EASTERN
WASHINGTON UNIVERSITY

2021 FINANCIAL REPORT

CONTENTS

Administration

President
David May (Interim)

Vice President for Academic Affairs and Provost
Jonathan Anderson

Vice President for Advancement
Barb Richey

Vice President for Business and Finance
Mary Voves

Vice President for Diversity and Inclusion
Shari Clark

Vice President for Student Affairs
Rob Sauders

University Deans

College of Arts, Humanities & Social Sciences
Robert Friedman (Interim)

College of Professional Programs
Vernon Loke (Interim)

College of Health Science and Public Health
Donna Purtee Mann (Interim)

College of Science, Technology, Engineering and Mathematics
David Bowman

Introductory Section

Letter from the President 1

Financial Section

Independent Auditor's Report 2

Management's Discussion and Analysis 5

Statements of Net Position 15

Statements of Revenue, Expenses and Changes in Net Position 16

Statements of Cash Flows 17

Statements of Financial Position – Component Unit (Foundation) 19

Statements of Activities – Component Unit (Foundation) 20

Notes to Financial Statements 21

Schedules of Required Supplementary Information 47

Our Mission

EWU expands opportunities for personal transformation through excellence in learning.

EWU achieves this mission by:

- Enhancing access to higher education in the Inland Northwest and beyond by recruiting and supporting traditional college-bound students, non-traditional students, and those from underserved populations
- Delivering high-quality academic programs that undergo regular, rigorous review informed by data and assessment of student learning
- Delivering a high-quality co-curriculum designed to develop the intellectual, cultural, personal, and practical aspects of students' lives
- Promoting student success by supporting student engagement and timely degree completion

LETTER FROM THE PRESIDENT

I am pleased to present the annual financial statements for Eastern Washington University. As you can see, the important work of this university rests on a strong financial foundation. Responsible financial stewardship is key to our students' success and central to our mission.

We are over halfway through the university's five-year strategic plan. The plan reflects vision, ideas, and priorities of constituencies on and off campus. It builds on our former five-year plan, focused on student success, which generated key initiatives such as re-thinking student advising, revising general education, and creating the Learning Commons. In our current plan, the word student, of course, remains primary: student success is the reason the university exists. Our planning processes will always focus on supporting academic excellence and the work of EWU faculty and staff that enables students to learn, graduate, and be successful, productive citizens.

Access, learning, and completion are core values for every aspect of EWU.

The EWU strategic plan continues forward even amidst the challenges of operating during a pandemic. Initiatives such as the institution's pursuit of its recognition as a Hispanic Serving Institution, engagement with Spokane through private-public partnership, the Prairie Restoration Project, and the Lucy Covington Initiative are indicative of the university continuing to focus on its mission.

Moreover, the current plan defines and expands our role as a regional public university, our responsibility to be a significant architect of the region. As we partner with schools, businesses, and organizations in entrepreneurial and innovative ways, we are fueling economic and workforce development, furthering the overall success of the communities we serve, and providing students with practical experiences and knowledge.

Like our students, our university must learn and evolve. More than a plan, our strategic document is a map, giving direction to help us foster learning, academic excellence, and students' success in a rapidly changing world.

Thank you for taking time to review this publication. I am very proud of our mission and our achievements. And I am very grateful for our work together as we transform lives through learning.

Sincerely,

David May, PhD.
Interim President
Eastern Washington University

Office of the Washington State Auditor
Pat McCarthy

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Board of Trustees
Eastern Washington University
Cheney, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Eastern Washington University, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the Eastern Washington University Foundation (the Foundation), which represents 100 percent 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 University Housing and Dining Services (Housing), and the Eastern Washington University Associated Student Activities (Student Activities). Housing represents 10.4 percent of the assets, 8.8 percent of net position, and 4.9 percent of revenues of the University business-type activities. Student Activities represents 13.9 percent of the assets, 6.5 percent of net position, and 7.3 percent of 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.

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

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Eastern Washington University, as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally acceptedin the United States of America.

Matters of Emphasis

As discussed in Note 1, the financial statements of 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 University. They do not purport to, and do not, present fairly the financial position of the state of Washington as of June 30, 2021 and 2020, the changes in its financial position, or where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As also discussed in Note 1 and Note 12 to the financial statements, legislation created a trust arrangement for assets dedicated to paying the Higher Education Supplemental Retirement Plan benefits to plan members. As a result, the University transitioned to accounting for the plan in accordance with Governmental Accounting standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our Opinion is not modified to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated March 1, 2022, 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,

Pat McCarthy

Pat McCarthy, State Auditor

Olympia, WA

March 1, 2022

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, 2021, with comparative 2020 and 2019 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 state-assisted public institutions of higher education in the state of Washington, provides baccalaureate and graduate educational programs for about 12,400 students. 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 12,000 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.

COVID-19 Impacts

The COVID-19 pandemic continues to have significant impacts on higher education and the university's operations. On February 29, 2020, Governor Inslee declared a statewide state of emergency and, on March 23, 2020, issued Proclamation 20-25, Stay Home – Stay Healthy, ordering residents to self-isolate and practice social distancing, and limiting non-essential activities. The University adjusted to the rapidly evolving public health crisis and implemented measures to best serve the students and employees. The University remained in a remote instruction environment for fiscal year 2021 academic terms and offered limited on-campus services. The shift to online instruction significantly impacted University campus-based operations such as housing, dining and other auxiliaries.

Financial support during FY21 and FY20 related to the pandemic was available to the University through the following federal sources. The Higher Education Emergency Relief Fund (HEERF I) monies authorized under the Coronavirus Aid, Relief and Economic Security (CARES) Act allocated $4.9 million to the University to provide emergency grants to students for expenses related to the disruption of campus operations due to the COVID-19 pandemic. These funds were largely spent in FY20 with the remainder spent in FY21. An additional $4.9 million was provided to cover institutional costs related to instructional delivery and operational costs due to COVID-19. $1.4 million of the institutional support funding was spent in FY21. The Higher Education Emergency Relief Fund II (HEERF II) authorized by the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) provided $4.9 million in student aid funding and $11.7 million in institutional support funding of which the University spent $4.8 million and $10.0 million in FY21 respectively. The Higher Education Emergency Relief Fund III (HEERF III) authorized by the American Rescue Plan (ARP) provided $14.7 million in student aid and $14.5 million in institutional support funding to the University. As of FY21, the University had spent $2.4 million of the institutional support component and none of the student aid portion. The institution plans on spending the remainder of the resources in fiscal year 2022.

Impact from Changes in Accounting and Reporting Requirements

For the fiscal year ended June 30, 2017, the Auxiliary implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* to account for retirement benefits provided under the Eastern Washington University Supplemental Plan (EWUSRP). Prior to fiscal year 2021, assets set aside to pay for the supplemental benefit of the EWURP were not held in a qualified trust as defined by GASB. 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 liability in FY21 and beyond. Additionally, this change required the accounting for the liability to be treated under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The current fiscal year end is the measurement date for reporting the retirement liabilities under the supplemental plan. The change in accounting resulted in the recognition of $2.5 million in contributions paid to the state in prior years as "prior year supplemental plan contributions" on the Statements of Revenues, Expenses, and Changes in Net Position for fiscal year 2021. More information on the supplemental plan is found in the footnotes.

The above accounting and reporting changes as well GASB Statement No. 75 (implemented in FY18) have significantly impacted the amounts reported on the Statements of Net Position (particularly unrestricted net position) despite historical growth in net position. In reading this publication it is important to consider the effects of these pronouncements especially when comparing current year results to prior year amounts.

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)

	2021	2020	2019
Assets			
Current assets	$ 189,944	$ 162,344	$ 121,640
Capital assets, net of depreciation	400,939	384,834	357,868
Other non-current assets	15,221	25,265	53,521
Total Assets	606,104	572,443	533,029
Deferred outflows of resources	18,440	19,846	12,962
Liabilities			
Current liabilities	33,412	38,193	32,698
Non-current liabilities	167,397	187,480	182,742
Total Liabilities	200,809	225,673	215,440
Deferred inflows of resources	41,045	30,034	32,063
Net Position	$ 382,690	$ 336,582	$ 298,488

Current assets consist primarily of cash, short term investments and accounts receivable. Between FY19 and FY21, maturities on investments held by the University shifted from long term to mostly all short term. This change in investments and the direct impact on cash is especially visible on the Statement of Cash Flows presented later in this report. Additionally, accounts receivable increased over $1 million in FY21 as outstanding balances on operating tuition and fees remained unpaid, and $5 million in FY20 primarily due to balances owed at June 30 from nonstudent third parties. Construction of the new Interdisciplinary Science Center (ISC) began in FY19 and was completed in FY21, which is represented in the increase in capital assets during that time. Student loans receivable 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 and liabilities related to retirement and other postemployment benefits. In FY21, current liabilities decreased $5.2 million from the prior year in part from the timing of vendor payables particularly for capital asset improvements. Additionally, accrued payroll was $1.4 million lower which follows the overall decrease in compensation costs. In FY20, the university received authorization for almost $10 million from the Higher Education Emergency Relief Fund (HEERF) under the CARES Act. Of that amount, $3.6 million and $4.9 million was unspent and reported as unearned revenue at the end of FY21 and FY20 respectively, and is intended to cover costs associated with significant changes to the delivery of instruction due to the coronavirus. 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 service funds.

Net position at June 30 is summarized as follows:

Categories of Net Position (in thousands)	2021	2020	2019
Net investment in capital assets	$ 318,655	$ 305,231	$ 275,538
Restricted:			
Non-expendable	5,417	5,364	5,359
Expendable	18,992	15,682	16,780
Unrestricted	39,626	10,305	811
Total net position	$ 382,690	$ 336,582	$ 298,488

Investment in capital assets tends to result in most of the change in net position categories over this three year time frame, and is mostly attributable to the completion of the ISC. In FY21, $2.3 million in resources restricted by bond covenants for renewal and replacement costs of the Pence Union Building (PUB) and University Recreation Center (URC) were added to the restricted expendable category. Unrestricted net position, most affected by results of normal operations, saw a significant increase over the three years from new accelerated online graduate programs as well as aggressive cost reduction measures to offset forecasted declines in operating revenues. Unrestricted net position is also the classification most 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), GASB 73 (implemented FY17 with conversion to GASB 68 in FY21), and GASB 68 (implemented FY15).

