EASTERN
WASHINGTON UNIVERSITY

2022 FINANCIAL REPORT

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***At June 30, 2022**

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Introductory Section

Financial Section

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. The important work of this university requires sound financial stewardship, a tenet we are committed to maintaining in order to fulfill our mission of personal transformation through excellence in learning.

This year, we are undertaking a strategic resource allocation process, along with developing a new strategic plan to best reflect the vision, ideas, and priorities of constituencies on and off campus. When complete, the combined resource allocation and strategic plan will best address the new needs of our faculty, staff and students as we emerge from the pandemic and the changes it brought to our institution and our lives.

As we identify the framework for the strategic plan, we remain dedicated to focusing 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 threaded through every aspect of EWU.

EWU is a leader in higher education accessibility and a model for diversity and inclusion, ensuring our campuses are safe, vibrant, welcoming communities that provide opportunities for a diversity of learners.

For over 140 years, EWU has understood the importance of defining and expanding our role as a regional public university, our responsibility to be recognized as a significant architect of the region. There remains a critical need for EWU to partner with schools, businesses, and organizations in entrepreneurial and innovative ways. We must help fuel economic and workforce development, furthering the overall success of the communities we serve while providing students with practical experiences and knowledge.

Thank you for taking time to review this publication. I am very proud of our mission and our achievements. We bring significant benefit to our region and our state while transforming lives in so many ways.

In gratitude,

Shari McMahan, PhD.
President
Eastern Washington University

Office of the Washington State Auditor
Pat McCarthy

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

Board of Trustees
Eastern Washington University
Cheney, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Eastern Washington University as of and for the years then ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the financial section of our report.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Eastern Washington University, as of June 30, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Eastern Washington Foundation (the Foundation), which represent 100 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 Housing and Dining Services (Housing), and the Eastern Washington University Associated Student Activities (Student Activities). Housing represents 9.0 percent of the assets, 9.0 percent of net position, and 9.2 percent of revenues of the University business-type activities. Student Activities represents 11.3 percent of the assets, 6.0 percent of net position, and 6.2 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. The financial statements of the Foundation, Housing, and Student Activities were not audited in accordance with Government Auditing Standards.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matters of Emphasis

As discussed in Note 1 to the financial statements, in 2022, the University adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87*, Leases*. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the financial statements of the Eastern Washington University, an agency of the state of Washington, are intended to present the financial position, and the changes in financial position, and where applicable, cash flows of only the respective portion of the activities of the state of Washington that is attributable to the transactions of the. They do not purport to, and do not, present fairly the financial position of the state of Washington as of June 30, 2022 and 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government*

Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Other Information

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

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated March 22, 2023, 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, State Auditor

Olympia, WA

March 22, 2023

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, 2022, with comparative 2021 and 2020 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 10,900 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 has had significant impacts on higher education and the university's operations. The University implemented measures to best serve the students and employees, remaining in a remote instruction environment for fiscal year 2021 academic terms and offering limited on-campus services. The shift to online instruction significantly impacted University campus-based operations such as housing, dining and other auxiliaries during fiscal year 2021. Fall 2021 marked the return to in person classes at the University's Cheney and Spokane campuses, but FY22 revenue from auxiliary services including housing and dining continued to be below pre-pandemic levels.

Financial support 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. The University spent $4.8 million of the student aid funding in FY21. $1.6 million and $10.0 million of institutional support funds were spent in FY22 and 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. The University spent all of the student aid funding in FY22. $10.4 million and $2.4 million of the institutional support funds were spent in FY22 and FY21, respectively.

Impact from Changes in Accounting and Reporting Requirements

The University implemented GASB Statement No. 87, *Leases* for the year ending June 30, 2022. This statement changed the accounting and financial reporting for lease arrangements and applies to contracts that convey the right to use an underlying non-financial asset in an exchange or exchange-like transaction for a term exceeding 12 months. Lessee arrangements now recognize a right to use lease asset related lease liability. Lessor arrangements now recognize a lease receivable and deferred inflow of resources. This statement was applied retroactively as of July 1, 2020. The Statement of Net Position, Statement of Revenues, Expenses, and Change in Net Position, and Statement of Cash Flows have been restated for fiscal year 2021 to reflect this change.

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.

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)

	2022	2021	2020
Assets			
Current assets	$ 199,680	$ 189,944	$ 162,344
Capital assets, net of depreciation	405,867	400,676	384,834
Other non-current assets	135,970	101,581	25,265
Total Assets	741,517	692,201	572,443
Deferred outflows of resources	18,371	18,440	19,846
Liabilities			
Current liabilities	34,371	34,488	38,193
Non-current liabilities	241,418	255,023	187,480
Total Liabilities	275,789	289,511	225,673
Deferred inflows of resources	62,280	41,044	30,034
Net Position	$ 421,819	$ 380,086	$ 336,582

Current assets consist primarily of cash, short term investments and accounts receivable. Investment purchases in FY22 caused short term and long term balances to increase compared to the prior year. Changes to investments and the direct impact on cash is especially visible on the Statement of Cash Flows presented later in this report. Receivables in FY22 were significantly higher, in part to yearend spending of federal HEERF and state appropriation monies. 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. The implementation of GASB Statement No. 87 resulted in right to use lease assets recorded for FY21 and forward. Student loans receivable included in other noncurrent assets continues to decline after the Perkins federal loan program was discontinued and loans are repaid. For FY22, amounts recorded as retirement assets (included in noncurrent assets) were much higher than in prior years, particularly as actuarial assumptions differ from actual results.

Current liabilities include amounts payable to suppliers for goods and services, accrued payroll and related liabilities and unearned revenue while noncurrent liabilities consist mostly of bond debt, right to use leases, and liabilities related to retirement and other postemployment benefits. Accrued payroll increased in FY22 after falling the prior year, following the overall changes in salaries and wages. 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, $3.4 million, $3.6 million and $4.9 million was unspent and reported as unearned revenue at the end of FY22, FY21 and FY20 respectively. In FY20, current liabilities were higher in part from the timing of vendor payables particularly for capital asset improvements.

With the implementation of GASB Statement No. 87, liabilities related to noncancellable right to use lease agreements are now reported under noncurrent liabilities. This adoption caused an increase in this category between FY21 and FY20. 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)

	2022	2021	2020
Net investment in capital assets	$ 320,369	$ 313,976	$ 305,231
Restricted:			
Non-expendable	5,422	5,417	5,364
Expendable	44,627	18,992	15,682
Unrestricted	51,401	41,701	10,305
Total net position	$ 421,819	$ 380,086	$ 336,582

Net 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 work on the science building renovation in FY22 and the completion of the Interdisciplinary Science Center in FY21. The restricted expendable category in FY22 reflects $25.8 million of net retirement assets for certain state administered retirement plans (see footnote 12). 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, continues to see significant increases 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)	2022	2021	2020
Unrestricted net position, as reported	$ 51,401	$ 41,701	$ 10,305
Impact of GASB 68 (retirement)	(1,680)	9,776	13,665
Impact of GASB 73 (retirement)	13,408	14,287	17,859
Impact of GASB 75 (OPEB)	78,255	78,235	79,523
Unrestricted net position, excluding retirement and OPEB	$ 141,384	$ 143,999	$ 121,352

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)	2022	2021	2020
Operating revenue	$ 164,760	$ 149,287	$ 152,563
Operating expenses	223,343	208,269	235,258
Net operating loss	(58,583)	(58,982)	(82,695)
Net non-operating revenues	81,479	84,663	86,497
Income/(loss) before other revenues	22,896	25,681	3,802
Other revenues and expenses	18,837	18,076	34,292
Increase in net position	41,733	43,757	38,094
Net position, beginning of year	380,086	336,582	298,488
Adjustment to beginning net position	-	(253)	-
Net position, end of year	$ 421,819	$ 380,086	$ 336,582

Operating and Nonoperating Revenues

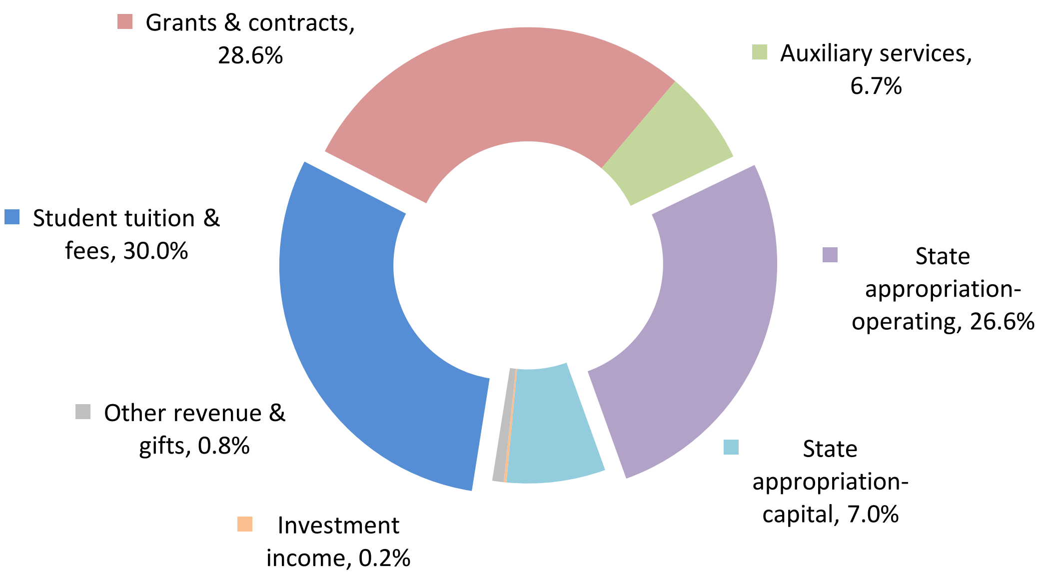
Operating revenues consist primarily of tuition and fees, sponsored program revenue (i.e., grants and contracts), and sales and services revenue generated by auxiliary enterprises. Federal HEERF funding as discussed earlier is reported under operating revenue and shown in more detail in the table below. 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	2022	2021	2020
HEERF I	$ 9,986	$ 174	$ 2,073	$ 4,305
HEERF II	16,721	1,628	14,834	-
HEERF III	29,147	25,197	2,370	-
Total	$ 55,854	$ 26,999	$ 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, 2022. The ensuing table compares revenues by source across fiscal years.

