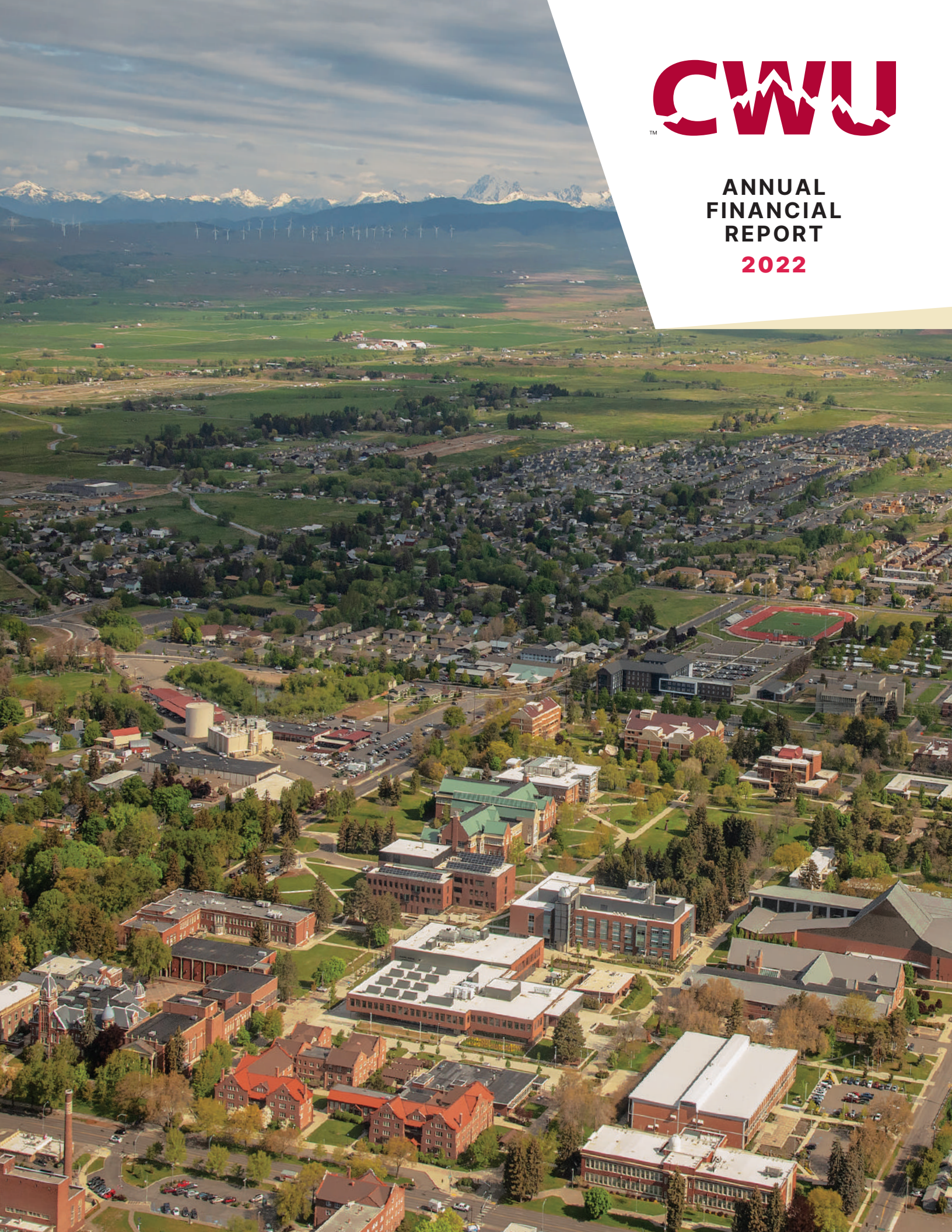




**ANNUAL  
FINANCIAL  
REPORT  
2022**



HEALTH  
SCIENCE

HEALTHCARE-  
REHABILITATION



# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

Fiscal Year Ended June 30, 2022



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## EXECUTIVE OFFICERS (AT JUNE 30, 2022)

**Jim Wohlpart**, President

**Andrew Morse**, Chief of Staff

**Michelle DenBeste**, Provost/Vice President for Academic and Student Life

**Joel Klucking**, CFO/Vice President for Business and Financial Affairs

**Paul Elstone**, Vice President of University Advancement

**Jonathon Henderson**, Int. Executive Director of Institutional Effectiveness, Research, and Planning

**Lucha Ortega**, Interim Vice President for Student Engagement and Success

**Virginia Tomlinson**, Associate Vice President Information Services and Security

## BOARD OF TRUSTEES (AS OF JUNE 29, 2022)

**Robert Nellams**, Chair

**Ray Conner**, Vice Chair

**Erin Black**, Trustee

**Jeff Charbonneau**, Trustee

**Gladys Gillis**, Trustee

**Jeff Hensler**, Trustee

**Zabrina Jenkins**, Trustee

**Dave Hartless**, (Student Trustee)



Dear CWU Community:

The past year has been full of CWU success stories, and I look forward to what lies ahead for the university. Above all, I am proud to see us leaning into our new vision to be a model learning community of equity and belonging. As we do that work, we are developing our next strategic plan and launching a new brand that will emphasize the relational work of our faculty and staff in preparing CWU graduates to do great things in their homes, workplaces, and communities.

