <u>Net Distribution</u> |
|--------------------|-------------------------|
| 2024 | \$ 4,594,609 |
| 2023 | \$ 4,631,179 |

Intra-entity transactions and balances between the University and Foundation are not eliminated for financial statement presentation. Complete financial statements for the Foundation can be obtained from the Foundation’s administrative office located at 102 Hargreaves Hall, Cheney, WA 99004.

Basis of Accounting

The financial statements of the University are presented in accordance with accounting principles generally accepted in the United States of America. The University reports as a special purpose government engaged in business-type activity as defined by Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements—and Management’s Discussion and Analysis—for Public Colleges and Universities*, as amended. Accordingly, the University’s financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The flow of economic resources focus considers all of the assets available to the University for the purpose of providing goods and services. Under this focus, all assets and liabilities, both current and long-term, are recorded and depreciation is recorded as a charge to operations. The accrual basis of accounting recognizes revenues in the period in which they are earned and become measurable; expenses are recorded in the period incurred, if measurable. All significant intra-agency transactions have been eliminated, which includes intra-agency payables and receivables as well as interdepartmental receipts and expenses.

In accordance with GASBS No. 39, the Foundation is considered a legally separate component unit of the University. As a non-governmental component unit, the Foundation follows applicable non-profit reporting and

disclosure standards. Revenue recognition principles for these financial accounting standards may differ from those which apply to the University; results have not been restated.

Operating Activities

The University's policy for defining operating activities as reported in the Statement of Revenues, Expenses, and Changes in Net Position is to include those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Primarily, operating activities involve delivery of higher education courses and supporting services such as residential housing and dining which incur expenses for salaries, benefits, supplies and materials, and scholarships. Payments for these services include tuition and related fees, plus sales from supporting services. Other revenue sources include federal, state and local grants and contracts. As prescribed by GASBS No. 35, certain significant revenue streams relied upon for operations are recorded as non-operating revenues, including state appropriations, gifts and investment income. Therefore, it is expected that operating expenses will generally exceed operating revenues resulting in a net operating loss.

Inventories

Inventories are carried at cost (generally determined on the first-in, first-out method) which is not in excess of market.

Cash Equivalents

Cash equivalents are considered to be highly liquid investments with an original maturity of 90 days or less. Funds invested through the State Treasurer's Local Government Investment Pool are reported as cash equivalents.

Tax Exemption

The University is a tax-exempt organization under the provisions of Section 115(a) of the Internal Revenue Code and is exempt from federal income taxes on related income.

State Appropriations

The State of Washington appropriates funds to the University on both an annual and biennial basis. Appropriations are recognized as revenue when the related expenses are incurred.

Unearned Revenues

The balance of unearned revenue represents amounts for which the asset recognition criteria have been met, but for which the earnings process is not complete. Summer quarter tuition and certain unspent portions of federal Higher Education Emergency Relief Fund (HEERF) monies are shown as unearned revenue and represent the majority of the balance shown on the Statements of Net Position.

Capital Assets

Capital assets are stated at cost, or if acquired by gift, at estimated acquisition value at the date of the gift, less depreciation. The capitalization threshold is \$100,000 or greater for infrastructure, buildings and building improvements and \$5,000 or greater for all other capital assets such as equipment. All purchased land is capitalized regardless of cost. Generally, the useful life of capital assets is 50 years for buildings, five to 50 years for infrastructure and improvements other than buildings, 20 years for library books, and four to seven years for equipment. Depreciation of capitalized assets, excluding inexhaustible assets such as land, is provided on a straight-line basis over the estimated useful lives of the respective assets.

Leases and Subscription Based Arrangements

Lease and subscription assets represent the University's right to use an underlying asset for a term in an exchange or exchange-like transaction. Related assets are recognized at the commencement date based on the initial measurement of the lease or subscription liability, and amortized on a straight line basis over the term established

in the contract. Lease or subscription liabilities represent the University's obligation to make payments, and are recognized at the commencement date based on the present value of lease payments over the term, as specified in the contract. Interest expense is recognized throughout the term of the arrangement. Lease receivables represent the arrangements in which the University, as lessor, receives payments over the lease term as specified in the contract. Receivables are recognized at the commencement date and based on the present value of expected lease payments. Interest revenue is recognized throughout the term of the lease.

Accrued Leave

Accrued annual and sick leave are categorized as non-current liabilities under the assumption that employees are using most of the leave they are earning. Compensatory time is required to be used or cashed out at year end.

Charitable Gift Annuities

Under RCW 28B.10.485 the University may issue charitable gift annuity contracts in return for a gift of assets to the institution. In turn, the University agrees to pay a fixed amount of money to one or two beneficiaries for their lifetime. The assets received are recognized at fair value. The annuity payable is based upon the present value of the expected payments to the named recipients under the agreements using actuarial tables for life expectancies.

Use of Estimates

Allowances for uncollectible accounts (Note 3) are estimates based on aging and historical collection of student loans and accounts receivable. Actual results could differ from those estimates; however, the University believes these allowances are adequate.

The University's share of retirement and other postemployment benefit plan assets, liabilities and related items are estimates derived from actuarial valuations using assumptions and historical information.

Net Position

The University's net position is classified as follows:

Net investment in capital assets: The University's investments in capital assets, less accumulated depreciation, net of outstanding debt obligations that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position:

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Non-expendable: Net position subject to externally-imposed requirements that they be maintained permanently by the University, including permanent endowments and charitable gift annuity funds.

Expendable: Net position which the University is obligated to spend in accordance with restrictions imposed by external parties. Included in this balance is the net pension asset for certain retirement plans administered by Department of Retirement Systems.

Unrestricted net position: Net position not subject to externally imposed restrictions, but which may be designated for specific purposes by management, or the Board of Trustees. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Deferred Pay

Eastern Washington University offers an optional 12 month, 24-payment plan to eligible faculty. The Faculty Twelve Month Pay Option Plan provides a method for faculty to spread their academic year salary over 12 months. The payroll deductions are based on amount paid rather than amount earned. For example, federal withholding, retirement contributions, FICA taxes are calculated on the amount paid. The plan is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended. Accrued earnings and benefits at June 30, 2024 were \$4,563,393 and \$784,306. Accrued earnings and benefits at June 30, 2023 were \$4,591,002 and \$840,153, respectively.

The University invests in a deferred compensation type 457 plan for certain employees. These funds are held until fully vested. See note 2 for more information.

Accounting Changes and Error Corrections

The University implemented GASB Statement No. 100, “*Accounting Changes and Error Corrections*” for the year ending June 30, 2024. This statement defines accounting changes and prescribes the accounting and financial reporting, and disclosure requirements for each type. The implementation did not have a material impact on the University’s financial statements.

The University implemented GASB Statement No. 96, “*Subscription Based Information Technology Arrangements*” for the year ending June 30, 2023. This statement changed the accounting and financial reporting for subscription type contracts conveying the right to use underlying information technology software in an exchange or exchange-like transaction for a term exceeding 12 months, resulting in the recognition of a right to use subscription asset and related subscription liability. This statement was applied retroactively as of July 1, 2021.

Note 2: Deposits and Investments

Deposits are comprised of cash and cash equivalents which include bank demand deposits, petty cash and change funds held at the University, and unit shares in the Local Government Investment Pool operated by the Washington State Treasurer. Cash and cash equivalents are stated at cost or amortized cost. Except for petty cash and change funds held at the University, all other deposits are covered by at least one of the following: (1) Federal Deposit Insurance Corporation (FDIC), (2) National Credit Union Administration (NCUA), (3) collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC), or (4) Securities Investor Protection Corporation (SIPC). Pledged securities under the PDPC collateral pool are held by the PDPC’s agent in the name of the collateral pool. At fiscal yearend, insured/collateralized deposits consist of the following:

| | Carrying Value | |
|---------------------------|----------------|---------------|
| | June 30, 2024 | June 30, 2023 |
| <u>Deposits</u> | | |
| Cash and cash equivalents | | |
| Interest bearing | \$ 142,791,320 | \$ 75,454,502 |
| Other | 131,475 | 126,439 |
| Total deposits | \$ 142,922,795 | \$ 75,580,941 |

The following two tables show investment maturities at June 30.

| | Fair value June 30, 2024 | Investment maturities for fixed income securities (in months) | | | |
|--|-----------------------------|---|---------------|---------------|--------------|
| | | 0 – 9 | 10 – 24 | 25 – 60 | 61 – 120 |
| <u>Investments – Operating Funds</u> | | | | | |
| U.S. Government Treasurys | \$ 76,167,880 | \$ 13,832,560 | \$ 23,399,220 | \$ 38,936,100 | \$ - |
| <u>Investments – Charitable Gift Annuities</u> | | | | | |
| Investment unit trusts | | | | | |
| Equity fund | 713,511 | | | | |
| Bond fund | 303,358 | | | | 303,358 |
| <u>Investments – Endowment Funds</u> | | | | | |
| Investment unit trusts | | | | | |
| Equities | 6,944,144 | | | | |
| Fixed Income | 3,124,602 | | | | 3,124,602 |
| Real Estate | 321,807 | | | | |
| Cash and Cash Equivalents | 414,775 | | | | |
| Total investments | \$ 87,990,077 | \$ 13,832,560 | \$ 23,399,220 | \$ 38,936,100 | \$ 3,427,960 |

| | Fair value June 30, 2023 | Investment maturities for fixed income securities (in months) | | | |
|--|-----------------------------|---|--------------|--------------|--------------|
| | | 0 – 9 | 10 – 24 | 25 – 60 | 61 – 120 |
| <u>Investments – Operating Funds</u> | | | | | |
| U.S. Government Treasurys | \$ 125,821,760 | \$ 116,696,360 | \$ 4,575,600 | \$ 4,549,800 | \$ - |
| <u>Investments – Charitable Gift Annuities</u> | | | | | |
| Investment unit trusts | | | | | |
| Equity fund | 588,694 | | | | |
| Bond fund | 294,599 | | | | 294,599 |
| <u>Investments – Endowment Funds</u> | | | | | |
| Investment unit trusts | | | | | |
| Equities | 5,852,014 | | | | |
| Fixed Income | 3,198,244 | | | | 3,198,244 |
| Real Estate | 528,941 | | | | |
| Cash and Cash Equivalents | 372,072 | | | | |
| Total investments | \$ 136,656,324 | \$ 116,696,360 | \$ 4,575,600 | \$ 4,549,800 | \$ 3,492,843 |

At June 30, 2024 and 2023, the net appreciation on investments of donor-restricted endowments that is available for expenditure authorization is \$5,376,910 and \$4,546,871, respectively, which is reported as restricted, expendable on the Statement of Net Position. RCW 24.55.025 of the Washington State Code allows for the spending of net appreciation on investments of donor-restricted endowments. Accordingly, the University's income distribution policy is 3-5 percent of the three year moving average of the fair value of net assets. The fixed income investments in the endowment portfolio are held as shares in pooled investments that are comprised of many underlying securities including debt instruments with varied maturity dates. These funds have weighted average maturities ranging from 3.48 years to 9.37 years.

At June 30, 2024 the University invests its donor-restricted endowment funds using a portfolio management firm which is reflected in the disclosure of investments above. The portfolio management firm is also an advisor that acts with fiduciary responsibility.

Through its investment policies for operating funds, the University manages its exposure to custodial credit risk, credit (quality) risk, interest rate risk, concentration of credit risk, and foreign currency risk. Eligible investments are only those securities and deposits authorized by state statute RCW 39 and 43.