Eastern Washington University
FY 2022 Revenues by Source



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

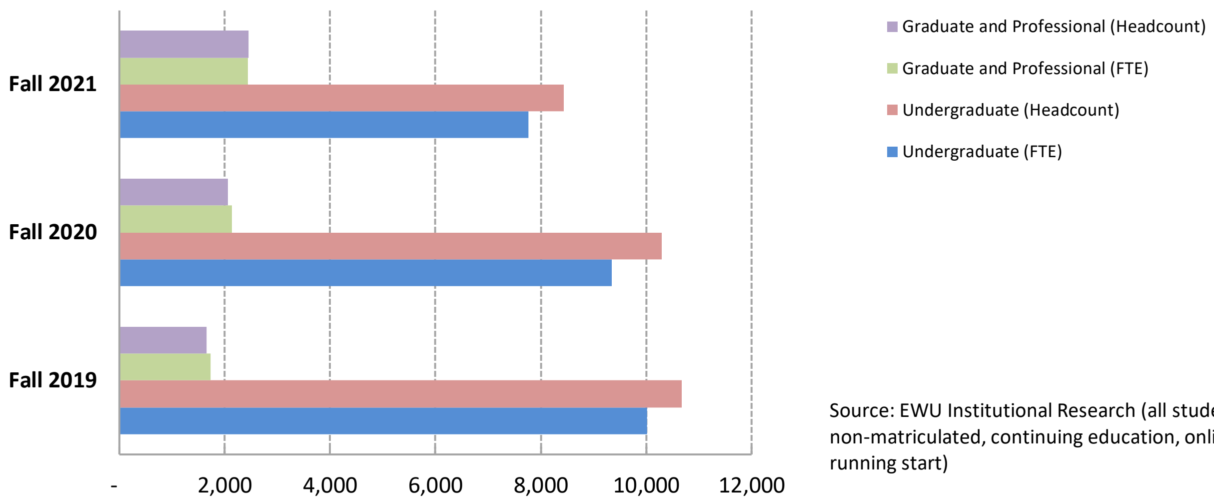
	2022		2021		2020	
Student tuition & fees	$ 81,088	30.1%	$ 81,660	31.8%	$ 87,282	31.6%
Grants & contracts	77,279	28.6%	73,925	28.8%	60,645	21.9%
Auxiliary services	18,015	6.7%	8,489	3.3%	21,031	7.6%
State appropriation-operating	71,922	26.6%	67,661	26.3%	65,447	23.7%
State appropriation-capital	18,898	7.0%	15,582	6.1%	34,021	12.3%
Investment income	503	0.2%	5,851	2.3%	5,708	2.0%
Other revenue & gifts	2,195	0.8%	3,689	1.4%	2,460	0.9%
Total	$ 269,900	100.0%	$ 256,857	100.0%	$ 276,594	100.0%

Tuition, student fees, and state operating appropriations are the primary sources of funding for the University's academic programs. Revenue from tuition and fees, net of scholarship allowances, has decreased since prior to FY20, but still represents almost one third of total revenue. Undergraduate enrollment levels account for most operating tuition revenues. Total undergraduate headcount for fall 2021 was 21% lower than two years' prior. The university strives to meet market demand by investing in new programs, such as the new online graduate programs which, conversely, has seen increasing enrollment. Total graduate headcount has risen 48% over the same time period. 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.

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
2021-22	2,299	2.8%	4,118	2.8%	8,241	0.2%	9,313	0.2%
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%

Eastern Washington University Fall Enrollment



Source: EWU Institutional Research (all students including non-matriculated, continuing education, online students, running start)

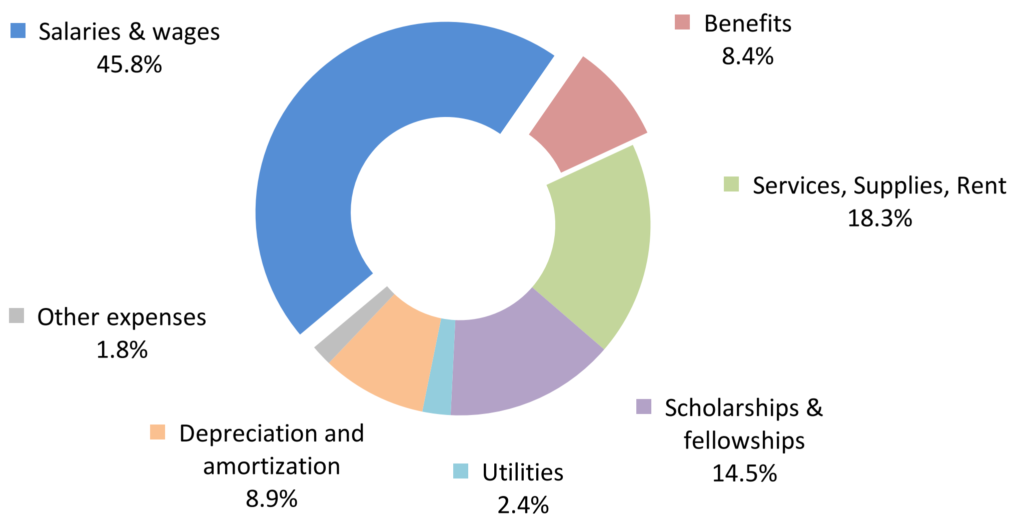
Historically, revenues received from governmental and private sources in the form of grants and contracts have generally been a consistent percentage of total revenue. As discussed earlier, funds were available to the University in FY22 and the prior two years as part of the federal HEERF legislation which resulted in much more federal grant revenue recognized.

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. During each of the three years covered in this discussion, 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. FY22 occupancy edged higher. Spring term occupancy decreased from 1,484 in FY19 to 179 in FY20, then 377 in FY21 and up to 771 in FY22. 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 increases in FY22 revenue after experiencing declines during FY21.

State operating and capital appropriations both increased in FY22. Major capital projects funded through state appropriations include the science renovation (FY22), Albers Court Improvements (FY22), infrastructure projects (FY22) and the Interdisciplinary Science Center (FY21). Other revenues noted on the previous page include miscellaneous fines and charges for services. In FY21, it also includes $2.5 million of retirement contributions placed into an irrevocable trust for the Eastern Washington University Supplemental Retirement Plan (EWUSRP). See footnote 12 for more information.

Operating Expenses
Shown below is an illustration of operating expenses by type (object) for the year ended June 30, 2022. The ensuing table compares expenses for fiscal years ending June 30.

Eastern Washington University
FY 2022 Operating Expenses by Type



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

	2022		2021		2020	
Salaries & wages	$ 102,194	45.8%	$ 98,741	47.4%	$ 114,280	48.6%
Benefits	18,853	8.4%	26,387	12.7%	36,147	15.4%
Services, supplies and rent	40,762	18.2%	31,270	15.0%	37,657	16.0%
Scholarships & fellowships	32,275	14.5%	26,093	12.5%	25,075	10.7%
Utilities	5,341	2.4%	4,145	2.0%	4,266	1.8%
Depreciation and amortization	19,905	8.9%	19,686	9.5%	13,167	5.5%
Other expenses	4,013	1.8%	1,946	0.9%	4,666	2.0%
Total	$ 223,343	100.0%	$ 208,268	100.0%	$ 235,258	100.0%