Unrestricted Net Position Excluding Retirement and OPEB (in thousands)

	2021	2020	2019
Unrestricted net position, as reported	$ 39,626	$ 10,305	$ 811
Impact of GASB 68 (retirement)	9,776	13,665	15,797
Impact of GASB 73 (retirement)	14,287	17,859	16,124
Impact of GASB 75 (OPEB)	78,235	79,523	77,991
Unrestricted net position, excluding retirement and OPEB	$ 141,924	$ 121,352	$ 110,723

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)

	2021	2020	2019
Operating revenue	$ 149,287	$ 152,563	$ 153,976
Operating expenses	207,983	235,258	240,264
Net operating loss	(58,696)	(82,695)	(86,288)
Net non-operating revenues	86,728	86,497	83,282
Income/(loss) before other revenues	28,032	3,802	(3,006)
Other revenues and expenses	18,076	34,292	16,220
Increase in net position	46,108	38,094	13,214
Net position, beginning of year	336,582	298,488	285,274
Net position, end of year	$ 382,690	$ 336,582	$ 298,488

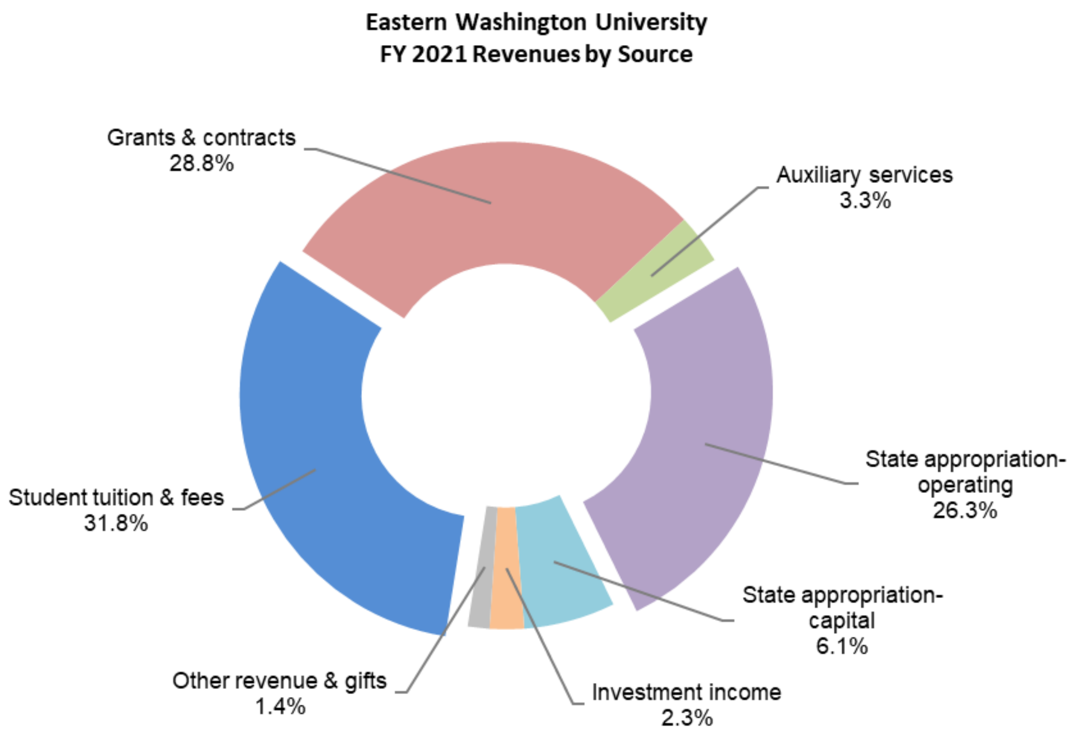
Operating and Nonoperating Revenues

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. Federal HEERF funding as discussed earlier is reported under operating revenue and shown in more detail in the table below. 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.

Higher Education Emergency Relief Fund (HEERF) (in thousands)

	Federal Allocation	2021	2020
HEERF I	$ 9,986	$ 2,073	$ 4,305
HEERF II	16,721	14,834	-
HEERF III	29,147	2,370	-
Total	$ 55,854	$ 19,277	$ 4,305

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, 2021. The ensuing table compares revenues by source across fiscal years.



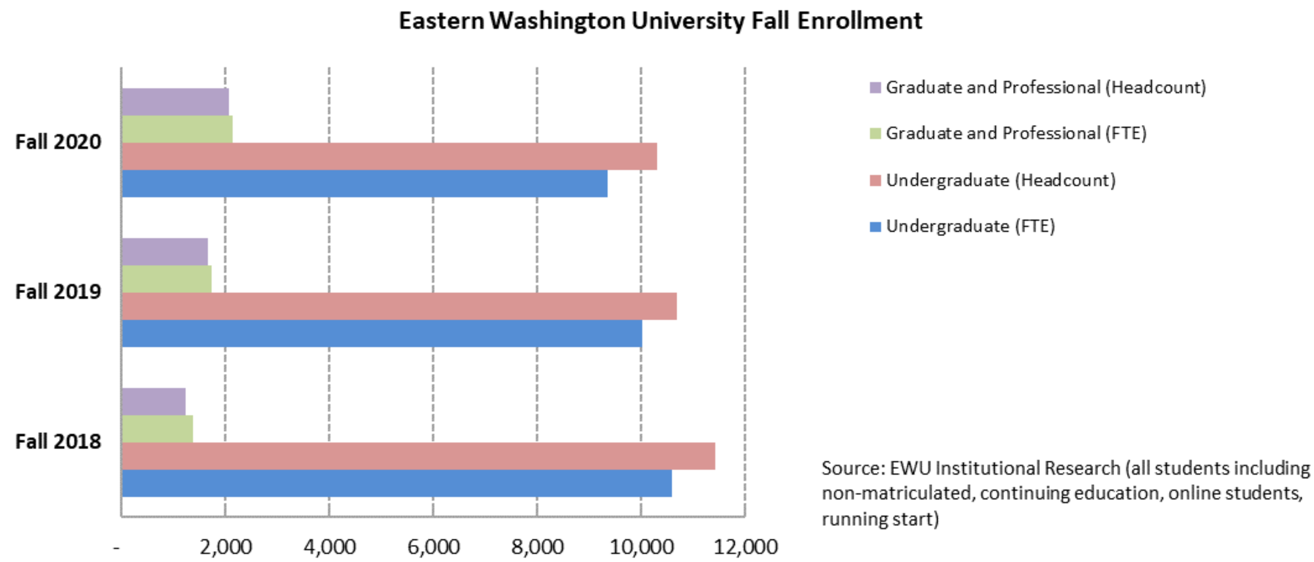
Revenues by Source (in thousands)
For the year ended June 30

	2021		2020		2019	
Student tuition & fees	$ 81,660	31.8%	$ 87,282	31.6%	$ 87,988	34.4%
Grants & contracts	73,925	28.8%	60,645	21.9%	54,218	21.2%
Auxiliary services	8,489	3.3%	21,031	7.6%	28,158	11.0%
State appropriation-operating	67,661	26.3%	65,447	23.7%	60,320	23.6%
State appropriation-capital	15,582	6.1%	34,021	12.3%	16,188	6.3%
Investment income	5,851	2.3%	5,708	2.1%	6,265	2.5%
Other revenue & gifts	3,689	1.4%	2,460	0.9%	2,487	1.0%
Total	$ 256,857	100.0%	$ 276,594	100.0%	$ 255,624	100.0%

Tuition, student fees, and state operating appropriations are the primary sources of funding for the University's academic programs. The following two tables illustrate the changing levels in resident and nonresident tuition rates over the past three years and enrollment levels during that time. The university strives to meet market demand by investing in new programs, such as the new online graduate programs which accounted for $5.1 million and $4.3 million of revenue in FY21 and FY20 respectively.

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
2020-21	2,236	2.5%	4,005	2.5%	8,225	2.5%	9,298	2.5%
2019-20	2,181	2.5%	3,907	2.5%	8,025	2.4%	9,071	2.4%
2018-19	2,127	2.2%	3,813	2.2%	7,834	2.2%	8,856	2.2%



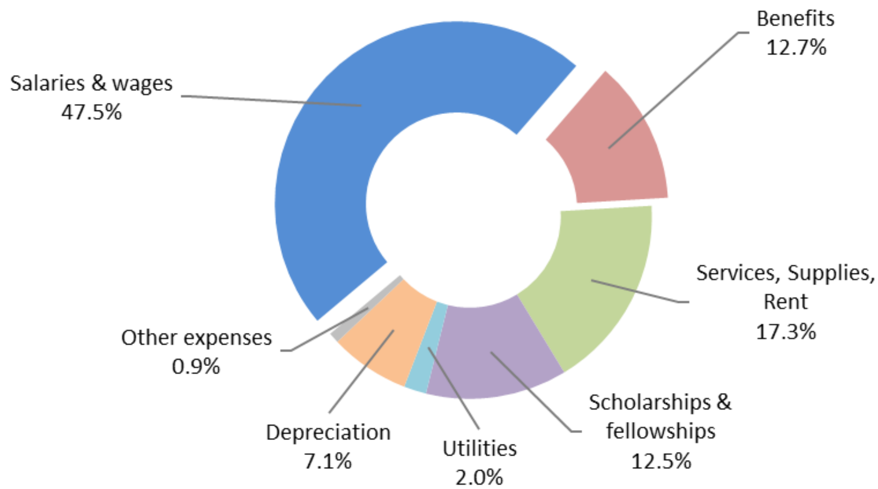
Historically, revenues received from governmental and private sources in the form of grants and contracts typically have been a consistent percentage of total revenue. As discussed earlier, funds were available to the University in FY21 and FY20 as part of the federal HEERF legislation which resulted in much more federal grant revenue recognized and will continue to impact this category into FY22.

The largest portion of auxiliary revenue comes from room and board charges within the Housing and Dining System, a separately audited segment of the university. FY21 and FY20 revenue was heavily impacted by the COVID-19 pandemic. Most students had moved out of university housing for the last term in FY20 as the university addressed health and safety concerns related COVID-19, and remote instruction throughout FY21 meant room occupancy was only a fraction of normal. Spring term occupancy decreased from 1,484 in FY19 to 179 in FY20 and 377 in FY21. Dining services revenue typically follows the number of students living on campus because most students have both room and meal plans. Other auxiliary units such as the Eagle Store and Parking Services experienced similar declines in revenue during FY21.

State capital appropriations increased in FY21 by $18.4 million resulting mostly from the construction costs on the ISC which were paid for by these appropriations. Other revenues noted on the previous page include gifts of capital equipment, and in FY20 includes contributions recorded from charitable gift annuity contracts held by the university.