Custodial Credit Risk

Investments, where evidenced by specific, identifiable securities, are insured or registered or are held by the University's custodian bank in the University's name. All securities transactions are conducted on a delivery-versus-payment basis. Cash equivalents held in the Local Government Investment Pool are represented by shares in investment unit trusts (pools) rather than specific, identifiable securities and, as such, are not directly subject to custodial credit risk.

Credit (Quality) Risk

Credit risk exists when there is a possibility that the issuer or other counterparty to an investment may be unable to fulfill its obligations. For operating funds, the University limits exposure to credit risk by limiting investments in fixed income securities to obligations of the U.S. government or similar instruments explicitly guaranteed by the U.S. government which are not considered to have credit risk. Underlying debt securities in unitized investments had an average rating of A+ at year end.

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's value. The University manages its operating portfolio's exposure to fair value losses resulting from changes in interest rates by limiting the portfolio's weighted average maturity to 3 years and by investing in the Washington State Local Government Investment Pool. Unless matched to a specific cash flow, the University generally will not directly invest operating funds in securities maturing more than five years from the date of purchase. The goal of the overall portfolio for operating funds is to balance cash flow requirements, safety, liquidity and yield. The University manages interest rate risk for its endowment portfolio by imposing limitations on the holding percentage of an investment type or category.

| Asset Class | Benchmark | Policy Level Normal | Ranges |
|-------------------------------------|----------------------------------|---------------------|--------|
| Equity | | | |
| Global Developed Equity | Russell 1000 Index | 43.0% | 34-52% |
| | MSCI World ex US (NR) | 21.0% | 13-29% |
| Fixed Income | | | |
| U.S. Corporate and Government | BC U.S. Aggregate Bond Index | 21.0% | 11-31% |
| High Yield | BB Barclays U.S. Corp HY 2% Cap | 7.5% | 2-13% |
| Inflation-Linked | IBOXX 3 Yr. Target Duration TIPS | 2.0% | 0-8% |
| | | 30.5% | 20-41% |
| Real Assets | | | |
| Global Real Estate & Infrastructure | MSCI ACWI IMI Core RE (NR) | 4.5% | 0-10% |
| | | 4.5% | 0-10% |
| Cash | | | |
| | 90 Day T-Bill | 1.0% | 0-15% |
| | | 100.0% | |

Concentration of Credit Risk

This type of risk relates to the increased risk of loss when investments have a significant concentration in a single issuer (i.e. lack of diversification). The University's investment policy for operating funds limits its exposure to concentration of credit risk by limiting the percentage of the portfolio that can be invested in specific investment types and categories. Operating funds are invested only in securities issued by or explicitly guaranteed by the U.S. government or those covered by the FDIC or by collateral held in a multiple financial institution collateral pool.

| | |
|---|--|
| Local Government Investment Pool (LGIP) administered by the Washington State Treasurer's Office pursuant to RCW 43.250 | No Limit |
| Separately Managed Account (SMA) administered by the Washington State Treasurer's Office pursuant to RCW 43.250 provided it holds only those securities authorized by statute | No Limit (other than WAM) |
| Securities of the United States government | No Limit |
| Securities of the United States agencies or of any corporation wholly owned by the government of the United States | No Limit |
| General obligation bonds of any state or local government | No Limit |
| Federal home loan bank notes and bonds, federal land bank bonds, federal national mortgage association notes, debentures, and guaranteed certificates of participation | No Limit |
| Utility revenue bonds or warrants of any city or town in the State of Washington, or of the local improvement district | No Limit |
| Repurchase agreements, collateralized (only securities authorized in statute for the investment of public funds will be accepted as collateral) | 25% of Portfolio Restricted to EWU's bank of record, with a maximum term of 30 days |
| Securities of supranational institutions provided that the institution has the United States government as its largest shareholder at the time of investment | 25% of Portfolio |
| Bankers' acceptances purchased on the secondary market | 25% of Portfolio |
| Commercial paper and corporate notes purchased on the secondary market | 25% of Portfolio |

Foreign Currency Risk

Foreign currency risk involves the possibility that changes in exchange rates could have an adverse effect on an investment's value for investments denominated in foreign currencies. A small percentage of underlying securities within unitized investments may be denominated in foreign currency. Any adverse effect on the fair value of investments resulting from changes to exchange rates is not considered to be significant to the portfolio as a whole.

Fair Value Hierarchy

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. As defined by GASB Statement No. 72, securities classified as Level 1 in the fair value hierarchy are valued using prices quoted in active markets for identical securities, Level 2 securities are valued using observable inputs, and Level 3 securities are valued using unobservable inputs. U.S. Governmental Treasuries classified in Level 2 are valued using quoted prices for similar securities and interest rates. The level of fair value measurement is based on the lowest level of significant input for the security type in its entirety.

The University has the following recurring fair value measurements as of June 30, 2024:

- U.S. Government Treasuries of \$76,167,880 are valued using Level 2 inputs published by the University's custodian bank using daily FTID Institutional Bond Quotes with supplementary asset valuation data from Bloomberg, Pricing Direct, and Thomson Reuters.

Note 3: Accounts and Student Loans Receivable

Accounts and student loans receivable at June 30 consist of the following:

| | 2024 | 2023 |
|---|----------------------|----------------------|
| Accounts receivable | | |
| Student tuition and fees (less allowances of \$649,817 and \$443,029, respectively) | \$ 7,946,494 | \$ 11,362,616 |
| Auxiliary enterprises (less allowances of \$415,702 and \$257,878, respectively) | 3,486,727 | 3,172,657 |
| Contracts and grants | 6,115,710 | 8,602,133 |
| State reimbursement | 3,836,796 | 5,539,331 |
| Other (less allowances of \$4,891 and \$4,891, respectively) | 480,044 | 370,970 |
| Total accounts receivable | <u>\$ 21,865,771</u> | <u>\$ 29,047,707</u> |
| Student loans receivable | | |
| Federal programs (less allowances of \$123,085 and \$208,130, respectively) | <u>\$ 425,379</u> | <u>\$ 882,906</u> |

Note 4: Deposit with State of Washington

The Normal School Permanent Fund, established under RCW 43.79.160, is a permanent endowment fund that derives its corpus from the sale of state lands/timber. The investing activities are handled by the Washington State Treasurer's Office, while the sale of land/timber is handled by the State Department of Natural Resources. Interest earned from the investments are either reinvested or used exclusively for the benefit of Eastern Washington University, Central Washington University, Western Washington University and The Evergreen State College. The balance of the fund represents the University's share of the net earnings and tuition distributions, reduced by expenses for capital projects and debt service incurred over the years.

Note 5: Compensated Absences

Vacation leave represents a liability to the University and is recorded and reported accordingly. Accumulated sick leave earned and unused, calculated at 25 percent of unused balance, represents a probable liability to the University and is recorded and reported accordingly. The employee is entitled to either the present value of 25 percent of his/her unused sick leave balance upon retirement or 25 percent of his/her accumulation for the year in which it exceeds 480 hours. Accrued compensatory time represents a liability to the University, but is expected to be used or cashed out by fiscal year end and therefore does not represent a liability at June 30.

| | 2024 | 2023 |
|----------|--------------|--------------|
| Vacation | \$ 7,050,399 | \$ 7,083,923 |
| Sick | \$ 1,923,147 | \$ 1,825,233 |

Note 6: Risk Management

The University participates in a State of Washington risk management self-insurance program. Premiums are based on actuarially-determined projections and include allowances for payments of both outstanding and current liabilities. The University assumes its potential liability and property losses for all properties except for auxiliary enterprise buildings and contents. Certain auxiliary enterprise buildings were acquired with the proceeds of bond issues where the bond agreement requires the University to carry insurance on property. The University has elected to become a self-insurer of unemployment compensation and maintains a reserve to cover the ultimate cost arising from the settlement of these claims. The reserve includes amounts required for the future payments of claims that have been both reported and incurred. Changes in the self-insurance reserve for the years ended June 30 are shown below:

| | 2024 | 2023 |
|-------------------------------|----------------------------|----------------------------|
| Reserve at beginning of year | \$ 2,543,821 | \$ 2,526,148 |
| Provision for incurred claims | 124,940 | 111,652 |
| Claims paid | 110,863 | 93,979 |
| Reserve at end of year | <u>\$ 2,557,898</u> | <u>\$ 2,543,821</u> |

Note 7: Capital Assets

During FY24 and FY23, construction continued on the renovation of the science building, accounting for most of the increase in construction in progress.

| | June 30, 2022 | Additions | Retirements | June 30, 2023 | Additions | Retirements | June 30, 2024 |
|--|-----------------------|----------------------|---------------------|-----------------------|----------------------|---------------------|-----------------------|
| Non-depreciable Capital Assets | | | | | | | |
| Land | \$ 1,764,834 | \$ - | \$ - | \$ 1,764,834 | \$ - | \$ - | \$ 1,764,834 |
| Construction in progress | 19,577,315 | 33,876,003 | 550,029 | 52,903,289 | 28,111,452 | 3,846,458 | 77,168,283 |
| Subtotal | 21,342,149 | 33,876,003 | 550,029 | 54,668,123 | 28,111,452 | 3,846,458 | 78,933,117 |
| Depreciable Capital Assets | | | | | | | |
| Buildings | 495,090,806 | 550,029 | - | 495,640,835 | 3,945,187 | - | 499,586,022 |
| Improvements other than buildings | 18,925,145 | - | - | 18,925,145 | - | - | 18,925,145 |
| Infrastructure | 51,684,385 | - | - | 51,684,385 | - | - | 51,684,385 |
| Furniture, fixtures and equipment | 47,511,941 | 2,400,195 | 1,052,607 | 48,859,529 | 2,937,337 | 911,790 | 50,885,076 |
| Library materials | 23,763,596 | 966,185 | 5,946,641 | 18,783,137 | 981,777 | 4,159,171 | 15,605,743 |
| Subtotal | 636,975,873 | 3,916,409 | 6,999,248 | 633,893,031 | 7,864,301 | 5,070,961 | 636,686,371 |
| Total Capital Assets | 658,318,022 | 37,792,412 | 7,549,277 | 688,561,154 | 35,975,753 | 8,917,419 | 715,619,488 |
| Less Accumulated Depreciation | | | | | | | |
| Buildings | 163,637,058 | 9,795,258 | - | 173,432,316 | 9,960,446 | - | 183,392,762 |
| Improvements other than buildings | 10,351,570 | 490,447 | - | 10,842,017 | 490,878 | - | 11,332,895 |
| Infrastructure | 29,960,567 | 1,286,287 | - | 31,246,854 | 1,279,092 | - | 32,525,946 |
| Furniture, fixtures and equipment | 37,786,245 | 1,986,044 | 1,043,838 | 38,728,450 | 2,212,040 | 883,297 | 40,057,192 |
| Library materials | 10,714,786 | 957,516 | 4,814,201 | 6,858,100 | 735,816 | 2,579,589 | 5,014,327 |
| Total Accumulated Depreciation | 252,450,226 | 14,515,552 | 5,858,039 | 261,107,737 | 14,678,272 | 3,462,886 | 272,323,122 |
| Capital assets, net of depreciation | <u>\$ 405,867,796</u> | <u>\$ 23,276,860</u> | <u>\$ 1,691,238</u> | <u>\$ 427,453,417</u> | <u>\$ 21,297,481</u> | <u>\$ 5,454,533</u> | <u>\$ 443,296,366</u> |

Note 8: Bonds Payable, Certificates of Participation, Leases and Other Liabilities