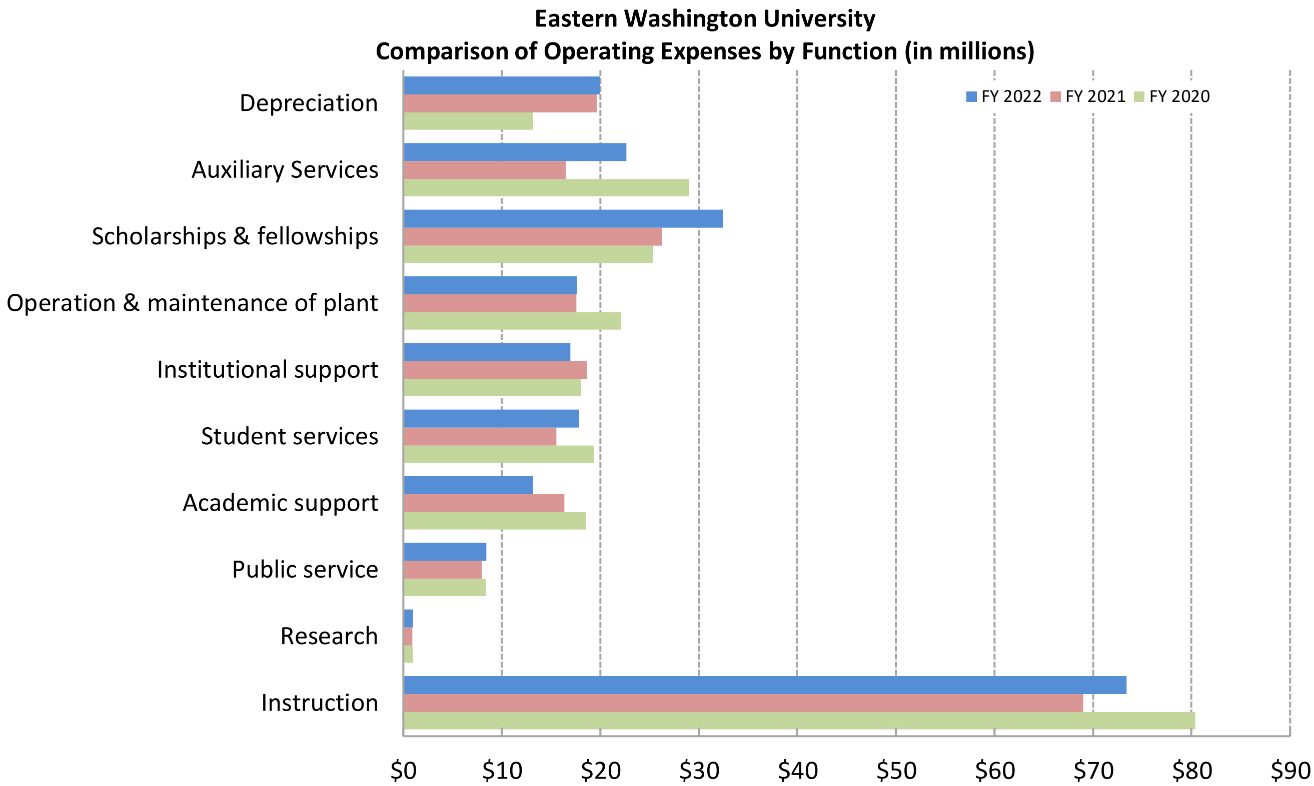
Employee compensation continues to account for over half of total operating expenses, even with reductions in staffing levels as a response to the COVID-19 pandemic and related impacts. Salaries and wages increased 3.5% in FY22, partly resulting from a return to more normal operations compared with the prior year. Between the start of FY20 and end of 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.

Benefits expense decreased 29% in FY22. The cost of health benefit premiums decreased in FY22 after an increase in FY21, but more significantly, benefits expense is impacted by EWU's share of the collective retirement benefit and OPEB expense. Under current accounting requirements, expenses for these benefits are actuarially calculated and no longer based on the cash contributions to health and retirement plans. As such, investment gains on plan assets during the measurement period used to determine the FY22 benefits expense were unusually high, leading to a decrease in the University's share of collective retirement benefit expense.

Total operating expenses in FY22 were up 7% after decreasing 12% in FY21. Scholarships expenses were higher from the disbursement of HEERF student aid funding in FY22 and FY21. Services, supplies and travel expenses increased significantly in FY22, partly due to a nearly 17% reduction in FY21 in response to the pandemic's impact on University operations. Additionally, more costs were capitalized to projects in FY21 from these categories than in the subsequent year. Noncapitalized facility improvements are impacted by the amount of capital construction activity and typically varies each year.

Other expenses, located below the nonoperating revenues and expenses section on the Statement of Revenues, Expenses, and Changes in Net Position, includes repayment of a portion of the federal capital contribution for the Perkins loan program and losses related to disposal and demolition of capital assets.

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



Instructional expense comprises the largest single category of operating costs and mostly consists of compensation costs. Fluctuations in expenses for operation and maintenance of plant are largely impacted by changes in non-capitalized facility improvement activity. The amount varies by year depending on several factors including the types and timing of projects undertaken. As mentioned earlier, student aid funding provided through HEERF and disbursed to students in FY22, FY21 and FY20 impacted the scholarships category above. Costs for auxiliary services including dining were much lower in FY21 after online instruction started in spring 2020 and continued through summer 2021. FY22 amounts are still below pre-pandemic levels. See Footnote 15 for additional detail regarding functional expenses.

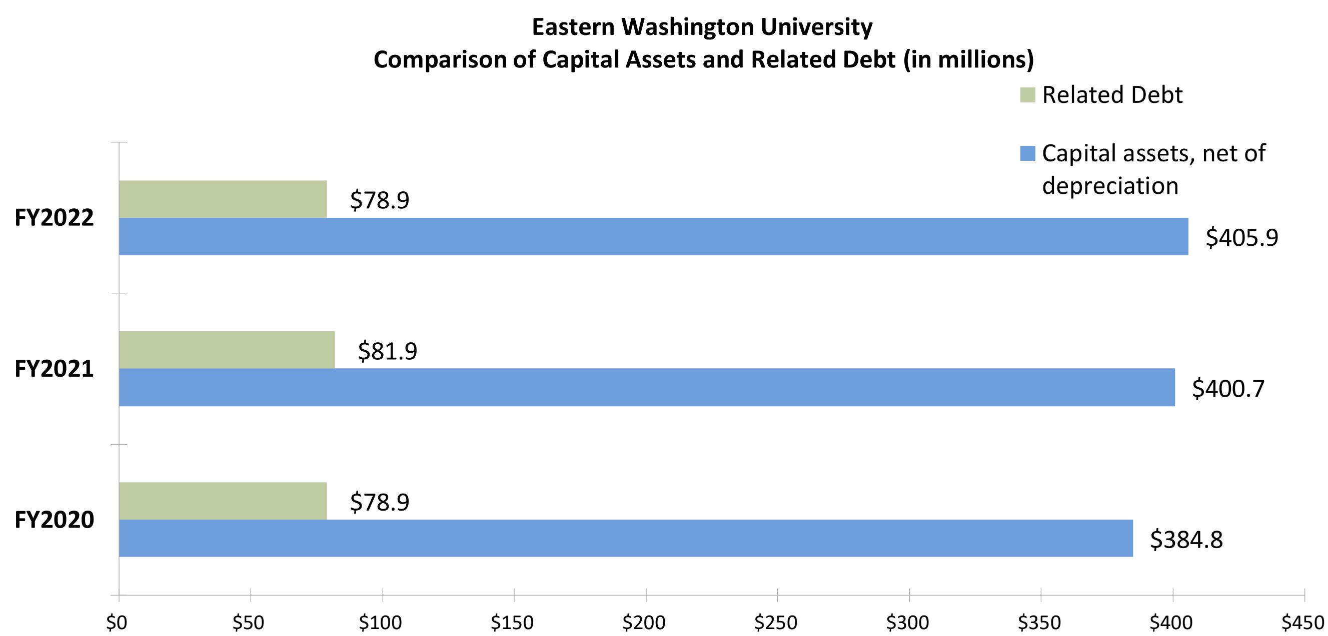
To monitor financial health the University calculates a variety of indicators that focus on results of operations, which are largely driven by tuition pricing, state appropriations, and compensation levels. These financial indicators are useful for institutional trend analysis and become more meaningful 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 2022	FY 2021	FY 2020
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	46.5	51.0	53.3
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	.263	.223	.048
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	356	354	266
Current ratio	Measures liquidity – ability to meet current obligations with liquid assets	Current assets divided by current liabilities	5.81	5.51	4.27

Capital Asset and Debt Activities

The University continues to increase the investment in capital assets each year. Construction costs for the new Interdisciplinary Science Center, Albers Court improvements, science renovation and various infrastructure projects continue to impact total capital assets. Additionally, this includes 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 2022, 2021 or 2020. 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. 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. Debt service coverage remains healthy as demonstrated by the financial ratios below.

Financial Indicator	Definitions	Calculation	FY 2022	FY 2021	FY 2020
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	0.42	0.34	0.33
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	5.08	4.69	2.37
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	5.48	5.39	3.64

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 2022 and 2021, 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.