Operating Expenses
Shown below is an illustration of operating expenses by type (object) for the year ended June 30, 2021. The ensuing table compares expenses for fiscal years ending June 30.

Eastern Washington University
FY 2021 Operating Expenses by Type



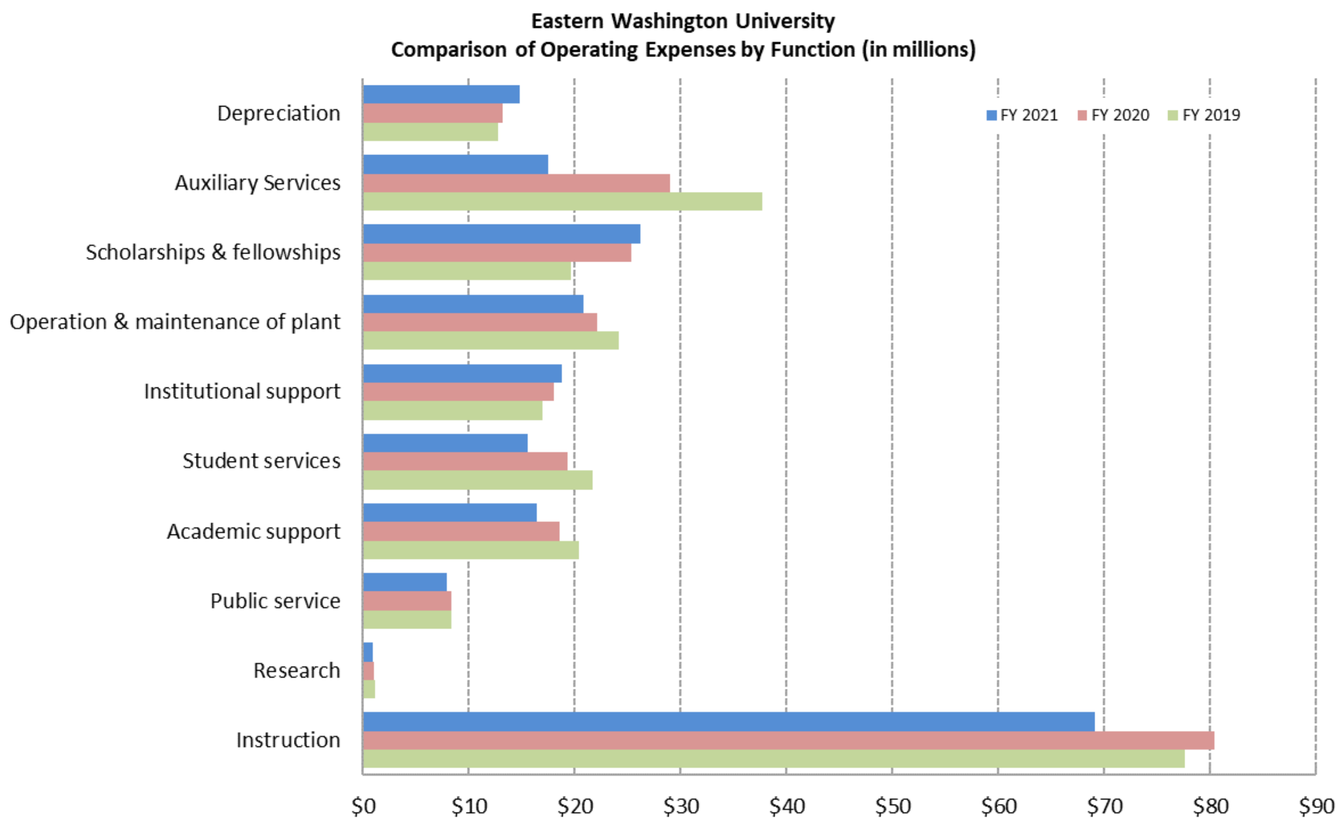
Operating Expenses by Type (in thousands)
For the year ended June 30

	2021		2020		2019	
Salaries & wages	$ 98,741	47.5%	$ 114,280	48.6%	$ 115,422	48.0%
Benefits	26,387	12.7%	36,147	15.4%	36,042	15.0%
Services, supplies and rent	35,909	17.3%	37,657	16.0%	44,657	18.6%
Scholarships & fellowships	26,093	12.5%	25,075	10.7%	19,132	8.0%
Utilities	4,145	2.0%	4,266	1.8%	5,423	2.3%
Depreciation	14,761	7.1%	13,167	5.6%	12,747	5.3%
Other expenses	1,946	0.9%	4,666	2.0%	6,841	2.8%
Total	$ 207,982	100.0%	$ 235,258	100.0%	$ 240,264	100.0%

Employee compensation continues to account for over half of total operating expenses, even with FY21 and FY20 reductions in staffing levels as a response to the COVID-19 pandemic and related impacts. Between the end of FY19 and FY21, total employee headcount decreased by more than one third and was mostly attributable to student and nonstudent hourly positions in auxiliary operations such as dining services. However, a combination of reductions in administrative, classified and quarterly faculty had the most significant dollar impact, and accounted for a decrease of approximately 10% in salaries and wages between FY20 and FY21. The cost of health benefit premiums and retirement contribution rates continued to increase between FY19 and FY21, but perhaps 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. Overall compensation decreased almost 17% between FY20 and FY21, and accounted for a large part of the decrease in total operating expenses.

Total operating expenses decreased nearly 12% in FY21 after a 2% decrease in FY20. Scholarships expenses were higher from the disbursement of HEERF student aid funding in FY21 and FY20. Supplies, purchased services and travel expenses were reduced nearly 14% in FY21 in response to the pandemic's impact on University operations. Noncapitalized facility improvements are impacted by the amount of capital construction activity and typically varies each year. The most significant increase to operating expenses was lease expense, driven largely by the University's contract for the Catalyst building which recorded its first full year of activity in FY21. 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. As mentioned earlier, student aid funding provided through HEERF and disbursed to students in FY21 and FY20 impacted the scholarships category above. Costs for auxiliary services including dining were much lower after online instruction started in spring 2020 and continued through summer 2021. See Footnote 15 for additional detail regarding functional expenses.

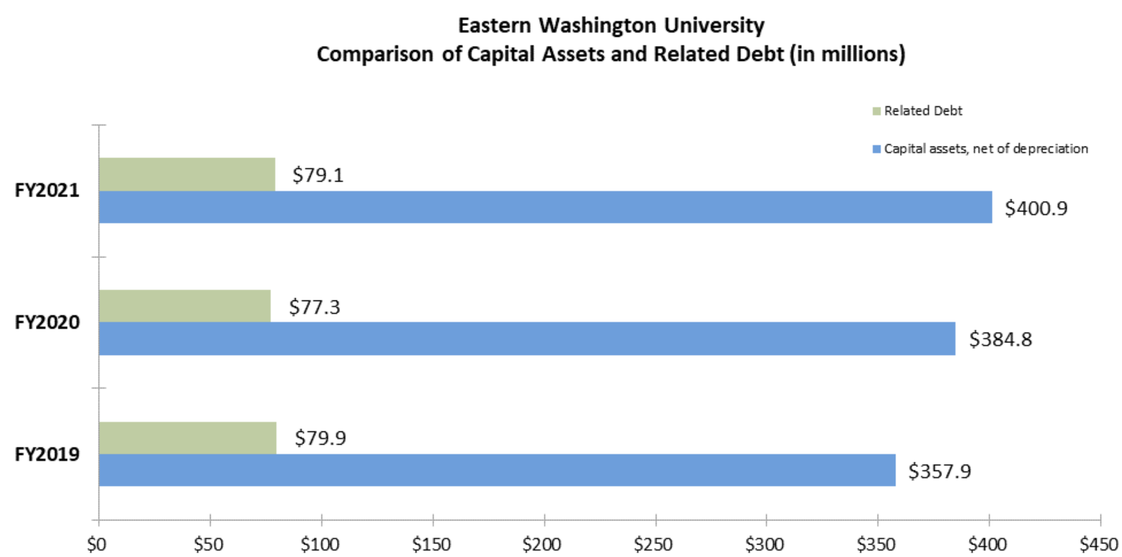
To monitor financial health the University calculates a variety of indicators that focus on results of operations, which are largely driven by tuition pricing, state appropriations, and compensation levels. These financial indicators are useful for institutional trend analysis and become more meaningful 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 2021	FY 2020	FY 2019
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	51.0	53.3	53.6
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	.215	.048	.004
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	348	266	242
Current ratio	Measures liquidity – ability to meet current obligations with liquid assets	Current assets divided by current liabilities	5.68	4.27	3.74

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 added nearly $13 million and $31 million in FY21 and FY20 respectively to total capital assets. Other significant increases during this time include the science building renovation, athletics red turf replacement, ongoing re-roofing projects and the capitalization of tenant improvements and furnishings and equipment for the new Catalyst building in downtown Spokane for which the university is a primary tenant (see footnote 9 for more information).



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 2021, 2020 or 2019. 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. Debt service coverage remains healthy as demonstrated by the financial ratios below.

Financial Indicator	Definitions	Calculation	FY 2021	FY 2020	FY 2019
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	0.73	0.33	0.21
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	2.23	2.37	2.22
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	10.28	3.64	2.30

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 2021 and 2020, unrestricted net position improved as the university adjusted expenses in response to the COVID-19 pandemic's impacts on operations, growth in online graduate programs remained strong, state appropriations helped to offset declines in operating tuition, and capital appropriations provided funding for large capitalized projects. Additionally, net position was positively impacted by federal stimulus funding intended to fill lost revenue as a result of the pandemic.

Generation of tax revenue at the state level and subsequent appropriations to state agencies remains uncertain although the outlook is currently more positive than earlier in the pandemic. The state of Washington, through the legislative process, allocates funding to higher education institutions based on prior biennia operating appropriations adjusted for current biennia policy and funding decisions. The state compensation and benefit funding policy for higher education institutions shifted in the 2017-19 biennium. In prior biennia, the state funded 100% of compensation and benefit increases for state supported programs at a level commensurate to the classified employee contract provision. For the 19-21 biennium and forward, the state is funding approximately 50% of these costs, with the remaining amount to be covered by the University. Additionally, tuition policy for Washington undergraduates limits tuition increases. These policies contribute to a low revenue growth environment. In FY22, the University continues to actively manage the economic situation and the impact on state operating and capital appropriations. Furthermore, changes in enrollment mix will continue to impact tuition revenue. Fall 2021 marked the return to in person classes at the University's Cheney and Spokane campuses, but revenue from auxiliary services including housing and dining continues to be below pre-pandemic levels. At the end of FY21, approximately $17.4 million in HEERF funding remained available to fill revenue gaps occurring as a result of the pandemic.