Activity for certain long-term liabilities for the years ended June 30 is summarized in the following two tables:

| | 2023 | Additions | Reductions | 2024 | Current Portion |
|--|-----------------------|---------------------|----------------------|-----------------------|----------------------|
| Leases and Bonds Payable | | | | | |
| Certificates of Participation (Note 9) | \$ 3,732,683 | \$ - | \$ 399,813 | \$ 3,332,870 | \$ 417,023 |
| Leases (Note 9) | 99,665,697 | 619,864 | 4,499,302 | 95,786,259 | 4,651,932 |
| Subscription arrangements (Note 9) | 4,518,459 | 3,058,684 | 2,396,657 | 5,180,486 | 2,121,384 |
| Revenue bonds payable (Note 10) | 69,210,000 | - | 2,470,000 | 66,740,000 | 2,590,000 |
| Unamortized premium | 2,768,806 | - | 213,399 | 2,555,407 | 213,399 |
| Total leases and bonds payable | 179,895,645 | 3,678,548 | 9,979,171 | 173,595,022 | 9,993,738 |
| Other liabilities | | | | | |
| Charitable gift annuities (Note 1) | 11,113 | 4,894 | 5,357 | 10,650 | 1,040 |
| Compensated absences (Note 5) | 8,909,156 | 6,023,394 | 5,959,004 | 8,973,546 | - |
| Perkins program termination | 1,033,270 | - | 444,996 | 588,274 | 231,095 |
| Total | \$ 189,849,184 | \$ 9,706,836 | \$ 16,388,528 | \$ 183,167,492 | \$ 10,225,873 |

| | 2022 | Additions | Reductions | 2023 | Current Portion |
|--|-----------------------|----------------------|----------------------|-----------------------|---------------------|
| Leases and Bonds Payable | | | | | |
| Certificates of Participation (Note 9) | \$ 4,307,667 | \$ - | \$ 574,984 | \$ 3,732,683 | \$ 399,813 |
| Leases (Note 9) | 88,168,046 | 14,852,948 | 3,355,297 | 99,665,697 | 4,406,793 |
| Subscription arrangements (Note 9) | 6,071,725 | 260,012 | 1,813,278 | 4,518,459 | 1,498,152 |
| Revenue bonds payable (Note 10) | 71,575,000 | - | 2,365,000 | 69,210,000 | 2,470,000 |
| Unamortized premium | 3,001,850 | - | 233,044 | 2,768,806 | 213,399 |
| Total leases and bonds payable | 173,124,288 | 15,112,960 | 8,341,603 | 179,895,645 | 8,988,157 |
| Other liabilities | | | | | |
| Charitable gift annuities (Note 1) | 11,552 | 6,613 | 7,052 | 11,113 | 1,040 |
| Compensated absences (Note 5) | 8,829,469 | 5,626,918 | 5,547,231 | 8,909,156 | - |
| Perkins program termination | 1,602,722 | - | 569,452 | 1,033,270 | 291,920 |
| Total | \$ 183,568,031 | \$ 20,746,491 | \$ 14,465,338 | \$ 189,849,184 | \$ 9,281,117 |

Note 9: Lease and Subscription ArrangementsCertificates of Participation

During the year ended June 30, 2021, the University entered into financing contracts with the Office of the State Treasurer (OST) via a nominal lessor in order to issue securities called Certificates of Participation (COP). COP securities are structured with regular principal and interest payments and sold to investors, which benefit from a guaranteed income stream similar to bonds. Agencies participating in the COP program benefit from low interest rates and a cost effective way to finance equipment and real estate. Total COP proceeds received by the University for FY21 were used to finance equipment for the new Catalyst building and various roofing replacement projects.

Right to Use Leases – Lessee Arrangements

The University leases facilities and computer equipment under a variety of long term, noncancelable agreements. These leases expire at various dates through fiscal year 2042 and provide for various renewal options. In accordance with GASB Statement No. 87, the University records right to use assets and lease liabilities based on the present value of expected payments over the lease terms. The expected payments are discounted using the University's incremental borrowing rate. The University did not recognize any variable payments or residual value guarantees as outflows of resources during fiscal years 2024 or 2023.

The University entered into a facility lease with Great Northern Spokane, LLC for classroom and office space in downtown Spokane, with a lease term beginning August 1, 2022. The noncancellable period is 12 years and total undiscounted lease payments are \$16.7 million. The University's right to use lease asset and related accumulated amortization for fiscal years ended June 30 are as follows.

| | 2022 | Additions | Retirements | 2023 | Additions | Retirements | 2024 |
|--|---------------------|--------------------|-------------|---------------------|----------------------|-------------|---------------------|
| Right to Use Lease Assets | | | | | | | |
| Buildings | \$98,245,668 | \$14,532,788 | \$6,276,560 | \$106,501,896 | \$378,289 | \$836,722 | \$106,043,464 |
| Equipment | 1,191,341 | 320,160 | 183,327 | 1,328,174 | 402,673 | 410,384 | 1,320,463 |
| Total Right to Use Lease Assets | 99,437,009 | 14,852,948 | 6,459,887 | 107,830,070 | 780,962 | 1,247,106 | 107,363,926 |
| Less Accumulated Amortization | | | | | | | |
| Buildings | 15,998,309 | 5,910,411 | 6,276,560 | 15,632,161 | 6,023,463 | 836,722 | 20,818,902 |
| Equipment | 475,602 | 331,722 | 183,327 | 623,997 | 401,864 | 410,384 | 615,477 |
| Total Accumulated Amortization | 16,473,911 | 6,242,133 | 6,459,887 | 16,256,158 | 6,425,327 | 1,247,106 | 21,434,379 |
| Right to Use Lease Assets, Net | \$82,963,098 | \$8,610,815 | \$ - | \$91,573,912 | \$(5,644,365) | \$- | \$85,929,547 |

Future annual lease payments under lessee agreements as of June 30, 2024 are as follows:

| Fiscal Year Annual Payment | Principal | Interest | Total |
|----------------------------|----------------------|----------------------|-----------------------|
| 2025 | \$ 4,651,932 | \$ 1,988,582 | \$ 6,640,515 |
| 2026 | 4,802,971 | 1,887,793 | 6,690,764 |
| 2027 | 4,987,365 | 1,782,480 | 6,769,845 |
| 2028 | 5,200,696 | 1,672,647 | 6,873,343 |
| 2029 | 5,483,015 | 1,559,399 | 7,042,414 |
| 2030-2034 | 32,397,123 | 5,872,253 | 38,269,376 |
| 2035-2039 | 32,640,940 | 2,419,482 | 35,060,423 |
| 2040-2042 | 5,622,216 | 49,728 | 5,671,944 |
| Total | \$ 95,786,259 | \$ 17,232,364 | \$ 113,018,624 |

Right to Use Leases – Lessor Arrangements

The University leases building space and equipment to external parties, with expiration dates through fiscal year 2034. The University records lease receivables and deferred inflows of resources based on the present value of receipts over the lease term. The expected receipts are discounted using the University's incremental borrowing rate. The University recognized revenues related to lease agreements totaling \$24,070 and \$9,054, in the years ending June 30, 2024 and 2023, respectively. Future minimum lease payments to be received under these arrangements are as follows:

| Fiscal Year Annual Payment | Principal | Interest | Total |
|----------------------------|-------------------|------------------|-------------------|
| 2025 | \$ 21,508 | \$ 5,611 | \$ 27,119 |
| 2026 | 22,390 | 4,935 | 27,325 |
| 2027 | 21,680 | 4,229 | 25,909 |
| 2028 | 17,676 | 3,522 | 21,198 |
| 2029 | 13,923 | 2,877 | 16,800 |
| 2030-2034 | 63,104 | 5,496 | 68,600 |
| Total | \$ 160,281 | \$ 26,670 | \$ 186,951 |

Subscription Based Information Technology Arrangements

The University uses various software under a variety of long term, noncancelable subscription type agreements. These contracts expire at various dates through fiscal year 2029 and may contain certain renewal options. In accordance with GASB Statement No. 96, the University records right to use assets and related subscription liabilities based on the present value of expected payments over the term of the contracts. The expected payments are discounted using the University's incremental borrowing rate. The University did not recognize any variable payments as outflows of resources during fiscal years 2024 or 2023.

The University's subscription assets and related accumulated amortization for fiscal years ended June 30 are as follows.

| | 2022 | Additions | Retirements | 2023 | Additions | Retirements | 2024 |
|--------------------------------------|---------------------|-----------------------|-------------|---------------------|-------------------|-------------|---------------------|
| Subscription Assets | \$ 7,702,010 | \$ 260,012 | \$ - | \$ 7,962,022 | \$ 3,074,553 | \$ 872,161 | \$ 10,164,414 |
| Less Accumulated Amortization | 1,372,908 | 1,839,663 | - | 3,212,571 | 2,332,535 | 872,161 | 4,672,945 |
| Subscription Assets, Net | <u>\$ 6,329,102</u> | <u>\$ (1,579,651)</u> | <u>\$ -</u> | <u>\$ 4,749,451</u> | <u>\$ 742,018</u> | <u>\$ -</u> | <u>\$ 5,491,469</u> |

Future annual subscription payments under subscription agreements as of June 30, 2024 are as follows:

| Fiscal Year Annual Payment | Principal | Interest | Total |
|----------------------------|----------------------------|--------------------------|----------------------------|
| 2025 | \$ 2,121,384 | \$ 88,797 | \$ 2,210,181 |
| 2026 | 1,900,946 | 65,073 | 1,966,019 |
| 2027 | 631,802 | 36,423 | 668,225 |
| 2028 | 526,354 | 16,101 | 542,455 |
| Total | <u>\$ 5,180,486</u> | <u>\$ 206,394</u> | <u>\$ 5,386,880</u> |

Note 10: Bonds Payable

Bonds payable consist of revenue bonds issued by University auxiliary enterprises for capital construction projects as shown below. The Housing and Dining System net revenues and Service and Activities fees paid by each student enrolled are pledged for debt service on the bonds of Eastern Washington University. The Series 2012 and 2016 Revenue and Refunding Bonds are tax-exempt debt with external restrictions as outlined in the bond covenants.