Statements of Net Position

June 30, 2022 and 2021

ASSETS	June 30, 2022	June 30, 2021
Current assets:		
Cash and cash equivalents	$ 126,664,480	$ 150,655,254
Short-term investments	27,578,700	11,145,490
Deposit with State of Washington	6,699,730	5,337,761
Endowment trade receivable	8,540	-
Accounts receivable (net of allowances of $728,543 and $594,062, respectively)	37,089,013	21,219,132
Inventories	1,452,207	1,452,614
Other assets	187,798	134,073
Total current assets	199,680,468	189,944,324
Noncurrent assets:		
Endowment investments	9,243,534	11,358,827
Other long-term investments	17,764,465	940,944
Student loans receivable (less allowances of $122,822 and $965,815, respectively)	1,408,369	1,825,473
Right to use lease receivable, less current portion	24,536	-
Unamortized insurance costs on bond issuance	53,429	56,932
Restricted net pension asset	25,802,651	1,038,495
Capital assets, net of accumulated depreciation	405,867,796	400,675,795
Right to use lease assets, net of amortization	81,672,830	86,360,549
Total noncurrent assets	541,837,610	502,257,015
Total assets	$ 741,518,078	$ 692,201,339
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	$ 12,162,550	$ 11,226,896
Deferred outflows of resources related to OPEB	6,208,000	7,212,948
Total deferred outflows of resources	$ 18,370,550	$ 18,439,844
LIABILITIES		
Current liabilities:		
Accounts payable	$ 7,935,035	$ 7,503,075
Accrued liabilities	9,636,372	8,779,397
Deposits or funds held for others	645,440	922,203
Unearned revenue	7,995,169	8,875,781
Net pension liability, current portion	280,522	293,778
Total other postemployment benefit (OPEB) liability, current portion	995,969	1,105,279
Right to use lease liability, current portion	3,273,471	3,361,719
Long-term liabilities, current portion	3,609,218	3,646,745
Total current liabilities	34,371,196	34,487,977
Noncurrent liabilities:		
Compensated absences	8,829,469	8,395,982
Net pension liability	11,467,233	16,808,170
Total other postemployment benefit liability	59,337,290	61,732,905
Right to use lease liability, net of current portion	84,894,575	87,672,371
Long-term liabilities	76,889,573	80,413,256
Total noncurrent liabilities	241,418,140	255,022,684
Total liabilities	$ 275,789,336	$ 289,510,661
DEFERRED INFLOWS OF RESOURCES		
Unamortized gain on bond refunding	$ 18,221	$ 19,415
Remainder interest in irrevocable split interest agreements	153,713	227,110
Related to lease receivables	33,216	-
Related to pensions	37,945,035	18,187,870
Related to OPEB	24,129,890	22,610,041
Total deferred inflows of resources	$ 62,280,075	$ 41,044,436
NET POSITION		
Net investment in capital assets	$ 320,368,644	$ 313,975,978
Restricted for:		
Nonexpendable:		
Endowments	5,421,610	5,416,860
Expendable:		
Loans	6,460,079	5,690,113
Capital projects	6,271,503	4,087,210
Endowments and other	6,093,940	8,176,920
Net pension asset	25,802,650	1,038,497
Unrestricted	51,400,791	41,700,508
Total net position	$ 421,819,217	$ 380,086,086

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, 2022 and 2021

REVENUES	FY 2022	FY 2021
Operating revenues:		
Student tuition and fees		
(net of scholarship allowances of $30,377,122 and $35,512,925, respectively)	$ 81,088,004	$ 81,659,860
Federal grants and contracts	32,069,540	24,360,047
State and local grants and contracts	27,877,198	30,066,266
Nongovernmental grants and contracts	3,519,266	3,648,596
Sales and services of auxiliary enterprises		
Housing and dining services (net of scholarship allowances of $5,266,453 and $2,869,009, respectively)	9,202,783	3,851,954
Other auxiliary enterprises	8,812,674	4,636,693
Other operating revenue	2,190,213	1,063,176
Total operating revenue	164,759,678	149,286,592
EXPENSES		
Operating expenses:		
Salaries and wages	102,194,013	98,741,262
Benefits	18,852,558	26,387,091
Scholarships and fellowships	32,274,805	26,093,058
Utilities	5,340,673	4,145,216
Rentals	1,437,694	1,209,232
Services and supplies	38,585,311	29,831,481
Non-capitalized facility improvements (NCFI)	740,148	229,765
Travel and other	4,012,594	1,945,619
Depreciation and amortization	19,905,208	19,686,169
Total operating expenses	223,343,004	208,268,893
Operating loss	(58,583,326)	(58,982,301)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	71,921,703	67,660,515
Investment income, gains and losses	502,891	5,851,147
Interest on capital related debt and right to use leases	(4,393,626)	(4,683,373)
Loss on disposal of capital assets	(364,439)	(14,898)
Pell grant revenue	13,812,544	15,849,911
Net non-operating revenues	81,479,073	84,663,302
Gain before capital appropriations and special items	22,895,747	25,681,001
State appropriations - capital	18,898,420	15,582,189
Prior year supplemental plan contributions	-	2,492,000
Gifts of capital equipment	-	81,000
Gifts to permanent endowments	4,750	52,645
Perkins loan program termination	(65,786)	(131,767)
Total other revenues and expenses	18,837,384	18,076,067
Increase in net position	41,733,131	43,757,068
NET POSITION		
Net position, beginning of year	380,086,086	336,581,875
Adjustment to beginning net position (Note 1)	-	(252,857)
Net position, beginning of year as restated	380,086,086	336,329,018
Net position, end of year	$ 421,819,217	$ 380,086,086

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

Statements of Cash Flows

For the Years Ended June 30, 2022 and 2021

	FY 2022	FY 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	$ 80,666,319	$ 80,641,593
Grants and contracts	52,865,111	54,183,176
Payments to vendors	(49,258,882)	(39,933,428)
Payments to employees	(131,033,493)	(133,209,068)
Payments for scholarships and fellowships	(32,274,805)	(26,093,058)
Collection of student loans	94,382	517,782
Auxiliary enterprise receipts	17,198,477	8,612,874
Other receipts	2,076,907	1,478,117
Net cash used by operating activities	(59,665,984)	(53,802,012)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	69,443,008	67,659,324
Pell grant	13,812,544	15,849,911
Perkins loan repayment	(606,973)	(731,971)
Endowments and charitable gift annuities	(68,647)	86,868
Direct loans receipts	44,741,816	45,235,651
Direct loans disbursements	(44,741,816)	(45,235,651)
Receipts made on behalf of others	9,004,217	7,545,750
Disbursements made on behalf of others	(9,337,137)	(7,472,046)
Net cash provided by noncapital financing activities	82,247,012	82,937,836
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital appropriations	14,535,847	19,848,690
Purchases of capital assets	(20,176,299)	(30,800,216)
Proceeds from Certificates of Participation (COP)	636,018	3,758,115
Principal paid on capital debt and leases	(6,483,278)	(3,504,109)
Interest paid on capital debt and leases	(4,437,004)	(4,543,552)
Net cash used by capital financing activities	(15,924,716)	(15,241,072)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	11,482,773	27,871,269
Interest on investments	3,777,969	4,252,997
Purchase of investments	(45,907,828)	(395,482)
Net cash provided by investing activities	(30,647,086)	31,728,784
Net increase in cash	(23,990,774)	45,623,536
Cash, beginning of year	150,655,254	105,031,718
Cash, end of year	$ 126,664,480	$ 150,655,254

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

Statements of Cash Flows *(Continued)*

For the Years Ended June 30, 2022 and 2021

	FY 2022	FY 2021
Reconciliation of operating loss to net cash used by operating activities		
Operating loss	$ (58,583,326)	$ (58,982,301)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization expense	19,905,208	19,686,169
Changes in assets and liabilities:		
Receivables, net	(11,051,137)	(3,199,502)
Inventories	407	668,978
Other assets	(20,510)	449,968
Accounts payable	1,334,622	(4,761,820)
Unearned revenue	(880,612)	(1,678,500)
Deposits held for others	56,157	153,743
Compensated absenses and other	433,069	(605,667)
Retirement liabilities and OPEB	(11,276,966)	(6,089,341)
Loans to students	417,104	556,261
Net cash used by operating activities	$ (59,665,984)	$ (53,802,012)
Noncash Transactions		
Gifts of capital equipment	-	81,000
Loss on demolition and disposal of capital assets	(364,439)	(14,898)

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

Statements of Financial Position - Component Unit (Foundation)

June 30, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	$ 8,026,893	$ 5,225,368
Certificates of deposit	2,263,465	2,249,707
Promises to give, net	9,727,588	10,669,461
Accounts receivable	189,607	-
Other assets	1,050	65,213
Property and equipment, net	257,927	261,581
Assets held under split interest agreements	650,089	1,363,009
Beneficial interest in charitable trusts held by others	430,130	481,941
Beneficial interest in perpetual trusts	2,167,370	2,669,139
Investments	28,844,518	33,064,436
Total assets	$ 52,558,637	$ 56,049,855
LIABILITIES AND NET ASSETS		
Accounts payable	$ 13,721	$ -
Program support payable	4,182,075	4,500,000
Liabilities under split interest agreements	461,034	1,072,996
Total liabilities	4,656,830	5,572,996
NET ASSETS		
Without donor restriction		
Undesignated	833,000	815,176
Designated by the Board for endowment	129,720	151,624
	962,720	966,800
With donor restriction	46,939,087	49,510,059
Total net assets	47,901,807	50,476,859
Total liabilities and net assets	$ 52,558,637	$ 56,049,855

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

Statements of Activities – Component Unit (Foundation)