In October 2021, Moody's Investors Service issued an update to the credit analysis of the University. This was due to a Moody's Investors Service change in Higher Education methodology to include issuer ratings and limited pledge ratings separately. On October 15, 2021 Moody's assigned an A1 issuer rating to Eastern Washington University and downgraded the University's limited pledge revenue bonds to A2 from A1.

Statements of Net Position

June 30, 2021 and 2020

	June 30, 2021	June 30, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 150,655,254	$ 105,031,718
Short-term investments	11,145,490	27,705,759
Deposit with State of Washington	5,337,761	6,745,824
Accounts receivable (net of allowances of $594,062 and $516,234, respectively)	21,219,132	20,154,899
Inventories	1,452,614	2,121,592
Other assets	134,073	584,041
Total current assets	189,944,324	162,343,833
Noncurrent assets:		
Endowment investments	11,358,827	9,426,563
Other long-term investments	940,944	12,190,575
Student loans receivable (less allowances of $965,815 and $1,061,630, respectively)	1,825,473	2,381,732
Unamortized insurance costs on bond issuance	56,932	60,436
Restricted net pension asset	1,038,495	1,205,979
Capital assets, net of accumulated depreciation	400,939,035	384,833,912
Total noncurrent assets	416,159,706	410,099,197
Total assets	$ 606,104,030	$ 572,443,030
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	$ 11,226,896	$ 12,644,723
Deferred outflows of resources related to OPEB	7,212,948	7,201,502
Total deferred outflows of resources	$ 18,439,844	$ 19,846,225
LIABILITIES		
Current liabilities:		
Accounts payable	$ 9,418,303	$ 11,786,065
Accrued liabilities	8,779,397	10,165,104
Deposits or funds held for others	922,203	694,756
Unearned revenue	8,875,781	10,554,281
Net pension liability, current portion	293,778	267,673
Total other postemployment benefit (OPEB) liability, current portion	1,105,279	1,135,533
Long-term liabilities, current portion	4,017,060	3,589,929
Total current liabilities	33,411,801	38,193,341
Noncurrent liabilities:		
Compensated absences	8,395,982	9,001,252
Net pension liability	16,808,170	34,950,480
Total other postemployment benefit liability	61,732,905	64,719,001
Long-term liabilities	80,460,575	78,809,247
Total noncurrent liabilities	167,397,632	187,479,980
Total liabilities	$ 200,809,433	$ 225,673,321
DEFERRED INFLOWS OF RESOURCES		
Unamortized gain on bond refunding	$ 19,415	$ 20,610
Remainder interest in irrevocable split interest agreements	227,110	192,887
Deferred inflows of resources related to pensions	18,187,870	8,950,244
Deferred inflows of resources related to OPEB	22,610,041	20,870,318
Total deferred inflows of resources	$ 41,044,436	$ 30,034,059
NET POSITION		
Net investment in capital assets	$ 318,654,796	$ 305,231,042
Restricted for:		
Nonexpendable:		
Endowments	5,416,860	5,364,215
Expendable:		
Loans	5,690,113	5,377,330
Capital projects	4,087,210	3,140,451
Endowments and other	8,176,920	5,958,113
Net Pension Asset	1,038,497	1,205,979
Unrestricted	39,625,609	10,304,745
Total net position	$ 382,690,005	$ 336,581,875

The footnote disclosures are an integral part of the financial statements.

Statements of Revenues, Expenses, and Changes in Net Position

For the Years Ended June 30, 2021 and 2020

	FY 2021	FY 2020
REVENUES		
Operating revenues:		
Student tuition and fees		
(net of scholarship allowances of $35,512,925 and $34,559,264 respectively)	$ 81,659,860	$ 87,282,167
Federal grants and contracts	24,360,047	9,284,030
State and local grants and contracts	30,066,266	29,137,161
Nongovernmental grants and contracts	3,648,596	4,211,441
Sales and services of auxiliary enterprises		
Housing and dining services		
(net of scholarship allowances of $2,869,009 and $5,814,944, respectively)	3,851,954	11,967,899
Other auxiliary enterprises	4,636,693	9,063,001
Other operating revenue	1,063,176	1,617,423
Total operating revenue	149,286,592	152,563,122
EXPENSES		
Operating expenses:		
Salaries and wages	98,741,262	114,279,795
Benefits	26,387,091	36,146,536
Scholarships and fellowships	26,093,058	25,074,626
Utilities	4,145,216	4,265,999
Rentals and Leases	5,847,802	2,706,718
Services and supplies	29,831,481	32,173,524
Non-capitalized facility improvements (NCFI)	229,765	2,777,825
Travel and other	1,945,619	4,665,601
Depreciation	14,761,192	13,167,350
Total operating expenses	207,982,486	235,257,974
Operating loss	(58,695,894)	(82,694,852)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	67,660,515	65,447,386
Investment income, gains and losses	5,851,147	5,708,430
Interest on capital asset-related debt	(2,618,718)	(2,652,767)
Loss on disposal of capital assets	(14,898)	(71,952)
Change in value of split interest agreements	-	54,334
Pell grant revenue	15,849,911	18,011,950
Net non-operating revenues	86,727,957	86,497,381
Gain before capital appropriations and special items	28,032,063	3,802,529
State appropriations - capital	15,582,189	34,020,514
Prior year supplemental plan contributions	2,492,000	-
Gifts of capital equipment	81,000	120,187
Contributions from charitable gift annuities	-	550,160
Gifts to permanent endowments	52,645	2,375
Perkins loan program termination	(131,767)	115,571
Special item - loss on demolition of capital asset	-	(517,240)
Total other revenues and expenses	18,076,067	34,291,567
Increase in net position	46,108,130	38,094,096
NET POSITION		
Net position, beginning of year	336,581,875	298,487,779
Net position, end of year	$ 382,690,005	$ 336,581,875

The footnote disclosures are an integral part of the financial statements.

Statements of Cash Flows

For the Years Ended June 30, 2021 and 2020

	FY 2021	FY 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	$ 80,641,593	$ 82,657,725
Grants and contracts	54,183,176	48,412,153
Payments to vendors	(43,564,190)	(47,588,806)
Payments to employees	(133,209,068)	(150,729,899)
Payments for scholarships and fellowships	(26,093,058)	(25,074,626)
Collection of student loans	517,782	764,482
Auxiliary enterprise receipts	8,612,874	20,667,992
Other receipts	1,478,117	1,635,566
Net cash used by operating activities	(57,432,774)	(69,255,413)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	67,659,324	65,330,569
Pell grant	15,849,911	18,011,950
Perkins loan repayment	(731,971)	(1,093,767)
Endowments and charitable gift annuities	86,868	78,127
Direct loans receipts	45,235,651	51,059,583
Direct loans disbursements	(45,235,651)	(51,059,583)
Receipts made on behalf of others	7,545,750	10,044,253
Disbursements made on behalf of others	(7,472,046)	(9,434,477)
Net cash provided by noncapital financing activities	82,937,836	82,936,655
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital appropriations	19,848,690	30,725,235
Purchases of capital assets	(30,800,216)	(40,602,393)
Proceeds from Certificates of Participation (COP)	3,758,115	-
Principal paid on capital debt and leases	(1,801,033)	(2,729,458)
Interest paid on capital debt and leases	(2,615,866)	(2,669,884)
Net cash used by capital financing activities	(11,610,310)	(15,276,500)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	27,871,269	28,482,537
Interest on investments	4,252,997	5,774,088
Purchase of investments	(395,482)	(660,945)
Net cash provided by investing activities	31,728,784	33,595,680
Net increase in cash	45,623,536	32,000,422
Cash, beginning of year	105,031,718	73,031,296
Cash, end of year	$ 150,655,254	$ 105,031,718

The footnote disclosures are an integral part of the financial statements.

Statements of Cash Flows *(Continued)*

For the Years Ended June 30, 2021 and 2020

	FY 2021	FY 2020
Reconciliation of operating loss to net cash used by operating activities		
Operating loss	$ (58,695,894)	$ (82,694,852)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation expense	14,761,192	13,167,350
Changes in assets and liabilities:		
Receivables, net	(3,199,502)	(4,863,144)
Inventories	668,978	(883,266)
Other assets	449,968	229,454
Accounts payable	(3,754,012)	(380,434)
Unearned revenue	(1,678,500)	5,555,666
Deposits held for others	153,743	(1,833)
Compensated absenses and other	(605,667)	(67,356)
Retirement liabilities and OPEB	(6,089,341)	(71,229)
Loans to students	556,261	754,231
Net cash used by operating activities	$ (57,432,774)	$ (69,255,413)
Noncash Transactions		
Gifts of capital equipment	81,000	120,187
Loss on demolition and disposal of capital assets	(14,898)	(589,192)

The footnote disclosures are an integral part of the financial statements.

Statements of Financial Position - Component Unit (Foundation)

June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 5,225,368	$ 3,579,209
Certificates of deposit	2,249,707	1,830,515
Promises to give, net	10,669,461	11,236,042
Accounts receivable	-	182,500
Other assets	65,213	62,115
Property and equipment, net	261,581	245,442
Assets held under split interest agreements	1,363,009	1,294,408
Beneficial interest in charitable trusts held by others	481,941	375,800
Beneficial interest in perpetual trusts	2,669,139	2,395,697
Investments	33,064,436	25,565,814
Total assets	$ 56,049,855	$ 46,767,542
LIABILITIES AND NET ASSETS		
Accounts payable	$ -	$ 173,565
Program support payable	4,500,000	5,000,000
Liabilities under split interest agreements	1,072,996	1,004,396
Total liabilities	5,572,996	6,177,961
NET ASSETS		
Without donor restriction		
Undesignated	815,176	659,484
Designated by the Board for endowment	151,624	113,812
	966,800	773,296
With donor restriction	49,510,059	39,816,285
Total net assets	50,476,859	40,589,581
Total liabilities and net assets	$ 56,049,855	$ 46,767,542

The footnote disclosures are an integral part of the financial statements.