The University issued Services and Activities Fee Refunding Bonds, Series 2016A, on August 30, 2016 and Revenue Bonds, Series 2016B, on October 13, 2016. The Series 2016A bonds bear an interest rate varying from 2 percent to 5 percent and are due serially on October 1 in amounts ranging from \$975,000 to \$1,395,000. The refunding resulted in \$6,158,186 gross debt service savings through 2038 and an economic gain of \$4,745,011. The Series 2016B bonds bear an interest rate varying from 2.625 percent to 5 percent and are due serially on October 1 in amounts from \$885,000 to \$1,930,000. The proceeds of the Series 2016B bonds were used to finance the remodel of the Pence Union Building while the Series 2016A proceeds were used to refinance the remaining principal balance of the Series 2006 bonds.

| | Interest Rate | Maturity Date | Original Balance | Outstanding Balance |
|--|----------------|---------------|-----------------------------|-----------------------------|
| Housing and Dining System Revenue Bonds, Series 2012 | 4.00% - 4.125% | 2025-2042 | \$ 25,330,000 | \$ 18,730,000 |
| Service and Activities Refunding Bonds, Series 2016A | 2.00% - 5.00% | 2025-2037 | 23,465,000 | 16,510,000 |
| Service and Activities Revenue Bonds, Series 2016B | 2.625% - 5.00% | 2025-2046 | 36,175,000 | 31,500,000 |
| Total Revenue Bonds Payable | | | <u>\$ 84,970,000</u> | <u>\$ 66,740,000</u> |

Eastern Washington University debt service requirements for the next five years and thereafter are as follows:

| Fiscal Year | Principal | Interest |
|-------------------------------|----------------------|---------------|
| 2025 | 2,590,000 | 2,219,115 |
| 2026 | 2,720,000 | 2,094,415 |
| 2027 | 2,835,000 | 1,979,790 |
| 2028 | 2,945,000 | 1,876,115 |
| 2029 | 3,040,000 | 1,781,240 |
| 2030-2034 | 16,635,000 | 7,508,789 |
| 2035-2039 | 18,105,000 | 4,682,756 |
| 2040-2044 | 12,270,000 | 1,934,488 |
| 2045-2047 | 5,600,000 | 277,063 |
| Totals | 66,740,000 | \$ 24,353,771 |
| Add: Unamortized bond premium | 1,825,546 | |
| | <u>\$ 68,565,546</u> | |

Note 11: Pledged Revenues

The University has pledged specific revenues, net of certain operating expenses, to repay the principal and interest of revenue and refunding bonds as follows:

| Source of Revenue Pledged | Current Year Revenues Pledged | Current Year Debt Service | Total Future Revenues Pledged | Description of Debt | Purpose of Debt | Term of Commitment |
|---|-------------------------------|---------------------------|-------------------------------|---|--|---------------------------------|
| Service & Activity fee revenue | \$ 7,556,684 | \$ 3,318,821 | \$ 64,348,777 | Service & Activities Fee Revenue and Refunding Bonds – Series 2016A&B | Refund outstanding debt on S&A Revenue/ Refunding Bonds of 2006 and renovation of student union building | 2038 (Refunding) 2047 (Revenue) |
| Housing and Dining revenues net of operating expenses | \$ 5,712,913 | \$ 1,482,950 | \$26,744,994 | Housing and Dining System Revenue Bonds – Series 2012 | Design and construction of a new residence hall | 2042 |

Note 12: Retirement Plans

The University offers four contributory retirement plans. The Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), and the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) are cost-sharing, multi-employer defined benefit plans; PERS and TRS also have a defined contribution component. The Eastern Washington University Retirement Plan (EWURP) is a defined contribution plan with supplemental payment, when required. The University's total payroll (salaries and wages) and covered payroll for each plan for the years ended June 30 is shown below.

| | 2024 | 2023 |
|--------------------------|----------------|----------------|
| Total Salaries and Wages | \$ 116,250,349 | \$ 109,618,816 |
| PERS Covered Payroll | 35,238,698 | 31,911,815 |
| TRS Covered Payroll | 2,593,007 | 1,974,461 |
| LEOFF Covered Payroll | 1,241,093 | 1,157,319 |
| EWURP Covered Payroll | 62,801,481 | 61,641,483 |

General

The University implemented Statement No. 68 of the Governmental Accounting Standards Board (GASB), *Accounting and Financial Reporting for Pensions* in fiscal year 2015. Washington's pension plans were created by statutes rather than through trust documents. With the exception of the supplemental defined benefit

component of the Eastern Washington University Retirement Plan (discussed later), they are administered in a way equivalent to pension trust arrangements as defined by the GASB.

In accordance with Statement No. 68, the University has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities.

The University implemented Statement No. 73 of the GASB, *Accounting and Financial Reporting for Pensions Not within the Scope of GASB Statement No. 68*, for the fiscal year ending 2017. As established in chapter 28B.10 RCW, eligible higher education state employees may participate in higher education retirement plans. The Eastern Washington University Retirement Plan (EWURP) includes a defined contribution plan administered by a third party with a supplemental defined benefit component which is administered by the state. Prior to fiscal year 2021, assets set aside to pay for the supplemental benefit were not held in a qualified trust as defined by GASB. As a result, the University reported a total pension liability. In fiscal year 2021, legislation was adopted to accumulate those assets into an irrevocable trust which offsets the total pension liability, and the resulting liability is reported as net. Additionally, this change required the accounting for the liability to be treated under GASB Statement No. 68. Until fiscal year 2023, the measurement date for reporting the retirement liabilities under the supplemental plan matched the financial statement reporting date. Beginning with fiscal year 2024, the measurement date was changed to a one year lag, consistent with other valuations. This change resulted in liabilities and other deferred items remaining the same for the reporting date of June 30, 2024. More information on the supplemental plan is found later in this note.

Basis of Accounting

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

Department of Retirement Systems

As established in chapter 41.50 of the Revised Code of Washington (RCW), the Department of Retirement Systems (DRS) administers eight retirement systems covering eligible employees of the state and local governments. The Governor appoints the director of the DRS. The DRS administered systems that the University offers its employees are comprised of five defined benefit retirement plans and two defined benefit/defined contribution plans. Below are the DRS plans that the University offers its employees:

Public Employees' Retirement System (PERS)

Plan 1 - defined benefit

Plan 2 - defined benefit

Plan 3 - defined benefit/defined contribution

Teachers' Retirement System (TRS)

Plan 1 - defined benefit

Plan 2 - defined benefit

Plan 3 – defined benefit/defined contribution

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)

Plan 2 - defined benefit

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

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

Public Employees' Retirement System (PERS)

Plan Description - the Legislature established the Public Employees' Retirement System in 1947. PERS retirement benefit provisions are established in chapters 41.34 and 41.40 RCW and may be amended only by the Legislature. Membership in the system includes university employees not participating in other higher education retirement programs.

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

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

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

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

A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the benefit amount is 2 percent of the AFC for each year of service. This is reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC. Plan 1 members may elect to receive an optional COLA amount based on the Consumer Price Index, capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

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

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

Effective June 7, 2006, PERS Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service; or after five years of service, if 12 months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 by June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan. PERS Plan 3 members have the option to retire early with reduced benefits.

Teacher's Retirement System (TRS)

Plan Description - The Legislature established the Teachers' Retirement System in 1938. TRS retirement benefit provisions are established in chapters 41.32 and 41.34 RCW and may be amended only by the Legislature. Eligibility for membership requires service as a certificated public school employee working in an instructional, administrative, or supervisory capacity.

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

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

TRS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) for each year of service credit, up to a maximum of 60 percent. The AFC is the total earnable compensation for the two consecutive highest-paid fiscal years, divided by two. TRS Plan 1 members may elect to receive an optional cost of living allowance (COLA) amount based on the Consumer Price Index, capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

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

The defined benefit portion of TRS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. Plan 3 provides the same COLA as Plan 2. The AFC is the average of the member's 60 highest paid consecutive months.

TRS Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service; or after five years of service, if 12 months of that service are earned after age 44; or after five service credit years earned in TRS Plan 2 by July 1, 1996. Plan 3 members are immediately vested in the defined contribution portion of their plan. TRS Plan 3 members have the option to retire early with reduced benefits.

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)

Plan Description - The Law Enforcement Officers' and Fire Fighters' Retirement System was established in 1970 by the Legislature. LEOFF retirement benefit provisions are established in chapter 41.26 RCW and may be amended only by the Legislature. Membership includes all full-time, fully compensated, local law enforcement

commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians.

LEOFF is a cost-sharing, multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF Plan 1 is closed to new entrants. The University does not contribute to Plan 1.

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

LEOFF Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for retirement at the age of 53 with five years of service, or at age 50 with 20 years of service. Plan 2 members receive a benefit of 2 percent of the FAS per year of service. FAS is based on the highest consecutive 60 months. Members who retire prior to the age of 53 receive reduced benefits. A COLA is granted based on the Consumer Price Index, capped at 3 percent annually.

Actuarial Assumptions

The total pension liability (TPL) for each of the plans was determined using the actuarial assumptions outlined below, and are summarized in the Actuarial Section of DRS' *Comprehensive Annual Financial Report*. The TPL was calculated as of the valuation date and rolled forward to the measurement date.

| | FY2024 | FY2023 |
|---------------------------------|--|--|
| Actuarial valuation date | June 30, 2022 | June 30, 2021 |
| Measurement date | June 30, 2023 | June 30, 2022 |
| Inflation | 2.75% | 2.75% |
| Salary changes | 3.25% | 3.25% |
| Investment rate of return | 7.00% | 7.00% |
| Discount rate | 7.00% | 7.00% |
| Actuarial Cost Method | Entry Age | Entry Age |
| Source of mortality assumptions | Pub T.H-2010 Table | Pub T.H-2010 Table |
| Actuarial assumptions source | 2021 Economic Experience Study | 2021 Economic Experience Study |
| | 2013-2018 Demographic Experience Study | 2013-2018 Demographic Experience Study |

Mortality rates were developed by the Society of Actuaries. The Office of the State Actuary applied age offsets for each system to better tailor the mortality rates to the demographics of each plan. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year, throughout their lifetime.

Actuarial results that OSA provided reflect the following changes in assumptions and methods for the FY24:

- Made adjustments to TRS Plan1 assets, LEOFF Plan 1/2 assets, and LEOFF participant data to reflect certain material changes occurring after the June 30, 2022, measurement date.

Actuarial results that OSA provided reflect the following changes in assumptions and methods for the FY23:

- Updated the Joint-and-Survivor Factors and Early Retirement Factors in the model. These factors are used to value benefits for early retirement and survivors of members that are deceased prior to retirement. These factors match the administrative factors recently provided to DRS for future implementation that reflect current demographic and economic assumptions.
- Updated the economic assumptions based on the 2021 action of the PFC and the LEOFF Plan 2 Retirement Board. The investment return assumption was reduced from 7.50 (7.40 for LEOFF 2) to 7.00 percent, and the salary growth assumption was lowered from 3.50 to 3.25 percent. This action is a result of recommendations from the biennial economic experience study; see the full report for additional details.

Discount rate

The discount rates used to measure the total pension liabilities are the long term expected rate of return on plan assets, after an asset sufficiency test was completed to determine whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members.

Based on OSA's assumptions, the pension plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Long Term Expected Rate of Return

Long-term expected rates of return on pension plan investments are selected using a building block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the WSIB provided.