For the Years Ended June 30, 2022 and 2021

	FY 2022			FY 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND SUPPORT						
Contributions	$ 41,156	$ 4,902,161	$ 4,943,317	$ 72,325	$ 5,950,146	$ 6,022,471
Net investment return	31,746	(4,221,980)	(4,190,234)	36,354	7,109,294	7,145,648
Marketing revenue	-	459,277	459,277	-	9,920	9,920
Gross special events revenue	-	130,368	130,368	-	111,021	111,021
Less cost of special events	-	(144,507)	(144,507)	-	(27,271)	(27,271)
Net special events revenue	-	(14,139)	(14,139)	-	83,750	83,750
Other	5,032	8,305	13,337	-	19,361	19,361
Support provided by Eastern			-			-
Washington University	1,631,833	-	1,631,833	1,772,480	-	1,772,480
Change in value of split-interest			-			-
agreements held by the Foundation	-	(100,978)	(100,978)	-	379,583	379,583
Distributions from and change in						
value of beneficial interests in			-			-
assets held by others	-	(415,015)	(415,015)	-	92,358	92,358
Net assets released from restrictions	3,188,603	(3,188,603)	-	3,950,638	(3,950,638)	-
Total revenue, support, and gains	4,898,370	(2,570,972)	2,327,398	5,831,797	9,693,774	15,525,571
EXPENSES						
Program services expense	2,502,188	-	2,502,188	3,293,219	-	3,293,219
Support services expense						
Management and general	1,249,833	-	1,249,833	1,056,551	-	1,056,551
Fundraising and development	1,150,429	-	1,150,429	1,288,523	-	1,288,523
Total supporting services expenses	2,400,262	-	2,400,262	2,345,074	-	2,345,074
Total expenses	4,902,450	-	4,902,450	5,638,293	-	5,638,293
CHANGE IN NET ASSETS	(4,080)	(2,570,972)	(2,575,052)	193,504	9,693,774	9,887,278
NET ASSETS, Beginning of Year	966,800	49,510,059	50,476,859	773,296	39,816,285	40,589,581
NET ASSETS, End of Year	$ 962,720	$ 46,939,087	$ 47,901,807	$ 966,800	$ 49,510,059	$ 50,476,859

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
2022	$ 2,447,188
2021	$ 3,243,219

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

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

In accordance with GASBS No. 39, the Foundation is considered a legally separate component unit of the University. As a non-governmental component unit, the Foundation follows applicable non-profit reporting and disclosure standards. Revenue recognition principles for these financial accounting standards may differ from those which apply to the University; results have not been restated.

Operating Activities

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

Inventories

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

Cash Equivalents

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

Tax Exemption

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

State Appropriations

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

Unearned Revenues

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

Capital Assets

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

Leases

Lease assets represent the University's right to use an underlying asset for the lease term in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, and amortized on a straight line basis over the lease term. Lease liabilities represent the University's obligation to make lease payments, and are recognized at the commencement date based on the present value of lease payments over the lease term, as specified in the contract. Interest expense is recognized throughout the term of the lease. Lease receivables represent the arrangements in which the University, as lessor, receives payments over the lease term as specified in the contract. Receivables are recognized at the commencement date and based on the present value of expected lease payments. Interest revenue is recognized throughout the term of the lease.

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

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

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

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

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

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

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

> *Non-expendable:* Net position subject to externally-imposed requirements that they be maintained permanently by the University, including permanent endowments and charitable gift annuity funds.
>
> *Expendable:* Net position which the University is obligated to spend in accordance with restrictions imposed by external parties. Included in this balance is the net pension asset for certain retirement plans administered by Department of Retirement Systems.

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

Deferred Pay

Eastern Washington University offers an optional 12 month, 24-payment plan to eligible faculty. The Faculty Twelve Month Pay Option Plan provides a method for faculty to spread their academic year salary over 12 months. The payroll deductions are based on amount paid rather than amount earned. For example, federal withholding, retirement contributions, FICA taxes are calculated on the amount paid. The plan is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended. Accrued earnings and benefits at June 30, 2022 were $4,395,146 and $804,312, respectively. Accrued earnings and benefits at June 30, 2021 were $4,222,261 and $772,674, respectively.

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

Changes in Accounting Estimates, Reclassifications and Restatements

The University implemented GASB Statement No. 87, *"Leases"* for the year ending June 30, 2022. This statement changed the accounting and financial reporting for lease arrangements and applies to contracts that convey the right to use an underlying non-financial asset in an exchange or exchange-like transaction for a term exceeding 12 months. Lessee arrangements now recognize a right to use lease asset related lease liability. Lessor arrangements now recognize a lease receivable and deferred inflow of resources. This statement was applied retroactively as of July 1, 2020. The Statement of Net Position, Statement of Revenues, Expenses, and Change in Net Position, and Statement of Cash Flows have been restated for fiscal year 2021 to reflect this change.

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 2021 amounts in order to conform to 2022 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, 2022	June 30, 2021
Deposits		
Cash and cash equivalents		

Interest bearing	$ 126,556,824	$ 150,544,803
Other	107,656	110,451
Total deposits	$ 126,664,480	$ 150,655,254

The following two tables show investment maturities at June 30.

	Fair value	Investment maturities for fixed income securities (in months)			
	June 30, 2022	0 – 9	10 – 24	25 – 60	61 – 120
Investments – Operating Funds					
U.S. Government agency bonds	$ 44,543,350	$ 19,797,100	$ 15,541,600	$ 9,204,650	$ -
Investments – Charitable Gift Annuities					
Investment unit trusts					
Equity fund	497,871				
Bond fund	301,993				301,993
Investments – Endowment Funds					
Investment unit trusts					
Equities	5,521,175				
Fixed Income	2,872,092				2,872,092
Real Estate	500,233				
Cash and Cash Equivalents	346,826				
Total investments	$ 54,583,540	$ 19,797,100	$ 15,541,600	$ 9,204,650	$ 3,174,085

	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	159,550				
Total investments	$ 23,453,424	$ 5,031,250	$ 6,114,240	$ -	$ 3,368,897

At June 30, 2022 and 2021, the net appreciation on investments of donor-restricted endowments that is available for expenditure authorization is $3,843,831 and $5,947,998, 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 6.54 years to 9.34 years.

At June 30, 2022 the University invests its donor-restricted endowment funds using a portfolio management firm which is reflected in the disclosure of investments above. The portfolio management firm is also an advisor that acts with fiduciary responsibility.

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

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

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

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

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

Concentration of Credit Risk

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

Local Government Investment Pool	No Limit
Securities of the United States government	No Limit
Securities of the United States agencies or of any corporation wholly owned by the government of the United States	No Limit
General obligation bonds of any state or local government	No Limit
Federal home loan bank notes and bonds, federal land bank bonds, federal national mortgage association notes, debentures, and guaranteed certificates of participation	No Limit
Utility revenue bonds or warrants of any city or town in the State of Washington, or of the local improvement district	No Limit
Repurchase agreements, collateralized (only securities authorized in 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, 2022:

- U.S. Government agency bonds of $44,543,350 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:

	2022	2021
Accounts receivable		
Student tuition and fees (less allowances of $483,205 and $412,825, respectively)	$ 12,473,719	$ 13,173,912
Auxiliary enterprises (less allowances of $199,879 and $140,444, respectively)	3,056,635	2,396,657
Contracts and grants	15,464,900	4,393,087
State reimbursement	5,925,660	1,082,381
Other (less allowances of $45,459 and $40,793, respectively)	192,635	173,095
Total accounts receivable	$ 37,113,549	$ 21,219,132
Student loans receivable		
Federal programs (less allowances of $122,822 and $965,815, respectively)	$ 1,408,369	$ 1,825,473

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.

	2022	2021
Vacation	$6,962,564	$ 6,612,284
Sick	$1,866,905	$ 1,783,698

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:

	2022	2021
Reserve at beginning of year	$ 2,544,718	$ 2,917,027
Provision for incurred claims	99,969	98,156
Claims paid	118,539	470,465
Reserve at end of year	**$2,526,148**	**$ 2,544,718**

Note 7: Capital Assets

In FY22, construction was completed on the Albers Court improvements and in FY21, the University completed construction on the new interdisciplinary science center (ISC). Both of these projects were funded through capital project appropriations from the State of Washington. These two projects account for most of the reduction in construction in progress within capital asset activity for the two-year period shown below.

	June 30, 2020	Additions	Retirements	June 30, 2021	Additions	Retirements	June 30, 2022
Non-depreciable Capital Assets							
Land	$ 1,764,834	$ -	$ -	$ 1,764,834	$ -	$ -	$ 1,764,834
Construction in progress	58,167,361	23,574,767	73,168,980	8,573,148	17,859,545	6,855,378	19,577,315
Subtotal	59,932,195	23,574,767	73,168,980	10,337,982	17,859,545	6,855,378	21,342,149
Depreciable Capital Assets							
Buildings	416,368,846	71,953,490	-	488,322,336	6,768,470	-	495,090,806
Improvements other than buildings	18,603,562	1,215,490	893,907	18,925,145	-	-	18,925,145
Infrastructure	51,026,844	-	-	51,026,844	657,541	-	51,684,385
Furniture, fixtures and equipment	40,622,837	6,362,519	-	46,985,356	797,474	270,889	47,511,941
Library materials	26,377,626	943,928	83,774	27,237,780	948,647	4,422,831	23,763,596
Subtotal	552,999,715	80,475,427	977,681	632,497,461	9,172,132	4,693,720	636,975,873
Total Capital Assets	612,931,910	104,050,194	74,146,661	642,835,443	27,031,677	11,549,098	658,318,022
Less Accumulated Depreciation							
Buildings	144,638,177	9,320,486	-	153,958,663	9,678,395	-	163,637,058
Improvements other than buildings	10,211,306	528,825	879,008	9,861,123	490,447	-	10,351,570
Infrastructure	27,178,592	1,494,573	-	28,673,165	1,287,402	-	29,960,567
Furniture, fixtures and equipment	34,149,194	1,890,000	-	36,039,194	2,016,297	269,246	37,786,245
Library materials	12,409,603	1,301,674	83,774	13,627,503	1,147,318	4,060,035	10,714,786
Total Accumulated Depreciation	228,586,872	14,535,558	962,782	242,159,648	14,619,859	4,329,281	252,450,226
Capital assets, net of depreciation	$ 384,345,038	$ 89,514,636	$ 73,183,879	$ 400,675,795	$ 12,411,818	$ 7,219,817	$ 405,867,796