Statements of Activities – Component Unit (Foundation)

For the Years Ended June 30, 2021 and 2020

	FY 2021			FY 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND SUPPORT						
Contributions	$ 72,325	$ 5,950,146	$ 6,022,471	$ 60,726	$ 10,050,839	$ 10,111,565
Net investment return	36,354	7,109,294	7,145,648	57,831	1,099,606	1,157,437
Marketing revenue	-	9,920	9,920	-	393,624	393,624
Gross special events revenue	-	111,021	111,021	-	173,123	173,123
Less cost of special events	-	(27,271)	(27,271)	-	(146,071)	(146,071)
Net special events revenue	-	83,750	83,750	-	27,052	27,052
Other	-	19,361	19,361	37	15,861	15,898
Support provided by Eastern			-			-
Washington University	1,772,480	-	1,772,480	1,970,050	-	1,970,050
Change in value of split-interest			-			-
agreements held by the Foundation	-	379,583	379,583	-	(66,118)	(66,118)
Distributions from and change in						-
value of beneficial interests in			-			-
assets held by others	-	92,358	92,358	-	170,481	170,481
Net assets released from restrictions	3,950,638	(3,950,638)	-	4,680,229	(4,680,229)	-
Total revenue, support, and gains	5,831,797	9,693,774	15,525,571	6,768,873	7,011,116	13,779,989
EXPENSES						
Program services expense	3,293,219	-	3,293,219	3,978,132	-	3,978,132
Support services expense						
Management and general	1,056,551	-	1,056,551	1,050,364	-	1,050,364
Fundraising and development	1,288,523	-	1,288,523	1,470,388	-	1,470,388
Total supporting services expenses	2,345,074	-	2,345,074	2,520,752	-	2,520,752
Total expenses	5,638,293	-	5,638,293	6,498,884	-	6,498,884
CHANGE IN NET ASSETS	193,504	9,693,774	9,887,278	269,989	7,011,116	7,281,105
NET ASSETS, Beginning of Year	773,296	39,816,285	40,589,581	503,307	32,805,169	33,308,476
NET ASSETS, End of Year	$ 966,800	$ 49,510,059	$ 50,476,859	$ 773,296	$ 39,816,285	$ 40,589,581

The footnote disclosures are an integral part of the financial statements.

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:

Fiscal Year	Net Distribution
2021	$3,320,489
2020	$2,008,082

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.

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.

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, 2021 were $4,222,261 and $772,674, respectively. Accrued earnings and benefits at June 30, 2020 were $4,773,698 and $873,429.

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.

Changes in Accounting Estimates and Reclassifications

Retirement contributions for the Eastern Washington University Supplemental Retirement Plan (EWUSRP) paid during prior years were placed into a trust effective July 1, 2020. The creation of a trust as defined by the Governmental Accounting Standards Board (GASB) changed the accounting requirements for the treatment of the retirement liabilities to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which were previously accounted for under GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68.* Resulting from this change in accounting estimate is the recognition of $2.5 million in contributions on the fiscal year 2021 Statement of Revenues, Expenses, and Changes in Net Position that were previously recognized as expense during prior years. More information on the EWUSRP is located in footnote 12. Additionally, the University will report the net pension liability (total liability offset by plan fiduciary net position) in FY21 and forward, instead of only the total pension liability.

Certain reclassifications not affecting total net position have been made to 2020 amounts in order to conform to 2021 presentation.

Note 2: Deposits and Investments

Deposits are comprised of cash and cash equivalents which include bank demand deposits, petty cash 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 held at the University, all others are covered by the Federal Deposit Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). 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, 2021	June 30, 2020
Deposits		
Cash and cash equivalents		
Interest bearing	$ 150,544,803	$ 104,914,413
Other	110,451	117,305
Total deposits	$ 150,655,254	$ 105,031,718

The following two tables show investment maturities at June 30.

	Fair value	Investment maturities for fixed income securities (in months)			
	June 30, 2021	0 – 9	10 – 24	25 – 60	61 – 120
Investments – Operating Funds					
U.S. Government agency bonds	$ 11,145,490	$ 5,031,250	$ 6,114,240	$ -	$ -
Investments – Charitable Gift Annuities					
Investment unit trusts					
Equity fund	577,224				
Bond fund	363,720				363,720
Investments – Endowment Funds					
Investment unit trusts					
Equities	7,838,794				
Fixed Income	3,005,177				3,005,177
Real Estate	363,469				
Cash and Cash Equivalents	151,387				
Total investments	$ 23,445,261	$ 5,031,250	$ 6,114,240	$ -	$ 3,368,897

	Fair value	Investment maturities for fixed income securities (in months)			
	June 30, 2020	0 – 9	10 – 24	25 – 60	61 – 120
Investments – Operating Funds					
U.S. Government agency bonds	$ 39,046,569	$ 22,616,899	$ 16,429,670	$ -	$ -
Investments – Charitable Gift Annuities					
Investment unit trusts					
Equity fund	426,487				
Bond fund	353,064				353,064
Investments – Endowment Funds					
Investment unit trusts					
Equities	5,759,831				
Fixed Income	3,214,563				3,214,563
Real Estate	270,546				
Cash and Cash Equivalents	181,623				
Deferred Compensation					
TIAA/CREF					
Guaranteed	11,375				
Equity fund	36,633				
Bond Fund	16,622				16,622
Real Estate	5,584				
Total investments	$ 49,322,897	$ 22,616,899	$ 16,429,670	$ -	$ 3,584,249

At June 30, 2021 and 2020, the net appreciation on investments of donor-restricted endowments that is available for expenditure authorization is $5,947,998 and $4,072,691, 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 7.49 years to 8.68 years.

At June 30, 2021 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 AAA 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.

	Strategic Targets	**Ranges**
Equity		
United States Equity	22.0%	12-32%
International Developed Equity	28.0%	18-38%
Emerging markets	0.0%	-
Global Equity	16.0%	6-26%
	66.0%	56-76%
Fixed Income		
US Investment Grade Bonds	21.0%	11-31%
Inflation Protected Securities	3.0%	0-8%
High Yield Bonds	6.0%	1-11%
	30.0%	20-40%
Real Assets		
Real Estate & Infrastructure	3.0%	0-8%
Natural Resources & Commodities	0.0%	-
	3.0%	0-8%
Cash	1.0%	0-10%
	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.

Securities of the United States government	No Limit
Securities of 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 government district	No Limit
Repurchase agreements, collateralized (only securities authorized in statue 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 Agency Bonds 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, 2021:

- U.S. Government agency bonds of $11,145,490 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:

	2021	2020
Accounts receivable		
Student tuition and fees (less allowances of $412,825 and $326,191, respectively)	$ 13,173,912	$ 11,593,396
Auxiliary enterprises (less allowances of $140,444 and $156,175, respectively)	2,396,657	2,328,537
Contracts and grants	4,393,087	2,785,354
State reimbursement	1,082,381	3,217,650
Other (less allowances of $40,793 and $33,867, respectively)	173,095	229,962
Total accounts receivable	$ 21,219,132	$ 20,154,899
Student loans receivable		
Federal programs (less allowances of $965,815 and $1,061,630, respectively)	$ 1,825,473	$ 2,381,732

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.

	2021	2020
Vacation	$ 6,612,284	$ 7,076,438
Sick	$ 1,783,698	$ 1,924,814

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:

	2021	2020
Reserve at beginning of year	$ 2,917,027	$ 2,965,955
Provision for incurred claims	98,156	113,749
Claims paid	470,465	162,677
Reserve at end of year	**$ 2,544,718**	**$ 2,917,027**

Note 7: Capital Assets

In FY21, the University completed construction on the new interdisciplinary science center (ISC) which is funded through a capital project appropriation from the State of Washington. This building was removed from construction in progress for the year ended June 30, 2021. Capital asset activity for the two-year period ended June 30, 2021 is summarized as follows.

	June 30, 2019	Additions	Retirements	June 30, 2020	Additions	Retirements	June 30, 2021
Non-depreciable Capital Assets							
Land	$ 1,764,834	$ -	$ -	$ 1,764,834	$ -	$ -	$ 1,764,834
Construction in progress	22,014,931	36,152,430	-	58,167,361	23,574,767	73,168,980	8,573,148
Subtotal	23,779,765	36,152,430	-	59,932,195	23,574,767	73,168,980	10,337,982
Depreciable Capital Assets							
Buildings	421,233,522	197,923	550,906	420,880,539	71,953,490	-	492,834,029
Improvements other than buildings	18,603,562	-	-	18,603,562	1,215,490	893,907	18,925,145
Infrastructure	51,026,844	-	-	51,026,844	-	-	51,026,844
Furniture, fixtures and equipment	38,027,929	3,141,533	546,625	40,622,837	6,362,519	-	46,985,356
Library materials	25,516,131	1,230,697	369,202	26,377,626	943,928	83,774	27,237,780
Subtotal	554,407,988	4,570,153	1,466,733	557,511,408	80,475,427	977,681	637,009,154
Total Capital Assets	578,187,753	40,722,583	1,466,733	617,443,603	104,050,194	74,146,661	647,347,136
Less Accumulated Depreciation							
Buildings	140,554,925	8,139,738	33,667	148,660,996	9,546,120	-	158,207,116
Improvements other than buildings	9,589,935	621,371	-	10,211,306	528,825	879,008	9,861,123
Infrastructure	25,665,044	1,513,548	-	27,178,592	1,494,573	-	28,673,165
Furniture, fixtures and equipment	33,089,111	1,534,756	474,673	34,149,194	1,890,000	-	36,039,194
Library materials	11,420,867	1,357,937	369,201	12,409,603	1,301,674	83,774	13,627,503
Total Accumulated Depreciation	220,319,882	13,167,350	877,541	232,609,691	14,761,192	962,782	246,408,101
Capital assets, net of depreciation	$ 357,867,871	$ 27,555,233	$ 589,192	$ 384,833,912	$ 89,289,002	$ 73,183,879	$ 400,939,035

Note 8: Leases, Bonds Payable, and Other Liabilities

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

	June 30, 2020	Additions	Reductions	June 30, 2021	Current Portion
Leases and bonds payable					
Lease obligations (Note 9)	$ 1,326,313	$ 4,480,093	$ 554,544	$ 5,251,862	$ 896,876
Revenue bonds payable (Note 10)	76,010,000	-	2,175,000	73,835,000	2,260,000
Unamortized premium	2,306,384	1,079,231	150,721	3,234,894	233,044
Total leases and bonds payable	79,642,697	5,559,234	2,880,265	82,321,756	3,389,920
Other liabilities					
Charitable gift annuities (Note 1)	12,366	21,567	21,963	11,970	16,040
Compensated absences (Note 5)	9,001,252	5,027,371	5,632,641	8,395,982	-
Perkins program termination	2,744,113	131,767	731,971	2,143,909	611,100
Total	$ 91,400,428	$ 10,740,029	$ 9,266,840	$ 92,873,617	$ 4,017,060

	June 30, 2019	Additions	Reductions	June 30, 2020	Current Portion
Leases and bonds payable					
Lease obligations (Note 9)	$ 1,835,650	$ -	$ 509,337	$ 1,326,313	$ 529,543
Revenue bonds payable (Note 10)	78,105,000	-	2,095,000	76,010,000	2,175,000
Unamortized premium	2,431,505	-	125,121	2,306,384	125,121
Total leases and bonds payable	82,372,155	-	2,729,458	79,642,697	2,829,664
Other liabilities					
Charitable gift annuities (Note 1)	96,883	27,077	111,594	12,366	16,040
Compensated absences (Note 5)	8,984,091	5,915,930	5,898,769	9,001,252	-
Perkins program termination	3,953,451	-	1,209,338	2,744,113	744,225
Total	$ 95,406,580	$ 5,943,007	$ 9,949,159	$ 91,400,428	$ 3,589,929

Note 9: Leases

The University leases facilities and furnishings for student dormitory residences, office and computer equipment, and other assets under a variety of agreements. The University's non-cancelable operating leases that have remaining terms of more than one year expire in various fiscal years from 2022 through 2031. Total operating lease payments in fiscal year 2021 were $3,746,065.