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

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

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns at various future times. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are summarized in the following table. The inflation component used to create the above table is 2.20 percent, and represents WSIB's most recent long-term estimate of broad economic inflation.

| Asset Class | Target Allocation | Long Term Expected Real Rate of Return |
|-----------------|-------------------|--|
| Fixed Income | 20% | 1.50% |
| Tangible Assets | 7% | 4.70% |
| Real Estate | 18% | 5.40% |
| Global Equity | 32% | 5.90% |
| Private Equity | 23% | 8.90% |
| Total | 100% | |

Collective Net Pension Liability/Asset

The University reported the following for its proportionate share of the collective net pension liability (asset). The proportions are based on the University's contributions to the pension plan relative to the contributions of all participating employers.

| | PERS 1 | PERS 2/3 | TRS 1 | TRS 2/3 | LEOFF 2 |
|-------------------------------|--------------|----------------|------------|-------------|----------------|
| Year Ended 6/30/24 | | | | | |
| Proportionate Share | 0.178142% | 0.226376% | 0.023794% | 0.023761% | 0.043512% |
| Net Pension Liability (Asset) | \$ 4,066,497 | \$ (9,278,446) | \$ 301,361 | \$ (29,182) | \$ (1,043,672) |
| Year Ended 6/30/23 | | | | | |
| Proportionate Share | 0.173848% | 0.221798% | 0.021200% | 0.021641% | 0.039294% |
| Net Pension Liability (Asset) | \$ 4,840,577 | \$ (8,225,988) | \$ 403,184 | \$ (42,587) | \$ (1,067,895) |

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

The following presents the net pension liability/asset of the University as an employer, calculated using the discount rate, as well as what the net pension liability/(assets) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

| | PERS 1 | PERS 2/3 | TRS 1 | TRS 2/3 | LEOFF 2 |
|-----------------------|--------------|---------------|------------|------------|-------------|
| Year Ended 6/30/24 | | | | | |
| 1% Decrease | \$ 5,681,203 | \$ 10,091,422 | \$ 458,723 | \$ 942,229 | \$ 172,804 |
| Current Discount Rate | 4,066,497 | (9,278,446) | 301,361 | (29,182) | (1,043,672) |
| 1% Increase | 2,657,237 | (25,192,016) | 163,807 | (823,676) | (2,039,253) |
| Year Ended 6/30/23 | | | | | |
| 1% Decrease | \$ 6,466,945 | \$ 9,687,177 | \$ 547,474 | \$ 771,539 | \$ (49,175) |
| Current Discount Rate | 4,840,577 | (8,225,988) | 403,184 | (42,587) | (1,067,895) |
| 1% Increase | 3,421,140 | (22,942,784) | 277,056 | (704,460) | (1,901,630) |

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources

| | PERS 1 | PERS 2/3 | TRS 1 | TRS 2/3 | LEOFF 2 |
|---|-------------|--------------|----------|-----------|-------------|
| 2024 | | | | | |
| Pension contributions subsequent to the measurement date | \$1,041,435 | \$2,220,960 | \$43,259 | \$180,225 | \$105,590 |
| Differences between expected and actual experience | - | 1,890,009 | - | 254,116 | 426,310 |
| Change in assumptions | - | 3,895,413 | - | 231,819 | 266,602 |
| Change in proportion and contributions | - | 87,084 | - | 23,057 | 267,381 |
| Net difference between projected and actual investment earnings on pension plan investments | - | - | - | - | - |
| Total | \$1,041,435 | \$ 8,093,466 | \$43,259 | \$689,217 | \$1,065,883 |

| | | | | | |
|---|-------------|-------------|-----------|-----------|-----------|
| 2023 | | | | | |
| Pension contributions subsequent to the measurement date | \$1,223,177 | \$2,003,437 | \$128,023 | \$160,115 | \$98,719 |
| Differences between expected and actual experience | - | 2,038,207 | - | 212,194 | 253,750 |
| Change in assumptions | - | 4,584,852 | - | 239,918 | 270,528 |
| Change in proportion and contributions | - | 104,933 | - | 30,151 | 306,125 |
| Net difference between projected and actual investment earnings on pension plan investments | - | - | - | - | - |
| Total | \$1,223,177 | \$8,731,429 | \$128,023 | \$642,378 | \$929,122 |

Deferred Inflows of Resources

| | PERS 1 | PERS 2/3 | TRS 1 | TRS 2/3 | LEOFF 2 |
|---|-----------|-------------|----------|-----------|-----------|
| 2024 | | | | | |
| Differences between expected and actual experience | \$- | \$103,669 | \$- | \$4,111 | \$8,587 |
| Change in assumptions | - | 849,047 | - | 22,975 | 85,729 |
| Change in proportion and contributions | - | 768,615 | - | 54,973 | 150,655 |
| Net difference between projected and actual investment earnings on pension plan investments | 458,718 | 3,496,679 | 43,627 | 139,966 | 220,839 |
| Total | \$458,718 | \$5,218,010 | \$43,627 | \$222,025 | \$465,810 |

| | | | | | |
|---|-----------|-------------|----------|-----------|-----------|
| 2023 | | | | | |
| Differences between expected and actual experience | \$- | \$186,215 | \$- | \$4,280 | \$9,908 |
| Change in assumptions | - | 1,200,478 | - | 26,093 | 92,984 |
| Change in proportion and contributions | - | 845,606 | - | 38,229 | 52,487 |
| Net difference between projected and actual investment earnings on pension plan investments | 802,229 | 6,081,533 | 72,246 | 225,245 | 357,572 |
| Total | \$802,229 | \$8,313,832 | \$72,246 | \$293,847 | \$512,951 |

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

| | PERS 1 | PERS 2/3 | TRS 1 | TRS 2/3 | LEOFF 2 |
|------------|--------------|----------------|-------------|-------------|-------------|
| 2025 | \$ (312,093) | \$ (1,834,548) | \$ (30,487) | \$ (32,897) | \$ (70,972) |
| 2026 | (392,494) | (2,196,862) | (38,542) | (54,778) | (106,635) |
| 2027 | 242,005 | 2,709,859 | 24,632 | 141,975 | 207,616 |
| 2028 | 3,862 | 934,572 | 770 | 57,168 | 89,403 |
| 2029 | - | 1,018,702 | - | 53,422 | 96,168 |
| Thereafter | - | 22,773 | - | 122,076 | 278,904 |
| Total | \$ (458,718) | \$ 654,496 | \$ (43,627) | \$ 286,967 | \$ 494,484 |

The University recognized \$(1,165,311) and \$(457,852) in pension expense for all plans noted above for fiscal years 2024 and 2023, respectively.

Contribution Rates

Defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Contribution requirements are established and amended by state statute under Chapter 41.45 of the Revised Code of Washington and rates are adopted biennially by the Pension Funding Council. The required contribution rates expressed as a percentage of current year covered payroll are shown below and include an administrative expense component of 0.18%. The University's required contributions for the years ending June 30 are as follows:

| | University Contribution Rates | | University Contributions | |
|---------|-------------------------------|--------|--------------------------|-----------|
| | FY2024 | FY2023 | FY2024 | FY2023 |
| PERS 1 | 9.39% | 10.39% | \$ 11,040 | \$ 17,724 |
| PERS 2 | 9.39% | 10.39% | 2,454,638 | 2,440,363 |
| PERS 3 | 9.39% | 10.39% | 864,421 | 825,685 |
| TRS 1 | 9.70% | 14.69% | - | - |
| TRS 2 | 9.70% | 14.69% | 6,409 | - |
| TRS 3 | 9.70% | 14.69% | 221,503 | 291,717 |
| LEOFF 2 | 8.73% | 8.71% | 108,307 | 100,802 |

Eastern Washington University Retirement Plan

Plan Description - Faculty and certain other employees are eligible to participate in the Eastern Washington University Retirement Plan (EWURP), a privately administered single employer 403(b) defined contribution plan with a supplemental defined benefit plan component. RCW 28.B.10.400 authorizes the University's Board of Trustees to establish and amend plan provisions.

The employee and employer contributions into the EWURP are immediately vested at 100%. The plan provides for a variety of options to take income from the plan including, fixed period, interest only, lifetime income annuities, lump sum, and systematic withdrawals. Benefits from the plan are available at separation or retirement.

On June 8, 2011, the supplemental benefit payment was discontinued for new employees hired after July 1, 2011. This action caps and will eventually eliminate net pension obligations for the supplemental plan. Beginning in fiscal year 2021, assets are accumulated in a trust to pay for the future supplemental plan retirement benefits.

Benefits Provided - The supplemental payment plan determines a minimum retirement benefit goal based upon a one-time calculation at each employee's retirement date. The University makes direct payments to qualifying retirees when the retirement income provided by the plan does not meet the benefit goal. Employees are eligible for a non-reduced supplemental payment after the age of 65 with 10 years of full-time service. The benefit goal is 2 percent of the average annual salary for each year of full-time service up to a maximum of 25 years, less the annuity benefit offset and any WAPERS benefits (Washington State Retirement System). However, if the

participant does not elect to make the 10 percent plan contribution after age 50, the benefit goal is 1.5 percent for each year of full-time service for the years in which the lower contribution rate was selected.

Contributions - Employee contribution rates, which are based on age, are 5 percent, 7.5 percent and 10 percent of salary. The University matches the employee contributions. The University contributions during the years ended June 30, 2024 and 2023 were \$5,329,641 and \$5,233,740, respectively. For the years ended June 30, 2024 and 2023, the University reported \$0 and \$(801,000), respectively in retirement benefit expense relating to the supplemental component of the EWURP. A contribution rate of 0.28% of EWURP covered payroll was created through legislation and was effective for the years ending after June 30, 2021. Contributions based on this rate during the measurement period were \$172,000.

Plan Membership – Membership of the EWURP Supplemental Plan consisted of the following as of actuarial valuations as of:

| | January 1, 2023 | June 30, 2020 |
|---|-----------------|---------------|
| Active Members | 217 | 290 |
| Eligible members not yet receiving benefits | 33 | 59 |
| Beneficiaries currently receiving benefits | 70 | 57 |

Actuarial Assumptions - The net pension liability was determined by actuarial valuations using the following actuarial assumptions, applied to all periods included in the measurement. Prior to FY24, the measurement date of the liabilities and related items was the same as the financial reporting date. Starting with the year ending June 30, 2024 the measurement date is on a one year lag from the financial reporting date. This change resulted in most supplemental plan liabilities and related balances remaining the same for FY24 reporting, because they are based on the same measurement as the prior year.

| | FY2024 | FY2023 |
|---|---|---|
| Actuarial valuation date | January 1, 2023 | January 1, 2023 |
| Measurement date | June 30, 2023 | June 30, 2023 |
| Inflation | 2.75% | 2.75% |
| Salary growth | 3.50% | 3.50% |
| Investment rate of return | 7.00% | 7.00% |
| Discount rate | 7.00% | 7.00% |
| Source of discount rate | Economic Experience Study – August 2021 | Economic Experience Study – August 2021 |
| Source of mortality assumptions | Pub T.H-2010 Table | Pub T.H-2010 Table |
| Source of other assumptions | Higher Education SRP Experience Study – August 2021 | Higher Education SRP Experience Study – August 2021 |
| Liability using discount rate 1% lower | \$ 6,966,000 | \$ 6,966,000 |
| Liability using current discount rate | \$ 5,862,000 | \$ 5,862,000 |
| Liability using discount rate 1% higher | \$ 4,917,000 | \$ 4,917,000 |

Material assumption changes during the measurement period ending June 30, 2023 include changing the valuation date from June 30 to January 1. This corresponds with the new participant data file date. Additionally, annuity conversion assumptions for the TIAA investments were updated based on input from TIAA and professional judgment. TIAA contributions and investment earnings annuity conversion changed from contributions made pre-2002/post-2001 converted at 6.00 percent/3.25 percent to contributions pre-2006/post-2005 converted at 7.00 percent/4.00 percent.