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

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

	June 30, 2021	Additions	Reductions	June 30, 2022	Current Portion
Leases and Bonds Payable					
Certificates of Participation (Note 9)	$ 4,834,228	$ -	$ 526,561	$ 4,307,667	$ 574,984
Leases (Note 9)	91,034,090	597,629	3,463,673	88,168,046	3,273,471
Revenue bonds payable (Note 10)	73,835,000	-	2,260,000	71,575,000	2,365,000
Unamortized premium	3,234,894	-	233,044	3,001,850	233,044
Total leases and bonds payable	172,938,212	597,629	6,483,278	167,052,563	6,446,499
Other liabilities					
Charitable gift annuities (Note 1)	11,970	21,660	22,078	11,552	16,040
Compensated absences (Note 5)	8,395,982	5,103,316	4,669,829	8,829,469	-
Perkins program termination	2,143,909	65,786	606,973	1,602,722	420,150
Total	$ 183,490,073	$ 5,788,391	$ 11,782,158	$ 177,496,306	$ 6,882,689

	June 30, 2020	Additions	Reductions	June 30, 2021	Current Portion
Leases and Bonds Payable					
Certificates of Participation (Note 9)	$ 559,464	$ 4,480,093	$ 205,329	$ 4,834,228	$ 526,562
Leases (Note 9)	90,909,076	2,200,006	2,074,992	91,034,090	3,361,719
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	169,784,924	7,759,330	4,606,042	172,938,212	6,381,325
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	611,099
Total	$ 181,542,655	$ 12,940,035	$ 10,992,617	$ 183,490,073	$ 7,008,464

Note 9: Leases

Certificates of Participation

During the year ended June 30, 2021, the University entered into financing contracts with the Office of the State Treasurer (OST) via a nominal lessor in order to issue securities called Certificates of Participation (COP). COP securities are structured with regular principal and interest payments and sold to investors, which benefit from a guaranteed income stream similar to bonds. Agencies participating in the COP program benefit from low interest rates and a cost effective way to finance equipment and real estate. Total COP proceeds received by the University for FY21 were $4,480,093 and used to finance equipment for the new Catalyst building and various roofing replacement projects. An additional $85,960 and $721,978 in COP funding was held by OST at June 30, 2022 and 2021, respectively. When spending requirements are met, the proceeds will be requested by the University.

Right to Use Leases – Lessee Arrangements

The University leases facilities and computer equipment under a variety of long term, noncancelable agreements. These leases expire at various dates through fiscal year 2042 and provide for various renewal options. In accordance with GASB Statement No. 87, the University records right to use assets and lease liabilities based on the present value of expected payments over the lease terms. The expected payments are discounted using the University's incremental borrowing rate. The University did not recognize any variable payments or residual value guarantees as outflows of resources during fiscal years 2022 or 2021.

The University's right to use lease asset and related accumulated amortization for fiscal years ended June 30 are as follows:

	2020	Additions	Retire-ments	2021	Additions	Retire-ments	2022
Right to Use Lease Assets							
Buildings	$ 96,680,470	$ 1,789,622	$ -	$ 98,470,092	$ -	$ 542,186	$ 97,927,906
Equipment	183,327	410,384	-	593,711	597,630	-	1,191,341
Total Right to Use Lease Assets	96,863,797	2,200,006	-	99,063,803	597,630	542,186	99,119,247
Less Accumulated Amortization							
Buildings	7,419,731	5,031,210	-	12,450,941	5,062,060	542,186	16,970,815
Equipment	132,912	119,401	-	252,313	223,289	-	475,602
Total Accumulated Amortization	7,552,643	5,150,611	-	12,703,254	5,285,349	542,186	17,446,417
Right to Use Lease Assets, Net	$ 89,311,154	$ (2,950,605)	$ -	$ 86,360,549	$ (4,687,719)	$ -	$ 81,672,830

Future annual lease payments under lessee agreements as of June 30, 2022 are as follows:

Fiscal Year Annual Payment	Principal	Interest	Total
2023	$ 3,273,471	$ 1,825,432	$ 5,098,903
2024	3,420,887	1,758,532	5,179,419
2025	3,383,200	1,688,954	5,072,154
2026	3,493,187	1,617,055	5,110,242
2027	3,670,827	1,542,039	5,212,866
2028-2032	22,058,384	6,411,172	28,469,556
2033-2037	29,213,724	3,721,014	32,934,738
2038-2042	19,654,366	602,534	20,256,900
Total	**$ 88,168,046**	**$ 19,166,732**	**$ 107,334,778**

The University entered into a facility lease with Great Northern Spokane, LLC for classroom and office space in downtown Spokane, with a lease term beginning August 1, 2022. The noncancellable period is 12 years and total undiscounted lease payments are $16.7 million.

Right to Use Leases – Lessor Arrangements

The University leases building space and equipment to external parties, with expiration dates through fiscal year 2027. The University records lease receivables and deferred inflows of resources based on the present value of receipts over the lease term. The expected receipts are discounted using the University's incremental borrowing rate. The University recognized revenues related to lease agreements totaling $3,055 and $0 in the years ending June 30, 2022 and 2021, respectively. Future minimum lease payments to be received under these arrangements are as follows:

Fiscal Year Annual Payment	Principal	Interest	Total
2023	$ 8,765	$ 187	$ 8,952
2024	7,437	141	7,578
2025	6,075	99	6,174
2026	6,241	56	6,297
2027	4,783	14	4,797
Total	**$ 33,301**	**$ 497**	**$ 33,798**

Note 10: Bonds Payable

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

The University issued Services and Activities Fee Refunding Bonds, Series 2016A, on August 30, 2016 and Revenue Bonds, Series 2016B, on October 13, 2016. The Series 2016A bonds bear an interest rate varying from 2 percent to 5 percent and are due serially on October 1 in amounts ranging from $880,000 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 $800,000 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	$ 20,120,000
Service and Activities Refunding Bonds, Series 2016A	2.00% - 5.00%	2021-2037	23,465,000	18,315,000
Service and Activities Revenue Bonds, Series 2016B	2.625% - 5.00%	2021-2046	36,175,000	33,140,000
Total Revenue Bonds Payable			$ 84,970,000	$ 71,575,000

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

Fiscal Year	Principal	Interest
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	2,835,000	1,979,790
2028-2032	15,655,000	8,464,937
2033-2037	18,295,000	5,885,195
2038-2042	15,615,000	2,956,807
2043-2047	9,030,000	753,513
Totals	71,575,000	$ 29,123,988
Add: Unamortized bond premium	2,036,497	
	$ 73,611,497	

Note 11: Pledged Revenues

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

Source of Revenue Pledged	Current Year Revenues Pledged	Current Year Debt Service	Total Future Revenues Pledged	Description of Debt	Purpose of Debt	Term of Commitment
Service & Activity fee revenue	$ 8,029,168	$ 3,316,821	$ 70,987,544	Service & Activities Fee Revenue and Refunding Bonds – Series 2016A&B	Refund outstanding debt on S&A Revenue/ Refunding Bonds of 2006 and renovation of student union building	2038 (Refunding) 2047 (Revenue)
Housing and Dining revenues net of operating expenses	$ 5,447,780	$ 1,483,450	$ 29,711,444	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.

	2022	2021
Total Salaries and Wages	$ 102,194,013	$ 98,741,262
PERS Covered Payroll	28,396,030	27,472,695
TRS Covered Payroll	1,837,673	1,353,225
LEOFF Covered Payroll	959,688	1,020,099
EWURP Covered Payroll	59,009,283	60,197,222

<u>General</u>

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.

Actuarial Assumptions

The total pension liability (TPL) for each of the plans was determined using the most recent actuarial valuation completed in 2021 with a valuation date of June 30, 2020. 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 Demographic Experience Study Report and the 2019 Economic

Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2020 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2021. Plan liabilities were rolled forward from June 30, 2020 to June 30, 2021 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 and discount rate: 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.

Change in Assumptions and Methods: Actuarial results that OSA provided reflect the following changes in assumptions and methods:

- For purposes of the June 30, 2020 Actuarial Valuation Report (AVR), a non-contribution rate setting valuation under current funding policy, the Office of the State Actuary (OSA) introduced temporary method changes to produce asset and liability measures as of the valuation date. A high-level summary of those changes is outlined in the following paragraph. OSA will revert back to the methods outlined in their 2019 AVR when preparing the 2021 AVR, a contribution rate-setting valuation, which will serve as the basis for 2022 ACFR results.
- To produce measures at June 30, 2020, unless otherwise noted in the 2020 AVR OSA relied on the same data, assets, methods, and assumptions as the June 30, 2019, AVR. OSA projected the data forward one year reflecting assumed new hires and current members exiting the plan as expected. OSA estimated June 30, 2020, assets by relying on the Fiscal Year (FY)-end 2019 assets, reflecting actual investment performance over FY 2020, and reflecting assumed contribution amounts and benefit payments during FY 2020. OSA reviewed the actual June 30, 2020, participant and financial data to determine if any material changes to the projection assumptions were necessary. OSA also considered any material impacts to the plans from 2021 legislation.