The University also entered into certain agreements that are classified as capital leases; the related assets and liabilities are recorded in the financial records at the inception of the lease. The historical cost of the assets acquired through capital leases is $11,473,156.

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 leasing 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 $4,480,093 and used to finance equipment for the new Catalyst building and various roofing replacement projects. An additional $721,978 in COP funding was held by OST at June 30. When spending requirements are met, the proceeds will be requested by the University.

The University entered into a lease agreement in May 2018 with South Landing Building, LLC as the primary tenant in the Catalyst Building in Spokane's University District. The University leases a combined area of over 100,000 square feet in the building, and the initial term of the lease is one hundred twenty months from the lease commencement date of April 2020. The first lease payment occurred in October 2020. Lease renewal options include two additional periods of five years each, including annual escalation of rent per square foot. Lease payments for the initial lease term range from $3.2 million to $5.4 million annually and will be offset by $500,000 annual contributions from partners of the project.

Minimum lease payments under leases together with the present value of the net minimum capital lease payments as of June 30, 2021, are as follows:

Fiscal Year Annual Payment	Operating	Capital
2022	$ 4,830,466	$ 1,155,208
2023	4,847,847	835,821
2024	4,942,194	584,165
2025	5,028,145	581,270
2026	4,986,370	583,429
2027-2031	20,048,145	2,838,919
Obligation under leases	$ 44,683,167	$6,578,812
Less: Amount representing interest costs		(1,326,950)
Present value of minimum obligation under capital leases		5,251,862
Add: Unamortized premium		1,092,921
		$ 6,344,783

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 student 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 to 5 percent and are due serially on October 1 in amounts ranging from $840,000 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 $755,000 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	3.00% - 4.125%	2021-2042	$ 25,330,000	$ 20,785,000
Service and Activities Refunding Bonds, Series 2016A	2.00% - 5.00%	2021-2037	23,465,000	19,155,000
Service and Activities Revenue Bonds, Series 2016B	2.625% - 5.00%	2021-2046	36,175,000	33,895,000
Total Revenue Bonds Payable			$ 84,970,000	$ 73,835,000

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

Fiscal Year	Principal	Interest
2022	$ 2,260,000	$ 2,540,271
2023	2,365,000	2,438,446
2024	2,470,000	2,331,771
2025	2,590,000	2,219,115
2026	2,720,000	2,094,414
2027-2031	15,170,000	8,936,912
2032-2036	17,715,000	6,454,403
2037-2041	16,460,000	3,516,670
2042-2046	10,155,000	1,100,894
2047	1,930,000	31,364
Totals	73,835,000	31,664,260
Add: Unamortized bond premium	2,141,973	
	$ 75,976,973	

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 (net)	Current Year Debt Service	Total Future Revenues Pledged	Description of Debt	Purpose of Debt	Term of Commitment
Service & Activity fee revenue	$ 9,341,406	$ 3,316,821	$ 74,304,365	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	$ 2,563,417	$ 1,483,450	$ 31,194,894	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.

	2021	2020
Total Salaries and Wages	$ 98,741,262	$ 114,279,795
PERS Covered Payroll	27,472,695	31,435,288
TRS Covered Payroll	1,353,225	1,346,840
LEOFF Covered Payroll	1,020,099	1,153,860
EWURP Covered Payroll	60,197,222	66,882,553

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. The current fiscal year end is the measurement date for reporting the retirement liabilities under the supplemental plan. 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.

<u>Actuarial Assumptions</u>

The total pension liability (TPL) for each of the plans was determined using the most recent actuarial valuation completed in 2020 with a valuation date of June 30, 2019. The actuarial assumptions used in the valuation are summarized in the Actuarial Section of DRS' *Comprehensive Annual Financial Report*. These assumptions reflect the results of Office of State Actuary's *2013-2018 Experience Study Report* and *2019 Economic Experience Study.* Additional assumptions for subsequent events and law changes are current as of the 2019 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2020. Plan liabilities were rolled forward from June 30, 2019, to June 30, 2020, reflecting each plan's normal cost (using the Entry-Age Cost Method), assumed interest and actual benefit payments.

- Inflation: 2.75% total economic inflation; 3.50% salary inflation
- Salary Increases: In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity
- Investment rate of return: 7.40%

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:

- OSA updated their demographic assumptions based on the results of their latest demographic experience study. This study is completed every six years and includes updates to a wide range of behavioral and demographic assumptions.
- OSA updated the Early Retirement Factors and Joint-and-Survivor Factors used in their model. These factors are used to value benefits for members who elect to retire early and for survivors of members that die prior to retirement.
- This valuation includes liabilities and assets for Plan 3 members purchasing Total Allocation Portfolio annuities when determining contribution rates and funded status.
- OSA simplified the modeling of medical premium reimbursements for survivors of duty-related deaths in LEOFF 2.
- OSA changed their method to updating certain data items that change annually.

<u>Discount rate</u>

The discount rate used to measure the total pension liability was 7.40 percent for all plans. To determine that rate, 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 OSA's assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.40 percent was used to determine the total liability.

Long Term Expected Rate of Return

OSA selected a 7.40% 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. 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, 2020, 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%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
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 6/30/21					
Proportionate Share	0.211191%	0.267640%	0.018450%	0.018715%	0.050910%
Net Pension Liability	$ 7,456,170	$ 3,422,957	$ 444,413	$ 287,464	$ (1,038,496)
Year Ended 6/30/20					
Proportionate Share	0.225347%	0.283286%	0.021472%	0.021654%	0.052056%
Net Pension Liability (Asset)	$ 8,665,380	$ 2,751,669	$ 531,602	$ 130,470	$ (1,205,978)

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 of 7.40 percent, 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 (6.40 percent) or 1 percentage point higher (8.40 percent) than the current rate:

	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2
Year Ended 6/30/21					
1% Decrease	$ 9,339,277	$ 21,298,557	$ 563,068	$ 847,176	$ (20,559)
Current Discount Rate	7,456,170	3,422,957	444,413	287,464	(1,038,496)
1% Increase	5,813,907	(11,297,609)	396,706	(169,120)	(1,871,983)
Year Ended 6/30/20					
1% Decrease	$ 10,851,830	$ 21,104,218	$ 679,451	$ 711,063	$ (224,242)
Current Discount Rate	8,665,380	2,751,669	531,602	130,470	(1,205,978)
1% Increase	6,768,369	(12,307,808)	403,358	(341,586)	(2,007,299)

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					
2021	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2
Pension contributions subsequent to the measurement date	$1,353,649	$2,152,278	$ 99,827	$ 110,180	$ 87,627
Differences between expected and actual experience	-	1,225,369	-	181,676	143,693
Change in assumptions	-	48,753	-	37,077	1,504
Change in proportion and contributions	-	58,294	-	45,373	91,597
Net difference between projected and actual investment earnings on pension plan investments	-	-	-	-	-
Total	$1,353,649	$3,484,694	$ 99,827	$ 374,306	$ 324,421
2020					
Pension contributions subsequent to the measurement date	$1,521,561	$2,463,437	$ 96,997	$ 109,195	$ 99,117
Differences between expected and actual experience	-	788,360	-	90,720	86,781
Change in assumptions	-	70,461	-	49,188	1,987
Change in proportion and contributions	-	75,869	-	58,266	83,441
Net difference between projected and actual investment earnings on pension plan investments	-	-	-	-	-
Total	$1,521,561	$3,398,127	$ 96,997	$ 307,369	$ 271,326
Deferred Inflows of Resources					
2021	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2
Pension contributions subsequent to the measurement date	$ -	$ -	$ -	$ -	$ -
Differences between expected and actual experience	-	428,978	-	1,037	18,419
Change in assumptions	-	2,338,176	-	31,504	160,805
Change in proportion and contributions	-	486,083	-	27,672	76,622
Net difference between projected and actual investment earnings on pension plan investments	41,513	173,837	2,858	2,790	11,575
Total	$ 41,513	$3,427,074	$ 2,858	$ 63,003	$ 267,421
2020					
Pension contributions subsequent to the measurement date	$ -	$ -	$ -	$ -	$ -
Differences between expected and actual experience	-	591,594	-	4,198	21,687
Change in assumptions	-	1,154,509	-	34,667	135,711
Change in proportion and contributions	-	144,510	-	11,415	97,791
Net difference between projected and actual investment earnings on pension plan investments	578,920	4,005,310	40,770	112,643	247,263
Total	$ 578,920	$5,895,923	$ 40,770	$ 162,923	$ 502,452

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
2022	$ (188,387)	$ (1,500,741)	$ (12,561)	$ (781)	$ (78,565)
2023	(5,925)	(419,924)	(368)	25,020	(9,193)
2024	57,482	(19,580)	3,825	35,048	16,453
2025	95,317	250,022	6,246	43,256	35,829
2026	-	(178,864)	-	26,021	(5,897)
thereafter	-	(225,572)	-	72,559	10,747
Total	$ (41,513)	$ (2,094,659)	$ (2,858)	$ 201,123	$ (30,626)

The University recognized $82,292 and $952,004 in pension expense for all plans noted above for fiscal years 2021 and 2020, 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	
	FY2021	FY2020	FY2021	FY2020
PERS 1	12.97%	12.86%	$ 36,697	$ 42,648
PERS 2	12.97%	12.86%	2,794,980	3,222,475
PERS 3	12.97%	12.86%	726,351	777,450
TRS 1	15.74%	15.51%	-	-
TRS 3	15.74%	15.51%	212,661	208,734
LEOFF 2	8.77%	8.77%	89,463	101,194

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, 2021 and 2020 were $5,175,964 and $5,726,138, respectively. For the years ended June 30, 2021 and 2020, the University reported $(800,000) and $1,985,316, 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 year ended June 30, 2021. A contribution rate in prior years was not required. Contributions made during the fiscal year 2021 were $165,000.