Long Term Expected Rate of Return

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

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

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

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns at various future times. The expected future rates of return (expected returns, net of pension plan investment expense, including inflation) are developed by the WSIB for each major asset class. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023, are summarized in the following table. The inflation component used to create the above table is 2.20 percent, and represents WSIB's most recent long-term estimate of broad economic inflation.

| Asset Class | Target Allocation | Long Term Expected Real Rate of Return |
|-----------------|-------------------|--|
| Fixed Income | 20% | 1.50% |
| Tangible Assets | 7% | 4.70% |
| Real Estate | 18% | 5.40% |
| Global Equity | 32% | 5.90% |
| Private Equity | 23% | 8.90% |
| Total | 100% | |

The following table presents the change in the pension liability of the EWURP Supplemental Plan at June 30.

| | FY2024* | FY2023 |
|--|--------------|---------------|
| Service cost | \$ - | \$ 210,000 |
| Interest | - | 920,000 |
| Differences between expected and actual experience | - | (2,820,000) |
| Changes in assumptions | - | (1,040,000) |
| Benefit payments | - | (366,000) |
| Net Change in Total Pension Liability | - | (3,096,000) |
| Total Pension Liability - Beginning | 10,023,000 | 13,119,000 |
| Total Pension Liability - Ending | \$10,023,000 | \$ 10,023,000 |
| Contributions – Employer | \$ - | \$ 172,000 |
| Net investment income | - | 269,000 |
| Net Change in Plan Fiduciary Net Position | - | 441,000 |
| Plan Fiduciary Net Position – Beginning | 4,160,000 | 3,719,000 |
| Plan Fiduciary Net Position - Ending | \$ 4,160,000 | \$ 4,160,000 |

**In fiscal year 2024, the University changed to a measurement date that lags the financial report date by one year. As a result, the June 30, 2024 NPL is based on a measurement date of June 30, 2023.*

The EWURP Supplemental Plan reported related deferred outflows of resources and deferred inflows of resources from the following sources at June 30:

| | 2024 | | 2023 | |
|---|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Contributions subsequent to the measurement date | \$ 585,337 | \$ - | \$ - | \$ - |
| Difference between expected and actual experience | 2,867,000 | 6,404,000 | 2,867,000 | 6,404,000 |
| Changes of assumptions | 2,155,000 | 4,872,000 | 2,155,000 | 4,872,000 |
| Net difference between projected and actual investment earnings on pension plan investments | 158,000 | 283,000 | 158,000 | 283,000 |
| Total | \$ 5,765,337 | \$ 11,559,000 | \$ 5,180,000 | \$ 11,559,000 |

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

| | |
|------------|-----------------------|
| 2025 | \$ (1,127,000) |
| 2026 | (1,581,000) |
| 2027 | (2,078,000) |
| 2028 | (1,005,000) |
| 2029 | (589,000) |
| Thereafter | - |
| Total | <u>\$ (6,380,000)</u> |

Note 13: Other Post-Employment Benefits (OPEB)

Plan Description - The state, consisting of state agencies and its component units as well as higher education institutions, is considered a single employer based on guidance provided in GASB Statement No. 75. The State Health Care Authority (HCA) administers this single employer defined benefit other postemployment benefit (OPEB) plan.

Per RCW 41.05.065, the Public Employees' Benefits Board (PEBB), created within HCA, is authorized to design benefits and determine the terms and conditions of employee and retired employee participation and coverage. PEBB establishes eligibility criteria for both active employees and retirees. Benefits purchased by PEBB include medical, dental, life, and long-term disability.

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

The PEBB OPEB plan is funded on a pay-as-you-go basis with contributions set by the Legislature each biennium as a part of the budget process. The PEBB OPEB plan has no assets and does not issue a publicly available financial report.

The PEBB retiree OPEB plan is available to employees who elect to continue coverage and pay the administratively established premiums at the time they retire under the provisions of the retirement system to which they belong. Retirees' access to the PEBB plan depends on the retirement eligibility of their respective retirement system. Per RCW 41.05.022, retirees who are not yet eligible for Medicare benefits may continue participation in the state's non-Medicare community-rated health insurance risk pool on a self-pay basis. Retirees in the non-Medicare risk pool receive an implicit subsidy. The implicit subsidy exists because retired members pay a premium based on the claims experience for active employees and other non-Medicare retirees. The subsidy is valued using the difference between the age-based claims costs and the premium.

Retirees who are enrolled in both Parts A and B of Medicare may participate in the state's Medicare community-rated health insurance risk pool. Medicare retirees receive an explicit subsidy in the form of reduced premiums. Annually, the HCA administrator recommends an amount for the next calendar year's explicit subsidy for inclusion in the Governor's budget. The final amount is approved by the state Legislature. In calendar years 2024 and 2023, the explicit subsidy was \$183.

The following table shows the University's membership in the PEBB plan as of June 30.

| Number of Participants | FY2024 | FY2023 |
|---|--------|--------|
| Active employees | 1,255 | 1,188 |
| Retirees receiving benefits | 345 | 344 |
| Retirees entitled to but not receiving benefits | N/A | N/A |

Actuarial Assumptions and Methodologies - The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The total OPEB liability for each reporting date was determined by actuarial valuations, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

| | FY2024 | FY2023 |
|--|--|--|
| Actuarial valuation date | June 30, 2022 | June 30, 2022 |
| Measurement date | June 30, 2023 | June 30, 2022 |
| Inflation rate | 2.35% | 2.35% |
| Projected salary changes | 3.25% | 3.25% |
| Discount rate | 3.65% | 3.54% |
| Liability using discount rate 1% lower | \$ 47,587,165 | \$ 46,117,431 |
| Liability using current discount rate | \$ 40,670,440 | \$ 39,357,544 |
| Liability using discount rate 1% higher | \$35,106,690 | \$ 33,918,043 |
| Health care trend rates | Initial rate ranges from 2-11%, reaching an ultimate rate of 3.8% in 2080 | Initial rate ranges from 2-11%, reaching an ultimate rate of 3.8% in 2080 |
| Liability using health care rate 1% lower | \$ 34,175,536 | \$ 33,323,403 |
| Liability using current health care rate | \$ 40,670,440 | \$ 39,357,544 |
| Liability using health care rate 1% higher | \$ 49,029,996 | \$ 47,077,208 |
| Post-Retirement Participation | | |
| Percentage | 60.00% | 60.00% |
| Percentage with spouse coverage | 45.00% | 45.00% |
| Source of mortality assumptions | Society of Actuaries Pub.H-2010 mortality rates with long term MP-2017 generational improvement scale | Society of Actuaries Pub.H-2010 mortality rates with long term MP-2017 generational improvement scale |
| Source of discount rate | Bond Buyer General Obligation 20 Municipal Bond Index | Bond Buyer General Obligation 20 Municipal Bond Index |
| Source of other assumptions | 2013-2018 Demographic Experience Study Financial Condition and Economic Experience Study – August 2019 | 2013-2018 Demographic Experience Study Financial Condition and Economic Experience Study – August 2019 |
| Actuarial cost method | Entry Age | Entry Age |

Allocation Methodology - OPEB implicit and explicit subsidies as well as administrative costs are funded by required contributions made by participating employers. State agency contributions are made on behalf of all active, health care eligible employees, regardless of enrollment status. Based on this funding practice, the allocation method used to determine proportionate share is each agency's percentage of the state's total active, health care eligible employee headcount.

The same headcount used in determining proportionate share is also used in determining the transactions subsequent to the measurement date, specifically, the retiree portion of premium payments made by agencies on behalf of active, health care eligible employees between the measurement date and the reporting date. The portion of health care premiums attributed to retirees for both explicit and implicit subsidies is determined by using the Fiscal Year 2024 4th Quarter Update in the PEBB Financial Projection Model (PFPM) from the State Health Care Authority.

The following table shows proportionate share, OPEB expense and the change in the total OPEB liability for the university at June 30:

| | FY2024 | FY2023 |
|--|----------------|----------------|
| Proportionate share | 0.929781% | 0.926439% |
| OPEB Expense | \$ (3,199,556) | \$ (1,739,037) |
| Service cost | \$ 1,424,811 | \$ 2,903,385 |
| Interest | 1,431,320 | 1,347,133 |
| Differences between expected and actual experience | - | (1,334,100) |
| Changes in assumptions | (688,241) | (22,525,222) |
| Benefit payments | (996,905) | (989,743) |
| Change in proportionate share | 142,000 | (377,168) |
| Net Change in Total OPEB Liability | 1,312,895 | (20,975,715) |
| Total OPEB Liability - Beginning | 39,357,545 | 60,333,260 |
| Total OPEB Liability - Ending | \$ 40,670,440 | \$ 39,357,545 |

At June 30, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | | Deferred Inflows of Resources | |
|--|--------------------------------|--------------|-------------------------------|---------------|
| | FY2024 | FY2023 | FY2024 | FY2023 |
| Transactions subsequent to the measurement date | \$ 1,024,850 | \$ 993,321 | \$ - | \$ - |
| Differences between expected and actual experience | 617,566 | 820,461 | 1,207,757 | 1,384,806 |
| Changes in assumptions | 2,642,777 | 3,225,790 | 24,367,395 | 28,532,876 |
| Change in proportion | 402,779 | 267,225 | 9,740,763 | 11,554,360 |
| Total | \$ 4,687,972 | \$ 5,306,797 | \$ 35,315,915 | \$ 41,472,042 |

Deferred outflows of resources in the amount of \$1,024,850 and \$993,321 resulting from contributions subsequent to the measurement date are recognized as a reduction of the OPEB liability in the year ended June 30, 2025 and 2024 respectively. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in OPEB expense in the fiscal years ended June 30:

| | |
|------------|-----------------|
| 2025 | \$ (6,055,597) |
| 2026 | (6,055,600) |
| 2027 | (5,137,897) |
| 2028 | (3,963,540) |
| 2029 | (4,133,701) |
| Thereafter | (6,306,459) |
| Total | \$ (31,652,794) |

Note 14: Segment Information

The following financial information represents identifiable activities for which one or more revenue bonds or other revenue-backed debt is outstanding, and where expenses, gains and losses, assets, and liabilities are identifiable. These bonds provide funding for residential housing and student activity facilities. For more information, separately issued financial statements are available from the Office of Controller, Eastern Washington University, 319 Showalter Hall, Cheney, WA 99004. Summarized activity as of and for the years ended June 30 follows:

| CONDENSED STATEMENTS OF NET POSITION | Housing and Dining System Revenue Bonds Series 2012 | | Associated Student Activities Revenue and Refunding Bonds Series 2016 | |
|--|---|---------------|---|---------------|
| | June 30, 2024 | June 30, 2023 | June 30, 2024 | June 30, 2023 |
| Assets | | | | |
| Current assets | \$ 30,725,009 | \$ 33,816,060 | \$11,390,765 | \$ 15,434,310 |
| Non-current assets | 41,733,345 | 34,553,478 | 72,295,620 | 71,261,749 |
| Total assets | 72,458,354 | 68,369,538 | 83,686,385 | 86,696,059 |
| Deferred outflows of resources | 1,521,327 | 1,232,039 | 449,750 | 564,229 |
| Liabilities | | | | |
| Current liabilities | 1,800,696 | 1,625,496 | 2,829,244 | 4,344,566 |
| Non-current liabilities | 20,483,821 | 20,955,415 | 48,514,217 | 51,020,091 |
| Total liabilities | 22,284,517 | 22,580,911 | 51,343,461 | 55,364,657 |
| Deferred inflows of resources | 4,170,862 | 4,810,288 | 1,106,991 | 1,169,119 |
| Net position | | | | |
| Net investment in capital assets | 11,736,830 | 11,838,243 | 18,909,160 | 18,811,490 |
| Restricted expendable | 555,779 | 454,897 | 2,850,978 | 2,897,337 |
| Unrestricted | 35,231,693 | 29,917,238 | 9,925,545 | 9,017,685 |
| Total net position | \$ 47,524,302 | \$ 42,210,378 | \$ 31,685,683 | \$ 30,726,512 |
| CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION Fiscal Years Ended June 30 | Housing and Dining System Revenue Bonds Series 2012 | | Associated Student Activities Revenue and Refunding Bonds Series 2016 | |
| | 2024 | 2023 | 2024 | 2023 |
| Operating revenues | \$ 18,355,991 | \$ 18,197,510 | \$ 9,463,739 | \$ 9,753,030 |
| Operating expenses | 14,091,399 | 14,148,517 | 5,931,347 | 5,839,315 |
| Net operating income | 4,264,592 | 4,048,993 | 3,532,392 | 3,913,715 |
| Non-operating revenues (expenses) | 1,049,332 | 177,294 | (2,573,221) | 1,346,291 |
| Change in net position | 5,313,924 | 4,226,287 | 959,171 | 5,260,006 |
| Net position, beginning of year | 42,210,378 | 37,984,091 | 30,726,512 | 25,466,506 |
| Net position, end of year | \$ 47,524,302 | \$ 42,210,378 | \$ 31,685,683 | \$ 30,726,512 |
| CONDENSED STATEMENTS OF CASH FLOWS Fiscal Years Ended June 30 | Housing and Dining System Revenue Bonds Series 2012 | | Associated Student Activities Revenue and Refunding Bonds Series 2016 | |
| | 2024 | 2023 | 2024 | 2023 |
| Net cash flows provided by operating activities | \$ 4,948,457 | \$ 4,375,544 | \$ 5,607,942 | \$ 5,518,985 |
| Net cash flows provided (used) by investing activities | 8,926,599 | (11,841,251) | 5,024,198 | (6,356,840) |
| Net cash flows used by non-capital and related financing activities | - | - | (3,217,468) | (1,019,294) |
| Net cash flows used by capital and related financing activities | (1,352,207) | (1,983,867) | (3,892,527) | (216,500) |
| Net increase (decrease) in cash | 12,522,849 | (9,449,574) | 3,522,145 | (2,073,649) |
| Cash—beginning of year | 12,289,457 | 21,739,031 | 6,189,575 | 8,263,224 |
| Cash—end of year | \$ 24,812,306 | \$ 12,289,457 | \$ 9,711,720 | \$ 6,189,575 |