Discount rate

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

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

Long Term Expected Rate of Return

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

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

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

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns at various future times. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 20201 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 6/30/22					
Proportionate Share	0.182423%	0.228282%	0.017962%	0.018020%	0.044190%
Net Pension Liability (Asset)	$ 2,227,816	$ (22,740,568)	$ 120,939	$ (495,337)	$ (2,566,746)
Year Ended 6/30/21					
Proportionate Share	0.211191%	0.267640%	0.018450%	0.018715%	0.050910%
Net Pension Liability (Asset)	$ 7,456,170	$ 3,422,957	$ 444,413	$ 287,464	$ (1,038,496)

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

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

	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2
Year Ended 6/30/22					
1% Decrease	$ 3,795,211	$ (6,478,346)	$ 231,806	$ 86,376	$ (1,618,591)
Current Discount Rate	2,227,816	(22,740,568)	120,939	(495,337)	(2,566,746)
1% Increase	860,887	(36,132,514)	24,185	(969,867)	(3,343,094)
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)

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

2022	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2
Pension contributions subsequent to the measurement date	$1,057,948	$1,774,265	$ 108,282	$ 138,477	$ 81,862
Differences between expected and actual experience	-	1,104,474	-	153,887	116,418
Change in assumptions	-	33,231	-	30,811	1,110
Change in proportion and contributions	-	45,350	-	37,246	198,189
Net difference between projected and actual investment earnings on pension plan investments	-	-	-	-	-
Total	$1,057,948	$2,957,320	$ 108,282	$ 360,421	$ 397,579

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

Deferred Inflows of Resources

2022	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	-	278,777	-	4,009	13,565
Change in assumptions	-	1,614,957	-	26,030	122,075
Change in proportion and contributions	-	1,043,713	-	27,949	63,397
Net difference between projected and actual investment earnings on pension plan investments	2,472,130	19,005,780	181,308	577,502	1,223,843
Total	$2,472,130	$21,943,227	$ 181,308	$ 635,490	$1,422,880

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

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
2023	(654,868)	(5,391,150)	(48,046)	(126,954)	(313,516)
2024	(600,097)	(5,049,678)	(43,965)	(117,299)	(291,256)
2025	(567,415)	(4,816,402)	(41,608)	(109,396)	(274,439)
2026	(649,750)	(5,181,791)	(47,689)	(125,991)	(310,656)
2027	-	(233,719)	-	23,036	8,494
Thereafter	-	(87,432)	-	43,058	74,210
Total	**(2,472,130)**	**(20,760,172)**	**(181,308)**	**(413,546)**	**(1,107,163)**

The University recognized $(3,160,833) and $82,292 in pension expense for all plans noted above for fiscal years 2022 and 2021, 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	
	FY2022	FY2021	FY2022	FY2021
PERS 1	10.25%	12.97%	$ 22,495	$ 36,697
PERS 2	10.25%	12.97%	2,215,695	2,794,980
PERS 3	10.25%	12.97%	643,644	726,351
TRS 1	14.42%	15.74%	-	-
TRS 3	14.42%	15.74%	249,852	212,661
LEOFF 2	8.71%	8.77%	83,589	89,463

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, 2022 and 2021 were $5,048,200 and $5,175,964, respectively. For the years ended June 30, 2022 and 2021, the University reported $(601,942) and $(800,000), respectively in retirement benefit expense relating to the supplemental component of the EWURP. A contribution rate of 0.28% of EWURP covered payroll was created through legislation and was effective for the years ended June 30, 2022 and 2021. A contribution rate in prior years was not required. Contributions made during the fiscal years 2022 and 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 net 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 NPL to the measurement date.

	FY2022	FY2021
Actuarial valuation date	June 30, 2020	June 30, 2020
Measurement date	June 30, 2022	June 30, 2021
Inflation	2.75%	2.75%
Salary changes	3.50%	3.50%
Source of mortality assumptions	Pub T.H-2010 Table	Pub T.H-2010 Table
Date of experience study	August 2021	August 2021
Investment rate of return	7.00%	7.40%
Discount rate	7.00%	7.40%
Source of discount rate	2019 Economic Experience Study	2019 Economic Experience Study
Liability using discount rate 1% lower	$10,781,000	$ 6,396,000
Liability using current discount rate	$ 9,399,000	$ 5,490,000
Liability using discount rate 1% higher	$ 8,216,000	$ 4,711,000

Material assumption changes during the measurement period ending June 30, 2022 include a decrease to the discount rate from 7.40 percent to 7.00 percent. Additionally, returns on TIAA and CREF investments were updated to calculate member assumed income.

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.

Long Term Expected Rate of Return

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

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

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

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns at various future times. The expected future rates of return (expected returns, net of pension plan investment expense, including inflation) are developed by the WSIB for each major asset class. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, 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.

	FY2022	FY2021
Service cost	$ 157,000	$ 668,000
Interest	671,000	523,000
Differences between expected and actual experience	2,661,000	(7,646,000)
Changes in assumptions	867,000	(7,364,000)
Benefit payments	(277,000)	(280,000)
Net Change in Total Pension Liability	4,079,000	(14,099,000)
Total Pension Liability - Beginning	9,040,000	23,139,000
Total Pension Liability - Ending	$ 13,119,000	$ 9,040,000
Contributions – Employer	$ 165,000	$ 165,000
Net investment income	5,000	892,000
Net Change in Plan Fiduciary Net Position	170,000	1,057,000
Plan Fiduciary Net Position – Beginning	3,549,000	2,492,000
Plan Fiduciary Net Position - Ending	$ 3,719,000	$ 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:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 4,077,000	$ 5,555,000	$ 2,625,000	$ 7,176,000
Changes of assumptions	2,993,000	5,314,000	2,965,000	6,648,000
Net difference between projected and actual investment earnings on pension plan investments	211,000	421,000	-	562,000
Total	$ 7,281,000	$ 11,290,000	$ 5,590,000	$ 14,386,000

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

2023	$ (838,000)
2024	(472,000)
2025	(926,000)
2026	(1,423,000)
2027	(350,000)
Thereafter	-
Total	$ (4,009,000)

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 2021 and 2022, the explicit subsidy was $183.

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

Number of Participants	FY2022	FY2021
Active employees	1,213	1,352
Retirees receiving benefits	334	372
Retirees entitled to but not receiving benefits	56	62

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.

	FY2022	FY2021
Actuarial valuation date	June 30, 2020	June 30, 2020
Measurement date	June 30, 2021	June 30, 2020
Inflation rate	2.75%	2.75%
Projected salary changes	3.50%	3.50%
Discount rate	2.16%	2.21%
Source of discount rate	Bond Buyer 20 Bond Index	Bond Buyer 20 Bond Index
Liability using discount rate 1% lower	$ 73,098,024	$ 76,081,545
Liability using current discount rate	$ 60,333,259	$ 62,838,185
Liability using discount rate 1% higher	$ 50,408,750	$ 52,526,341
Health care trend rates	Initial rate ranges from about 2-11%, reaching an ultimate rate of approximately 4.3% in 2075	Initial rate ranges from about 2-11%, reaching an ultimate rate of approximately 4.3% in 2075
Liability using health care rate 1% lower	$ 48,675,431	$ 51,206,445
Liability using current health care rate	$ 60,333,259	$ 62,838,185
Liability using health care rate 1% higher	$ 76,086,919	$ 78,432,656
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	Society of Actuaries Pub.H-2010 mortality rates with long term MP-2017 generational improvement scale
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 2022 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:

	FY2022	FY2021
Proportionate share	0.932266%	1.037757%
OPEB Expense	$ 1,015,840	$ (182,794)
Service cost	$ 3,015,517	$ 2,607,597
Interest	1,303,288	2,181,296
Differences between expected and actual experience	-	(334,263)
Changes in assumptions	556,835	1,413,966
Benefit payments	(992,925)	(1,038,548)
Change in proportionate share	(6,387,640)	(5,624,588)
Other	-	(2,221,810)
Net Change in Total OPEB Liability	(2,504,925)	(3,016,350)
Total OPEB Liability - Beginning	62,838,185	65,854,535
Total OPEB Liability - Ending	$ 60,333,260	$ 62,838,185

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	
	FY2022	FY2021	FY2022	FY2021
Transactions subsequent to the measurement date	$ 995,969	$ 1,105,279	$ -	$ -
Differences between expected and actual experience	1,032,028	1,378,569	233,555	297,123
Changes in assumptions	3,842,323	4,320,965	10,938,688	14,819,853
Change in proportion and benefit payments	337,680	408,134	12,957,647	7,493,066
Total	$ 6,208,000	$ 7,212,947	$ 24,129,890	$ 22,610,042