Plan Membership – Membership of the EWURP Supplemental Plan consisted of the following as of actuarial valuations dated June 30:

	2020	2018
Active Members	290	346
Eligible members not yet receiving benefits	59	26
Beneficiaries currently receiving benefits	57	46

Actuarial Assumptions - The total pension liability was determined by actuarial valuations using the following actuarial assumptions, applied to all periods included in the measurement. For both years, update procedures were used by the Office of State Actuary to roll forward the TPL to the measurement date.

	FY2021	FY2020
Actuarial valuation date	June 30, 2020	June 30, 2018
Measurement date	June 30, 2021	June 30, 2020
Inflation	2.75%	2.75%
Salary changes	3.50%	3.50%
Source of mortality assumptions	Pub T.H-2010 Table	RP-2000 Combined Healthy Table and Combined Disabled Table, using 100 percent Scale BB
Date of experience study	August 2021	April 2016
Investment rate of return	7.40%	-
Discount rate	7.40%	2.21%
Source of discount rate	2019 Economic Experience Study	Bond Buyer 20 Bond Index
Liability using discount rate 1% lower	$ 6,396,000	$ 26,568,277
Liability using current discount rate	$ 5,490,000	$ 23,139,030
Liability using discount rate 1% higher	$ 4,711,000	$ 20,306,724

Material assumption changes during the measurement period ending June 30, 2021 include an increase in the discount rate from 2.21 percent to 7.40 percent. Given the creation of dedicated funds to pay SRP benefits under legislation, the discount rate is now based on the long-term expected rate of return on the pension plan investments rather than the bond index rate. A series of demographic and economic assumptions were updated, such as the Mortality, Total Salary Growth, and TIAA and CREF future accumulation rates assumptions, based on the August 2021 Higher Education SRP Experience Study.

Material assumption changes during the measurement period ending June 30, 2020 include a decrease to the discount rate from 3.50 percent to 2.21 percent. Additionally, returns on TIAA and CREF investments were updated to calculate a member’s assumed income.

Long Term Expected Rate of Return

OSA selected a 7.40% 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, 2020, 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%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
Total	100%	

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

	FY2021	FY2020
Service cost	$ 668,000	$ 501,000
Interest	523,000	634,000
Differences between expected and actual experience	(7,646,000)	1,019,000
Changes in assumptions	(7,364,000)	3,488,000
Benefit payments	(280,000)	(250,000)
Net Change in Total Pension Liability	(14,099,000)	5,392,000
Total Pension Liability - Beginning	23,139,000	17,747,000
Total Pension Liability - Ending	$ 9,040,000	$ 23,139,000
Contributions – Employer	$ 165,000	$ -
Net investment income	892,000	-
Net Change in Plan Fiduciary Net Position	1,057,000	-
Plan Fiduciary Net Position – Beginning	2,492,000	-
Plan Fiduciary Net Position - Ending	$ 3,549,000	$ -

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

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,625,000	$ 7,176,000	$ 3,390,000	$ 1,150,000
Changes of assumptions	2,965,000	6,648,000	3,659,000	619,000
Net difference between projected and actual investment earnings on pension plan investments	-	562,000	-	-
Total	$ 5,590,000	$ 14,386,000	$ 7,049,000	$ 1,769,000

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

2022	$ (1,636,000)
2023	(1,479,000)
2024	(1,113,000)
2025	(1,567,000)
2026	(2,064,000)
Thereafter	(937,000)
Total	$ (8,796,000)

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 2020 and 2021, the explicit subsidy was $183.

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

Number of Participants	FY2021	FY2020
Active employees	1,352	1,422
Retirees receiving benefits	372	383
Retirees entitled to but not receiving benefits	62	68

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.

	FY2021	FY2020
Actuarial valuation date	June 30, 2020	June 30, 2018
Measurement date	June 30, 2020	June 30, 2019
Inflation rate	2.75%	2.75%
Projected salary changes	3.50%	3.50%
Discount rate	2.21%	3.50%
Source of discount rate	Bond Buyer 20 Bond Index	Bond Buyer 20 Bond Index
Liability using discount rate 1% lower	$ 76,081,545	$ 79,747,637
Liability using current discount rate	$ 62,838,185	$ 65,854,535
Liability using discount rate 1% higher	$ 52,526,341	$ 55,063,709
Health care trend rates	Initial rate ranges from about 2-11%, reaching an ultimate rate of approximately 4.3% in 2075	Initial rate is 8.00%, reaching an ultimate rate of 4.50% in 2080
Liability using health care rate 1% lower	$ 51,206,445	$ 53,299,246
Liability using current health care rate	$ 62,838,185	$ 65,854,535
Liability using health care rate 1% higher	$ 78,432,656	$ 82,752,045
Post-Retirement Participation Percentage	65.00%	65.00%
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	RP-2000 Combined Healthy Table and Combined Disability Table using 100 percent scale BB applied on a generational basis
Actuarial cost method	Entry Age	Entry Age

Most demographic actuarial assumptions, including mortality and when members are expected to terminate and retire, were based on the results of the 2013-2018 Demographic Experience Study Report. The post-retirement participation percentage and percentage with spouse coverage, were reviewed in 2017. Economic assumptions, including inflation and salary increases, were based on the results of the 2019 Report on Financial Condition and Economic Experience Study.

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 2021 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:

	FY2021	FY2020
Proportionate share	1.037757%	1.134668%
OPEB Expense	$ (182,794)	$ 2,667,504
Service cost	$ 2,607,597	$ 2,666,488
Interest	2,181,296	2,313,026
Differences between expected and actual experience	(334,263)	-
Changes in assumptions	1,413,966	4,307,462
Benefit payments	(1,038,548)	(1,058,070)
Change in proportionate share	(5,624,588)	(1,504,432)
Other	(2,221,810)	-
Net Change in Total Pension Liability	(3,016,350)	6,724,474
Total OPEB Liability - Beginning	65,854,535	59,130,061
Total OPEB Liability - Ending	$ 62,838,185	$ 65,854,535

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	
	FY2021	FY2020	FY2021	FY2020
Transactions subsequent to the measurement date	$ 1,105,279	$ 1,135,533	$ -	$ -
Differences between expected and actual experience	1,378,569	1,758,524	297,123	-
Changes in assumptions	4,320,965	3,828,856	14,819,853	19,094,065
Change in proportion and benefit payments	408,134	478,589	7,493,066	1,776,252
Total	$ 7,212,947	$ 7,201,502	$ 22,610,042	$ 20,870,317

Deferred outflows of resources in the amount of $1,105,279 and $1,135,533 resulting from contributions subsequent to the measurement date are recognized as a reduction of the OPEB liability in the year ended June 30, 2022 and 2021 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:

2022	$ (2,749,876)
2023	(2,749,876)
2024	(2,749,876)
2025	(2,749,876)
2026	(2,749,876)
Thereafter	(2,752,994)
Total	$ (16,502,374)

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, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Assets				
Current assets	$ 28,870,545	$ 25,698,825	$ 11,284,284	$ 8,573,374
Non-current assets	34,278,944	37,935,824	73,206,650	75,722,548
Total assets	63,149,489	63,634,649	84,490,934	84,295,922
Deferred outflows of resources				
Related to pensions and OPEB	1,321,756	1,744,207	500,186	544,242
Liabilities				
Current liabilities	1,821,646	1,680,986	3,648,053	3,942,371
Non-current liabilities	25,560,677	28,535,373	55,975,457	58,225,271
Total liabilities	27,382,323	30,216,359	59,623,510	62,167,642
Deferred inflows of resources				
Unamortized gain on bond refunding	-	-	19,415	20,610
Related to pensions and OPEB	3,352,700	2,453,107	602,810	520,714
Net position				
Net investment in capital assets	11,499,170	11,734,123	18,240,316	18,493,784
Restricted expendable	75,542	58,614	2,251,000	-
Unrestricted	22,161,510	20,916,653	4,254,069	3,637,413
Total net position	$ 33,736,222	$ 32,709,390	$ 24,745,385	$ 22,131,197

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	
	2021	2020	2021	2020
Operating revenues	$ 7,378,935	$ 18,445,274	$ 10,934,185	$ 12,702,580
Operating expenses	8,532,055	16,993,564	5,329,066	6,831,024
Net operating income	(1,153,120)	1,451,710	5,605,119	5,871,556
Non-operating revenues (expenses)	2,148,711	(925,775)	(3,004,877)	(3,786,212)
Change in net position	995,591	525,935	2,600,242	2,085,344
Net position, beginning of year	32,709,390	32,183,455	22,131,197	20,045,853
Adjustment to beginning net position	31,241	-	13,946	-
Net position, beginning of year, as restated	32,740,631	-	22,145,143	-
Net position, end of year	$ 33,736,222	$ 32,709,390	$ 24,745,385	$ 22,131,197

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	
	2021	2020	2021	2020
Net cash flows provided by operating activities	$ (724,570)	$ 2,470,823	$ 7,034,296	$ 5,436,731
Net cash flows provided by investing activities	5,250,739	5,227,730	1,461,881	1,517,789
Net cash flows used by non-capital and related financing activities	3,000,000	-	(1,996,707)	(618,285)
Net cash flows provided used by capital and related financing activities	(1,569,756)	(1,574,143)	(3,256,736)	(4,032,324)
Net increase (decrease) in cash	5,956,413	6,124,410	3,242,734	2,303,911
Cash—beginning of year	19,074,222	12,949,812	6,621,940	4,318,029
Cash—end of year	$ 25,030,635	$ 19,074,222	$ 9,864,674	$ 6,621,940

Note 15: Operating Expenses by Function

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

	FY2021	FY2020
Education and general		
Instruction	$ 69,134,349	$ 80,377,186
Research	881,879	1,001,236
Public Service	7,931,344	8,384,899
Academic support	16,362,611	18,510,679
Student services	15,531,979	19,332,812
Institutional support	18,767,430	18,016,168
Operation and maintenance of plant	20,845,461	22,128,337
Scholarships and fellowships	26,226,114	25,340,838
Auxiliary enterprises	17,540,127	28,998,469
Depreciation	14,761,192	13,167,350
Total operating expenses	$ 207,982,486	$ 235,257,974

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 FY21 and FY20 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, 2021 total $10.9 million for various goods and services.