Note 15: Operating Expenses by Function

Operating expenses by functional classification for the years ended June 30 are summarized as follows:

| | FY2024 | FY2023 |
|------------------------------------|-----------------------|-----------------------|
| Education and general | | |
| Instruction | \$ 87,185,176 | \$ 81,423,185 |
| Research | 957,487 | 750,792 |
| Public Service | 10,284,814 | 9,862,605 |
| Academic support | 15,768,269 | 14,092,445 |
| Student services | 20,993,805 | 23,096,992 |
| Institutional support | 16,530,020 | 16,846,994 |
| Operation and maintenance of plant | 21,038,205 | 20,495,289 |
| Scholarships and fellowships | 20,587,087 | 19,582,247 |
| Auxiliary enterprises | 29,335,458 | 28,510,092 |
| Depreciation and amortization | 23,436,134 | 22,597,346 |
| Total operating expenses | <u>\$ 246,116,455</u> | <u>\$ 237,257,987</u> |

Note 16: Other Matters and Subsequent Events

In accordance with the statutory requirement under Section 466 (a) of the Higher Education Act of 1965, as amended, a capital distribution of Perkins Revolving Loan program monies was made in FY24 and FY23 to the U.S. Department of Education (DOE) for a partial federal share of historical capital contributions to the program. Subsequent repayments are anticipated in future years as loan amounts are collected by the University.

Outstanding purchase orders and other commitments at June 30, 2024 total \$10.1 million for various goods and services.

Schedules of Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability (Asset) – PERS 1

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|--------------|--------------|--------------|--------------|--------------|
| University's proportion of the net pension liability | 0.235935% | 0.232536% | 0.234419% | 0.225802% | 0.226824% |
| University's proportionate share of the net pension liability | \$11,885,340 | \$12,163,804 | \$12,589,381 | \$10,714,502 | \$10,130,031 |
| University's covered payroll | 25,196,757 | 25,945,212 | 27,434,293 | 28,095,867 | 29,822,632 |
| University's proportionate share of the net pension liability as a percentage of its covered payroll | 47% | 47% | 46% | 38% | 34% |
| Plan fiduciary net position as a percentage of the total pension liability | 61% | 59% | 57% | 61% | 63% |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| University's proportion of the net pension liability | 0.225347% | 0.211191% | 0.182423% | 0.173848% | 0.178142% |
| University's proportionate share of the net pension liability | \$8,665,380 | \$7,456,170 | \$2,227,816 | \$4,840,578 | 4,066,497 |
| University's covered payroll | 31,174,499 | 31,435,288 | 27,472,694 | 28,396,030 | 31,911,815 |
| University's proportionate share of the net pension liability as a percentage of its covered payroll | 28% | 24% | 8% | 17% | 13% |
| Plan fiduciary net position as a percentage of the total pension liability | 67% | 69% | 89% | 77% | 80% |

Amounts determined as of the measurement date

Schedule of Contributions – PERS 1

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|------------|------------|------------|------------|------------|
| Contractually required contribution | \$57,848 | \$68,964 | \$46,816 | \$49,626 | \$50,817 |
| Contributions in relation to the contractually required contribution | 57,464 | 67,757 | 46,254 | 47,216 | 50,734 |
| Contribution deficiency (excess) | 385 | 1,207 | 563 | 2,410 | 83 |
| University's covered payroll | 25,945,212 | 27,434,293 | 28,095,867 | 29,822,632 | 31,174,499 |
| Contributions as a percentage of covered payroll | 0.22% | 0.25% | 0.16% | 0.16% | 0.16% |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| Contractually required contribution | \$42,648 | \$36,754 | \$22,495 | \$17,777 | \$11,073 |
| Contributions in relation to the contractually required contribution | 42,648 | 36,697 | 22,495 | 17,724 | 11,040 |
| Contribution deficiency (excess) | -- | 57 | -- | 53 | 33 |
| University's covered payroll | 31,435,288 | 27,472,694 | 28,396,030 | 31,911,815 | 35,238,698 |
| Contributions as a percentage of covered payroll | 0.14% | 0.13% | 0.08% | 0.06% | 0.03% |

Amounts determined as of the reporting date

Schedule of Proportionate Share of the Net Pension Liability (Asset) – PERS 2/3

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-------------|---------------|----------------|---------------|---------------|
| University's proportion of the net pension liability | 0.285383% | 0.284759% | 0.285742% | 0.280853% | 0.282349% |
| University's proportionate share of the net pension liability (asset) | \$5,768,630 | \$ 10,174,598 | \$14,386,897 | \$9,758,291 | \$4,820,860 |
| University's covered payroll | 24,496,463 | 25,317,107 | 26,817,445 | 27,677,117 | 29,431,876 |
| University's proportionate share of the net pension liability as a percentage of its covered payroll | 24% | 40% | 54% | 35% | 16% |
| Plan fiduciary net position as a percentage of the total pension liability | 93% | 89% | 86% | 90% | 95% |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| University's proportion of the net pension liability | 0.283286% | 0.267640% | 0.228282% | 0.221798% | 0.226376% |
| University's proportionate share of the net pension liability (asset) | \$2,751,669 | \$3,422,957 | \$(22,740,568) | \$(8,225,987) | \$(9,278,446) |
| University's covered payroll | 30,778,418 | 31,103,653 | 27,189,314 | 28,176,566 | 31,740,717 |
| University's proportionate share of the net pension liability as a percentage of its covered payroll | 9% | 11% | -84% | -29% | -29% |
| Plan fiduciary net position as a percentage of the total pension liability | 97% | 97% | 120% | 107% | 107% |

Amounts determined as of the measurement date

Schedule of Contributions – PERS 2/3

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-------------|-------------|-------------|-------------|-------------|
| Contractually required contribution | \$2,331,706 | \$2,998,190 | \$3,094,302 | \$3,737,848 | \$3,948,871 |
| Contributions in relation to the contractually required contribution | 2,328,966 | 2,988,130 | 3,084,800 | 3,725,304 | 3,942,428 |
| Contribution deficiency (excess) | 2,740 | 10,060 | 9,502 | 12,544 | 6,443 |
| University's covered payroll | 25,317,107 | 26,817,445 | 27,677,117 | 29,431,876 | 30,778,418 |
| Contributions as a percentage of covered payroll | 9.20% | 11.14% | 11.15% | 12.66% | 12.81% |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| Contractually required contribution | \$3,999,930 | \$3,526,454 | \$2,888,098 | \$3,297,860 | \$3,347,175 |
| Contributions in relation to the contractually required contribution | 3,999,925 | 3,521,331 | 2,859,339 | 3,266,047 | 3,319,059 |
| Contribution deficiency (excess) | 5 | 5,123 | 28,759 | 31,813 | 28,116 |
| University's covered payroll | 31,103,653 | 27,189,314 | 28,176,566 | 31,740,717 | 35,122,506 |
| Contributions as a percentage of covered payroll | 12.86% | 12.95% | 10.15% | 10.29% | 9.45% |

Amounts determined as of the reporting date

Schedule of Proportionate Share of the Net Pension Liability (Asset) – TRS 1

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-----------|-----------|-----------|-----------|-----------|
| University's proportion of the net pension liability | 0.014280% | 0.015034% | 0.016733% | 0.019939% | 0.022775% |
| University's proportionate share of the net pension liability | \$421,191 | \$476,291 | \$571,301 | \$602,820 | \$665,155 |
| University's covered payroll | 658,969 | 747,748 | 852,932 | 1,119,777 | 1,440,687 |
| University's proportionate share of the net pension liability as a percentage of its covered payroll | 64% | 64% | 67% | 54% | 46% |
| Plan fiduciary net position as a percentage of the total pension liability | 69% | 66% | 62% | 65% | 66% |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| University's proportion of the net pension liability | 0.021472% | 0.018450% | 0.017962% | 0.021200% | 0.023794% |
| University's proportionate share of the net pension liability | \$531,602 | \$444,413 | \$120,937 | \$403,184 | \$301,361 |
| University's covered payroll | 1,448,250 | 1,346,840 | 1,353,225 | 1,837,673 | 1,974,461 |
| University's proportionate share of the net pension liability as a percentage of its covered payroll | 37% | 33% | 9% | 22% | 15% |
| Plan fiduciary net position as a percentage of the total pension liability | 70% | 71% | 91% | 78% | 85% |

Amounts determined as of the measurement date

Schedule of Contributions – TRS 1

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-----------|-----------|-----------|-----------|-----------|
| Contractually required contribution | \$42 | \$42 | \$53 | \$61 | -- |
| Contributions in relation to the contractually required contribution | 42 | 42 | 53 | 53 | -- |
| Contribution deficiency (excess) | -- | -- | -- | 8 | -- |
| University's covered payroll | 747,748 | 852,932 | 1,119,777 | 1,440,687 | 1,448,250 |
| Contributions as a percentage of covered payroll | 0.01% | 0.00% | 0.00% | 0.00% | 0.00% |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| Contractually required contribution | -- | -- | -- | -- | -- |
| Contributions in relation to the contractually required contribution | -- | -- | -- | -- | -- |
| Contribution deficiency (excess) | -- | -- | -- | -- | -- |
| University's covered payroll | 1,346,840 | 1,353,225 | 1,837,673 | 1,974,461 | 2,593,007 |
| Contributions as a percentage of covered payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Amounts determined as of the reporting date