Deferred outflows of resources in the amount of $995,969 and $1,105,279 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:

2023	$ (3,302,966)
2024	(3,302,966)
2025	(3,302,966)
2026	(3,302,969)
2027	(2,382,775)
Thereafter	(3,323,217)
Total	$ (18,917,859)

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, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Assets				
Current assets	$ 29,391,944	$ 28,870,545	$ 10,631,853	$ 11,284,284
Non-current assets	37,394,849	34,402,492	73,127,577	73,206,650
Total assets	66,786,793	63,273,037	83,759,430	84,490,934
Deferred outflows of resources	938,829	1,321,756	606,264	500,186
Liabilities				
Current liabilities	1,598,811	1,892,574	3,746,434	3,648,053
Non-current liabilities	22,440,321	25,545,384	53,959,794	55,975,457
Total liabilities	24,039,132	27,437,958	57,706,228	59,623,510
Deferred inflows of resources	5,661,891	3,352,700	1,192,960	622,225
Net position				
Net investment in capital assets	11,400,333	11,567,083	18,172,196	18,240,316
Restricted expendable	1,755,666	75,542	3,403,376	2,251,000
Unrestricted	24,868,600	22,161,510	3,890,934	4,254,069
Total net position	$ 38,024,599	$ 33,804,135	$ 25,466,506	$ 24,745,385

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	
	2022	2021	2022	2021
Operating revenues	$ 15,135,114	$ 7,378,935	$ 10,185,514	$ 10,934,185
Operating expenses	10,121,374	8,605,872	6,177,090	5,329,066
Net operating income	5,013,740	(1,226,937)	4,008,424	5,605,119
Non-operating revenues (expenses)	(793,276)	2,168,604	(3,287,303)	(3,004,877)
Change in net position	4,220,464	941,667	721,121	2,600,242
Net position, beginning of year	33,804,135	32,709,390	24,745,385	22,131,197
Adjustment to beginning net position	-	153,078	-	13,946
Net position, beginning of year, as restated	33,804,135	32,862,468	24,745,385	22,145,143
Net position, end of year	38,024,599	$ 33,804,135	$ 25,466,506	$ 24,745,385

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	
	2022	2021	2022	2021
Net cash flows provided by operating activities	$ 4,146,687	$ (663,387)	$ 5,821,126	$ 7,034,296
Net cash flows provided by investing activities	(5,811,358)	5,250,739	(2,027,365)	1,461,881
Net cash flows used by non-capital and related financing activities	-	3,000,000	(1,644,309)	(1,996,707)
Net cash flows provided used by capital and	(1,626,933)	(1,630,939)	(3,750,902)	(3,256,736)

related financing activities				
Net increase (decrease) in cash	(3,291,604)	5,956,413	(1,601,450)	3,242,734
Cash—beginning of year	25,030,635	19,074,222	9,864,674	6,621,940
Cash—end of year	21,739,031	$ 25,030,635	$ 8,263,224	$ 9,864,674

Note 15: Operating Expenses by Function

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

	FY2022	FY2021
Education and general		
Instruction	$ 73,382,514	$ 68,977,863
Research	992,060	881,879
Public Service	8,396,680	7,931,344
Academic support	13,131,461	16,362,611
Student services	17,805,621	15,531,979
Institutional support	16,941,250	18,639,622
Operation and maintenance of plant	17,678,945	17,560,180
Scholarships and fellowships	32,468,986	26,226,114
Auxiliary enterprises	22,640,279	16,471,132
Depreciation and amortization	19,905,208	19,686,169
Total operating expenses	$223,343,004	$ 208,268,893

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, 2022 total $41.2 million for various goods and services.

Schedules of Required Supplementary Information

Schedule of the University's Proportionate Share of the Net Pension Liability (Asset)
*Shown as of measurement date; this schedule to be built prospectively until it contains ten years of data.

	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 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%	0.182423%
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	$2,227,816
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	27,472,694
University's proportionate share of the net pension liability as a percentage of its covered payroll	47%	47%	46%	38%	34%	28%	24%	8%
Plan fiduciary net position as a percentage of the total pension liability	61%	59%	57%	61%	63%	67%	69%	89%
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%	0.228282%
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	$(22,740,568)
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	27,189,314
University's proportionate share of the net pension liability as a percentage of its covered payroll	24%	40%	54%	35%	16%	9%	11%	-84%
Plan fiduciary net position as a percentage of the total pension liability	93%	89%	86%	90%	95%	97%	97%	120%
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%	0.017962%
University's proportionate share of the net pension liability	$421,191	$476,291	$571,301	$602,820	$665,155	$531,602	$444,413	$120,937
University's covered payroll	658,969	747,748	852,932	1,119,777	1,440,687	1,448,250	1,346,840	1,353,225
University's proportionate share of the net pension liability as a percentage of its covered payroll	64%	64%	67%	54%	46%	37%	33%	9%
Plan fiduciary net position as a percentage of the total pension liability	69%	66%	62%	65%	66%	70%	71%	91%
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%	0.018020%
University's proportionate share of the net pension liability	$48,904	$134,340	$234,069	$188,388	$104,262	$130,470	$287,464	$(495,337)
University's covered payroll	654,525	747,348	852,532	1,119,377	1,440,287	1,448,250	1,346,840	1,353,225
University's proportionate share of the net pension liability as a percentage of its covered payroll	7%	18%	27%	17%	7%	9%	21%	-37%
Plan fiduciary net position as a percentage of the total pension liability	97%	92%	89%	93%	96%	96%	92%	114%
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%	0.044190%
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)	$(2,566,745)
University's covered payroll	669,208	852,252	894,293	1,148,894	1,011,692	1,105,966	1,153,860	1,020,099
University's proportionate share of the net pension liability as a percentage of its covered payroll	-80%	-58%	-32%	-73%	-103%	-109%	-90%	-252%
Plan fiduciary net position as a percentage of the total pension liability	117%	112%	124%	113%	118%	119%	116%	142%

Schedule of the University Contributions

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

	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Public Employees' Retirement System (PERS) Plan 1								
Contractually required contribution	$57,848	$68,964	$46,816	$49,626	$50,817	$42,648	$36,754	$22,495
Contributions in relation to the contractually required contribution	57,464	67,757	46,254	47,216	50,734	42,648	36,697	22,495
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	28,396,030
Contributions as a percentage of covered payroll	0.22%	0.25%	0.16%	0.16%	0.16%	0.14%	0.13%	0.08%
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	$2,888,098
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	2,859,339
Contribution deficiency (excess)	2,740	10,060	9,502	12,544	6,443	5	5,123	28,759
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	28,176,566
Contributions as a percentage of covered payroll	9.20%	11.14%	11.15%	12.66%	12.81%	12.86%	12.95%	10.15%
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	1,837,673
Contributions as a percentage of covered payroll	0.01%	0.00%	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	$264,992
Contributions in relation to the contractually required contribution	79,752	112,047	146,974	200,731	222,897	208,734	212,661	249,852
Contribution deficiency (excess)	(2,103)	(109)	--	18,193	278	161	337	15,141
University's covered payroll	747,348	852,532	1,119,377	1,440,287	1,448,250	1,346,840	1,353,225	1,837,673
Contributions as a percentage of covered payroll	10.67%	13.14%	13.13%	13.94%	15.39%	15.50%	15.72%	13.60%
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	$83,589
Contributions in relation to the contractually required contribution	72,978	76,820	98,690	90,367	98,763	101,194	89,463	83,589
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	959,688
Contributions as a percentage of covered payroll	8.56%	8.59%	8.59%	8.93%	8.93%	8.77%	8.77%	8.71%
Eastern Washington University Supplemental Retirement Plan (EWUSRP)								
Contractually required contribution							$5,175,964	$5,048,200
Contributions in relation to the contractually required contribution							5,175,964	5,048,200
Contribution deficiency (excess)							--	--
University's covered payroll							60,197,222	59,009,283
Contributions as a percentage of covered payroll							8.60%	8.55%

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%

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

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

* 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	2022
Service Cost	$ 4,568,047	$ 3,696,903	$ 2,666,488	$ 2,607,597	$ 3,015,517
Interest	2,139,701	2,541,600	2,313,026	2,181,296	1,303,288
Difference between expected and actual experience	--	2,319,987	--	(334,263)	--
Changes in assumptions	(10,437,501)	(16,184,498)	4,307,462	1,413,966	556,835
Benefit payments	(1,090,426)	(1,073,445)	(1,058,070)	(1,038,548)	(992,925)
Change in proportionate share	133,375	448,124	(1,504,432)	(5,624,588)	(6,387,640)
Other	--	--	--	(2,221,810)	--
Net Change in Total Pension Liability	(4,686,804)	(8,251,329)	6,724,474	(3,016,350)	(2,504,925)
Total OPEB Liability – Beginning	72,068,194	67,381,390	59,130,061	65,854,535	62,838,185
Total OPEB Liability - Ending	**$ 67,381,390**	**$ 59,130,061**	**$ 65,854,535**	**$ 62,838,185**	**$ 60,333,260**
Covered-employee payroll	$ 95,610,059	$ 99,635,814	$ 101,473,731	$ 103,044,775	$ 99,832,652
Total OPEB liability as a percentage of covered employee payroll	70.48%	59.35%	64.90%	60.98%	60.43%

* 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.

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