Schedules of Required Supplementary Information

Schedule of the University's Proportionate Share of the Net Pension Liability (Asset)

	2015	2016	2017	2018	2019	2020	2021
Public Employees' Retirement System (PERS) Plan 1							
University's proportion of the net pension liability	0.235935%	0.232536%	0.234419%	0.225802%	0.226824%	0.225347%	0.211191%
University's proportionate share of the net pension liability	$ 11,885,340	$ 12,163,804	$ 12,589,381	$ 10,714,502	$ 10,130,031	$ 8,665,380	$ 7,456,170
University's covered payroll	25,196,757	25,945,212	27,434,293	28,095,867	29,822,632	31,174,499	31,435,288
University's proportionate share of the net pension liability as a percentage of its covered payroll	47%	47%	46%	38%	34%	28%	24%
Plan fiduciary net position as a percentage of the total pension liability	61%	59%	57%	61%	63%	67%	69%
Public Employees' Retirement System (PERS) Plan 2/3							
University's proportion of the net pension liability	0.285383%	0.284759%	0.285742%	0.280853%	0.282349%	0.283286%	0.267640%
University's proportionate share of the net pension liability	$ 5,768,630	$ 10,174,598	$ 14,386,897	$ 9,758,291	$ 4,820,860	$ 2,751,669	$ 3,422,957
University's covered payroll	24,496,463	25,317,107	26,817,445	27,677,117	29,431,876	30,778,418	31,103,653
University's proportionate share of the net pension liability as a percentage of its covered payroll	24%	40%	54%	35%	16%	9%	11%
Plan fiduciary net position as a percentage of the total pension liability	93%	89%	86%	90%	95%	97%	97%
Teachers' Retirement System (TRS) Plan 1							
University's proportion of the net pension liability	0.014280%	0.015034%	0.016733%	0.019939%	0.022775%	0.021472%	0.018450%
University's proportionate share of the net pension liability	$ 421,191	$ 476,291	$ 571,301	$ 602,820	$ 665,155	$ 531,602	$ 444,413
University's covered payroll	658,969	747,748	852,932	1,119,777	1,440,687	1,448,250	1,346,840
University's proportionate share of the net pension liability as a percentage of its covered payroll	64%	64%	67%	54%	46%	37%	33%
Plan fiduciary net position as a percentage of the total pension liability	69%	66%	62%	65%	66%	70%	71%
Teachers' Retirement System (TRS) Plan 2/3							
University's proportion of the net pension liability	0.015141%	0.015921%	0.017044%	0.020412%	0.023164%	0.021654%	0.018715%
University's proportionate share of the net pension liability	$ 48,904	$ 134,340	$ 234,069	$ 188,388	$ 104,262	$ 130,470	$ 287,464
University's covered payroll	654,525	747,348	852,532	1,119,377	1,440,287	1,448,250	1,346,840
University's proportionate share of the net pension liability as a percentage of its covered payroll	7%	18%	27%	17%	7%	9%	21%
Plan fiduciary net position as a percentage of the total pension liability	97%	92%	89%	93%	96%	96%	92%
Law Enforcement Officers' and Firefighter's (LEOFF) Plan 2							
University's proportion of the net pension liability	0.040159%	0.048127%	0.049090%	0.060803%	0.051360%	0.052056%	0.050910%
University's proportionate share of the net pension liability	$ (532,934)	$ (494,651)	$ (285,519)	$ (843,749)	$ (1,042,728)	$ (1,205,978)	$ (1,038,496)
University's covered payroll	669,208	852,252	894,293	1,148,894	1,011,692	1,105,966	1,153,860
University's proportionate share of the net pension liability as a percentage of its covered payroll	80%	58%	32%	73%	103%	109%	90%
Plan fiduciary net position as a percentage of the total pension liability	117%	112%	124%	113%	118%	119%	116%

* June 30 measurement date; this schedule to be built prospectively until it contains ten years of data.

Schedule of the University Contributions

	2015	2016	2017	2018	2019	2020	2021
Public Employees' Retirement System (PERS) Plan 1							
Contractually required contribution	$ 57,848	$ 68,964	$ 46,816	$ 49,626	$ 50,817	$ 42,648	$ 36,754
Contributions in relation to the contractually required contribution	57,464	67,757	46,254	47,216	50,734	42,648	36,697
Contribution deficiency (excess)	385	1,207	563	2,410	83	--	57
University's covered payroll	25,945,212	27,434,293	28,095,867	29,822,632	31,174,499	31,435,288	27,472,694
Contributions as a percentage of covered payroll	0.22%	0.25%	0.16%	0.16%	0.16%	0.14%	0.13%
Public Employees' Retirement System (PERS) Plan 2/3							
Contractually required contribution	$ 2,331,706	$ 2,998,190	$ 3,094,302	$ 3,737,848	$ 3,948,871	$ 3,999,930	$ 3,526,454
Contributions in relation to the contractually required contribution	2,328,966	2,988,130	3,084,800	3,725,304	3,942,428	3,999,925	3,521,331
Contribution deficiency (excess)	2,740	10,060	9,502	12,544	6,443	5	5,123
University's covered payroll	25,317,107	26,817,445	27,677,117	29,431,876	30,778,418	31,103,653	27,189,314
Contributions as a percentage of covered payroll	9.20%	11.14%	11.15%	12.66%	12.81%	12.86%	12.95%
Teachers' Retirement System (TRS) Plan 1							
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	1,346,840	1,353,225
Contributions as a percentage of covered payroll	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Teachers' Retirement System (TRS) Plan 2/3							
Contractually required contribution	$ 77,649	$ 111,937	$ 146,974	$ 218,924	$ 223,175	$ 208,895	$ 212,998
Contributions in relation to the contractually required contribution	79,752	112,047	146,974	200,731	222,897	208,734	212,661
Contribution deficiency (excess)	(2,103)	(109)	--	18,193	278	161	337
University's covered payroll	747,348	852,532	1,119,377	1,440,287	1,448,250	1,346,840	1,353,225
Contributions as a percentage of covered payroll	10.67%	13.14%	13.13%	13.94%	15.39%	15.50%	15.72%
Law Enforcement Officers' and Firefighters' (LEOFF) Plan 2							
Contractually required contribution	$ 73,208	$ 76,820	$ 98,690	$ 90,344	$ 98,763	$ 101,194	$ 89,463
Contributions in relation to the contractually required contribution	72,978	76,820	98,690	90,367	98,763	101,194	89,463
Contribution deficiency (excess)	231	--	--	(23)	--	--	--
University's covered payroll	852,252	894,293	1,148,894	1,011,692	1,105,966	1,153,860	1,020,099
Contributions as a percentage of covered payroll	8.56%	8.59%	8.59%	8.93%	8.93%	8.77%	8.77%
Eastern Washington University Supplemental Retirement Plan (EWUSRP)							
Contractually required contribution							$ 5,175,964
Contributions in relation to the contractually required contribution							5,175,964
Contribution deficiency (excess)							-
University's covered payroll							60,197,222
Contributions as a percentage of covered payroll							8.60%

* June 30 reporting date; this schedule to be built prospectively until it contains ten years of data.

Schedule of Changes in the Total Pension Liability
Eastern Washington University Supplemental Retirement Plan (EWUSRP)
Fiscal Year Ended June 30

	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%

* As of June 30; this schedule is to be built prospectively until it contains ten years of data.

Schedule of Changes in the Net Pension Liability
Eastern Washington University Supplemental Retirement Plan (EWUSRP)
Fiscal Year Ended June 30

	2021
Service cost	$ 668,000
Interest	523,000
Differences between expected and actual experience	(7,646,000)
Changes in assumptions	(7,364,000)
Benefit payments	(280,000)
Net Change in Total Pension Liability	(14,099,000)
Total Pension Liability - Beginning	23,139,000
Total Pension Liability – Ending (a)	**$ 9,040,000**
Employer contributions	$ 165,000
Net investment income	892,000
Net Change in Plan Fiduciary Net Position	1,057,000
Plan Fiduciary Net Position – Beginning	2,492,000
Plan Fiduciary Net Position – Ending (b)	**$ 3,549,000**
EWUSRP Net Pension Liability (a-b)	**$ 5,491,000**
University’s covered payroll	$ 60,197,222
Net pension liability as a percentage of its covered payroll	9.12%
Plan fiduciary net position as a percentage of the total pension liability	39.26%

* As of June 30; this schedule is to be built prospectively until it contains ten years of data.

Schedule of Changes in Total OPEB Liability
Measurement Date of June 30*

	2018	2019	2020	2021
Service Cost	$ 4,568,047	$ 3,696,903	$ 2,666,488	$ 2,607,597
Interest	2,139,701	2,541,600	2,313,026	2,181,296
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
Benefit payments	(1,090,426)	(1,073,445)	(1,058,070)	(1,038,548)
Change in proportionate share	133,375	448,124	(1,504,432)	(5,624,588)
Other	--	--	--	(2,221,810)
Net Change in Total Pension Liability	(4,686,804)	(8,251,329)	6,724,474	(3,016,350)
Total OPEB Liability – Beginning	72,068,194	67,381,390	59,130,061	65,854,535
Total OPEB Liability - Ending	**$ 67,381,390**	**$ 59,130,061**	**$ 65,854,535**	**$ 62,838,185**
Covered-employee payroll	$ 95,610,059	$ 99,635,814	$ 101,473,731	$ 103,044,775
Total OPEB liability as a percentage of covered employee payroll	70.48%	59.35%	64.90%	60.98%

* As of June 30; this schedule is to be built prospectively until it contains ten years of data.

Note: No assets are accumulated in a trust that meets the criteria in GASB Statements 73 or 75, paragraph 4 to pay related benefits for the Eastern Washington University Supplemental Retirement Plan or OPEB Plan.

EASTERN
WASHINGTON UNIVERSITY

The Office of Controller is responsible for preparing this report. Additional copies of this publication are available from:

Eastern Washington University | Office of Controller | 319 Showalter Hall | Cheney, WA 99004
509.359.6816 | www.ewu.edu