Schedule of Proportionate Share of the Net Pension Liability (Asset) – TRS 2/3

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-----------|-----------|-------------|------------|------------|
| University's proportion of the net pension liability | 0.015141% | 0.015921% | 0.017044% | 0.020412% | 0.023164% |
| University's proportionate share of the net pension liability | \$48,904 | \$134,340 | \$234,069 | \$188,388 | \$104,262 |
| University's covered payroll | 654,525 | 747,348 | 852,532 | 1,119,377 | 1,440,287 |
| University's proportionate share of the net pension liability as a percentage of its covered payroll | 7% | 18% | 27% | 17% | 7% |
| Plan fiduciary net position as a percentage of the total pension liability | 97% | 92% | 89% | 93% | 96% |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| University's proportion of the net pension liability | 0.021654% | 0.018715% | 0.018020% | 0.021641% | 0.023761% |
| University's proportionate share of the net pension liability (asset) | \$130,470 | \$287,464 | \$(495,337) | \$(42,587) | \$(29,182) |
| University's covered payroll | 1,448,250 | 1,346,840 | 1,353,225 | 1,837,673 | 1,974,461 |
| University's proportionate share of the net pension liability as a percentage of its covered payroll | 9% | 21% | -37% | -2% | -1% |
| Plan fiduciary net position as a percentage of the total pension liability | 96% | 92% | 114% | 101% | 100% |

Amounts determined as of the measurement date

Schedule of Contributions – TRS 2/3

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-----------|-----------|-----------|-----------|-----------|
| Contractually required contribution | \$77,649 | \$111,937 | \$146,974 | \$218,924 | \$223,175 |
| Contributions in relation to the contractually required contribution | 79,752 | 112,047 | 146,974 | 200,731 | 222,897 |
| Contribution deficiency (excess) | (2,103) | (109) | -- | 18,193 | 278 |
| University's covered payroll | 747,348 | 852,532 | 1,119,377 | 1,440,287 | 1,448,250 |
| Contributions as a percentage of covered payroll | 10.67% | 13.14% | 13.13% | 13.94% | 15.39% |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| Contractually required contribution | \$208,895 | \$212,998 | \$264,992 | \$290,048 | \$251,522 |
| Contributions in relation to the contractually required contribution | 208,734 | 212,661 | 249,852 | 291,717 | 227,912 |
| Contribution deficiency (excess) | 161 | 337 | 15,141 | (1,669) | 23,609 |
| University's covered payroll | 1,346,840 | 1,353,225 | 1,837,673 | 1,974,461 | 2,593,007 |
| Contributions as a percentage of covered payroll | 15.50% | 15.72% | 13.60% | 14.77% | 8.79% |

Amounts determined as of the reporting date

Schedule of Proportionate Share of the Net Pension Liability (Asset) – LEOFF 2

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-------------|-------------|-------------|-------------|-------------|
| University's proportion of the net pension liability | 0.040159% | 0.048127% | 0.049090% | 0.060803% | 0.051360% |
| University's proportionate share of the net pension asset | \$532,934 | \$494,651 | \$285,519 | \$843,749 | \$1,042,728 |
| University's covered payroll | 669,208 | 852,252 | 894,293 | 1,148,894 | 1,011,692 |
| University's proportionate share of the net pension asset as a percentage of its covered payroll | 80% | 58% | 32% | 73% | 103% |
| Plan fiduciary net position as a percentage of the total pension liability | 117% | 112% | 124% | 113% | 118% |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| University's proportion of the net pension liability | 0.052056% | 0.050910% | 0.044190% | 0.039294% | 0.043512% |
| University's proportionate share of the net pension liability | \$1,205,978 | \$1,038,496 | \$2,566,745 | \$1,067,895 | \$1,043,672 |
| University's covered payroll | 1,105,966 | 1,153,860 | 1,020,099 | 959,688 | 1,157,319 |
| University's proportionate share of the net pension liability as a percentage of its covered payroll | 109% | 90% | 252% | 111% | 90% |
| Plan fiduciary net position as a percentage of the total pension liability | 119% | 116% | 142% | 116% | 113% |

Amounts determined as of the measurement date

Schedule of Contributions – LEOFF 2

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-----------|-----------|-----------|-----------|-----------|
| Contractually required contribution | \$73,208 | \$76,820 | \$98,690 | \$90,344 | \$98,763 |
| Contributions in relation to the contractually required contribution | 72,978 | 76,820 | 98,690 | 90,367 | 98,763 |
| Contribution deficiency (excess) | 231 | -- | -- | (23) | -- |
| University's covered payroll | 852,252 | 894,293 | 1,148,894 | 1,011,692 | 1,105,966 |
| Contributions as a percentage of covered payroll | 8.56% | 8.59% | 8.59% | 8.93% | 8.93% |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| Contractually required contribution | \$101,194 | \$89,463 | \$83,589 | \$100,803 | \$105,865 |
| Contributions in relation to the contractually required contribution | 101,194 | 89,463 | 83,589 | 100,803 | 108,307 |
| Contribution deficiency (excess) | -- | -- | -- | -- | (2,442) |
| University's covered payroll | 1,153,860 | 1,020,099 | 959,688 | 1,157,319 | 1,241,093 |
| Contributions as a percentage of covered payroll | 8.77% | 8.77% | 8.71% | 8.71% | 8.73% |

Amounts determined as of the reporting date

Schedule of Proportionate Share of the Total Pension Liability – EWUSRP

| | 2017 | 2018 | 2019 | 2020 |
|--|----------------------|----------------------|----------------------|----------------------|
| Service cost | \$ 658,465 | \$ 477,481 | \$ 462,693 | \$ 500,852 |
| Interest | 420,402 | 428,837 | 613,681 | 634,338 |
| Differences between expected and actual experience | (2,853,204) | 3,867,111 | 421,805 | 1,018,825 |
| Changes in assumptions | (646,620) | (621,476) | 1,014,003 | 3,488,099 |
| Benefit payments | (139,765) | (201,688) | (316,470) | (250,213) |
| Net Change in Total Pension Liability | (2,560,722) | 3,950,265 | 2,195,712 | 5,391,901 |
| Total Pension Liability - Beginning | 14,161,874 | 11,601,152 | 15,551,417 | 17,747,129 |
| Total Pension Liability - Ending | \$ 11,601,152 | \$ 15,551,417 | \$ 17,747,129 | \$ 23,139,030 |
| Covered payroll | \$ 38,505,000 | \$ 34,114,000 | \$ 32,357,000 | \$ 30,440,817 |
| Total pension liability as a percentage of covered payroll | 30.13% | 45.59% | 54.85% | 76.01% |

Schedule of Proportionate Share of the Net Pension Liability – EWUSRP

| | 2021 | 2022 | 2023 | 2024* |
|--|---------------------|----------------------|----------------------|---------------------|
| Service cost | \$ 668,000 | \$ 157,000 | \$ 210,000 | \$ - |
| Interest | 523,000 | 671,000 | 920,000 | - |
| Differences between expected and actual experience | (7,646,000) | 2,661,000 | (2,820,000) | - |
| Changes in assumptions | (7,364,000) | 867,000 | (1,040,000) | - |
| Benefit payments | (280,000) | (277,000) | (366,000) | - |
| Net Change in Total Pension Liability | (14,099,000) | 4,079,000 | (3,096,000) | - |
| Total Pension Liability - Beginning | 23,139,000 | 9,040,000 | 13,119,000 | 10,023,000 |
| Total Pension Liability – Ending (a) | \$ 9,040,000 | \$ 13,119,000 | \$ 10,023,000 | \$10,023,000 |
| Employer contributions | \$ 165,000 | \$ 165,000 | \$ 172,000 | \$ - |
| Net investment income | 892,000 | 5,000 | 270,000 | - |
| Net Change in Plan Fiduciary Net Position | 1,057,000 | 170,000 | 442,000 | - |
| Plan Fiduciary Net Position – Beginning | 2,492,000 | 3,549,000 | 3,719,000 | 4,161,000 |
| Plan Fiduciary Net Position – Ending (b) | \$ 3,549,000 | \$ 3,719,000 | \$ 4,161,000 | \$ 4,161,000 |
| EWUSRP Net Pension Liability (a-b) | \$ 5,491,000 | \$ 9,400,000 | \$ 5,862,000 | \$ 5,862,000 |
| University's covered payroll | \$ 60,197,222 | \$ 59,009,283 | \$ 61,641,483 | \$ 61,641,483 |
| Net pension liability as a percentage of its covered payroll | 9.12% | 15.93% | 9.50% | 9.50% |
| Plan fiduciary net position as a percentage of the total pension liability | 39.26% | 28.35% | 41.51% | 41.51% |

*In fiscal year 2024, the University changed to a measurement date that lags the financial report date by one year. As a result, the June 30, 2024 NPL is based on a measurement date of June 30, 2023.

Schedule of Contributions – EWUSRP

| | 2021 | 2022 | 2023 | 2024 |
|--|--------------|--------------|--------------|--------------|
| Contractually required contribution | \$ 5,175,964 | \$ 5,048,200 | \$ 5,233,740 | \$ 5,329,641 |
| Contributions in relation to the contractually required contribution | \$ 5,175,964 | \$ 5,048,200 | \$ 5,233,740 | \$5,329,641 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - |
| University's covered payroll | 60,197,222 | 59,009,283 | 61,641,483 | 62,801,481 |
| Contributions as a percentage of covered payroll | 8.60% | 8.55% | 8.49% | 8.49% |

Schedule of Changes in Total OPEB Liability

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Service Cost | \$ 4,568,047 | \$ 3,696,903 | \$ 2,666,488 | \$ 2,607,597 | \$ 3,015,517 |
| Interest | 2,139,701 | 2,541,600 | 2,313,026 | 2,181,296 | 1,303,288 |
| Difference between expected and actual experience | -- | 2,319,987 | -- | (334,263) | -- |
| Changes in assumptions | (10,437,501) | (16,184,498) | 4,307,462 | 1,413,966 | 556,835 |
| Benefit payments | (1,090,426) | (1,073,445) | (1,058,070) | (1,038,548) | (992,925) |
| Change in proportionate share | 133,375 | 448,124 | (1,504,432) | (5,624,588) | (6,387,640) |
| Other | -- | -- | -- | (2,221,810) | -- |
| Net Change in Total Pension Liability | (4,686,804) | (8,251,329) | 6,724,474 | (3,016,350) | (2,504,925) |
| Total OPEB Liability – Beginning | 72,068,194 | 67,381,390 | 59,130,061 | 65,854,535 | 62,838,185 |
| Total OPEB Liability - Ending | \$ 67,381,390 | \$ 59,130,061 | \$ 65,854,535 | \$ 62,838,185 | \$ 60,333,260 |

| | | | | | |
|--|---------------|---------------|----------------|----------------|---------------|
| Covered-employee payroll | \$ 95,610,059 | \$ 99,635,814 | \$ 101,473,731 | \$ 103,044,775 | \$ 99,832,652 |
| Total OPEB liability as a percentage of covered employee payroll | 70.48% | 59.35% | 64.90% | 60.98% | 60.43% |

| | 2023 | 2024 |
|---|----------------------|----------------------|
| Service Cost | \$ 2,903,385 | \$ 1,424,811 |
| Interest | 1,347,133 | 1,431,230 |
| Difference between expected and actual experience | (1,334,100) | -- |
| Changes in assumptions | (22,525,222) | (688,241) |
| Benefit payments | (989,743) | (996,905) |
| Change in proportionate share | (377,168) | 142,000 |
| Other | -- | -- |
| Net Change in Total Pension Liability | (20,975,715) | 1,312,895 |
| Total OPEB Liability – Beginning | 60,333,260 | 39,357,545 |
| Total OPEB Liability - Ending | \$ 39,357,545 | \$ 40,670,440 |

| | | |
|--|----------------|----------------|
| Covered-employee payroll | \$ 101,939,668 | \$ 105,224,117 |
| Total OPEB liability as a percentage of covered employee payroll | 38.61% | 38.65% |

Note: No assets are accumulated in a trust that meets the criteria in GASB Statement 75, paragraph 4 to pay related benefits for the Eastern Washington University OPEB Plan.



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