We are also deepening our commitment to affordable, accessible, and student success-focused learning by elevating our support structures to reduce barriers for the diverse learners we serve. This is, and continues to be, a primary focus for university leadership and the entire campus community.

However, as we prepare the future, we must also recognize that higher education is experiencing a period of profound change. Not only has Covid-19 greatly influenced enrollment patterns nationwide, but higher education institutions must also grapple with the enduring responsibility to assure equitable and inclusive access for all. Indeed, these are challenges and opportunities in front of us, and I am proud to continue this work the best way we know how at CWU: together.

By keeping who we are and who we serve at the center of our work, CWU can make good on our commitment to student success and ensure that all learners have access to the engaged- and applied-learning experiences that are essential for academic excellence and professional preparation. One of the ways we hope to meet this challenge head-on is through our new six-year plan called The Central Experience. The plan, which we introduced this fall, outlines how CWU will be working closely with the Washington Legislature and our community partners to implement four key initiatives:

- raise employee salaries annually so CWU can keep up with cost-of-living increases and remain competitive in the marketplace;
- expand the availability of dual-language STEM instruction;
- address learning loss brought on by the pandemic; and
- improve financial literacy to help more students take advantage of state and federal financial assistance programs.

Our investment in the future also includes a series of major capital projects, such as the \$60.5 million Health Education Project currently underway on the north end of campus and the state-of-the-art Health Sciences building that was completed last spring. Among the capital requests we will make to the Legislature for the 2023-25 biennium are a replacement and expansion of the Language and Literature (L&L) building and Farrell Hall, and the construction of a new behavioral and mental health facility to replace the aging Psychology Building. We are also working with our student leaders on a comprehensive Multicultural Center to enhance a sense of belonging among the communities that bring rich diversity to CWU.

These campus modernization efforts, combined with our commitment to creating opportunities for learners from all different backgrounds, will continue to set CWU apart in the highly competitive higher education marketplace. For Central to truly stand out, we must deliver an experience unlike any other. We must strive to create a culture that not only makes our students feel welcome, appreciated, and supported; we must also offer them an experience they can't find anywhere else.

The future is bright at CWU, and I genuinely appreciate the work of everyone in the Wildcat community as we work together to create transformational life experiences through higher education.

Sincerely,



A. James Wohlpart  
President

## Initiatives and Achievements

### 2022 HIGHLIGHTS



#### **CWU Researcher Joins International Global Warming Research Team**

Central Washington University was one of seven U.S. institutions selected to participate in an international global warming research project that will be funded, in part, by a \$2.9 million grant from the National Science Foundation. CWU researcher and geophysicist Paul Winberry became involved in the Sensitivity of the West Antarctic Ice Sheet 2C (SWAIS 2C) project because of his extensive knowledge about where these sediment samples exist in the Antarctic region.



#### **Geology Professor Honored as Lifetime Fellow for National Science Association**

CWU Geological Sciences Professor Anne Egger was elected as a lifetime fellow with the American Association for the Advancement of Science (AAAS), the world's largest general scientific society and publisher of the Science family of journals. The 2021 class of AAAS Fellows recognized 564 scientists, engineers, and innovators across 24 scientific disciplines for their scientifically and socially distinguished achievements.



#### **CWU, Big Bend CC Awarded Grant to Help Attract Low-Income STEM Students**

A team of faculty and staff from CWU and Big Bend Community College was awarded a \$50,000 grant from the Community College Research Initiatives (CCRI) program, which is specifically aimed at STEM disciplines. The initiative is intended to help low-income STEM transfer students around the state earn four-year degrees. CWU and Big Bend each received \$25,000 as they look at strategies to increase the number of low-income community college students in Washington who choose to continue their educations at four-year institutions.



#### **CWU Aviation Alum Joins Blue Angels**

CWU Aviation alumnus Josh Soltan is now flying at the highest level with the U.S. Navy Blue Angels. Last spring, the Marine Corps Major and C-130J pilot began flying with the elite air demonstration squadron after training with 154 others from the Navy and Marines in preparation for the 2022 air show season. Soltan credits the CWU Aviation program for helping him acquire the skills and mindset required to become a Blue Angel. While living in Ellensburg, he developed a "gritty, never-give-up attitude" that he used as a "springboard to my dream career."



#### **The 'Burg Wins Best College Radio Station In the Nation**

The 'Burg (KCWU 88.1) was named Best College Radio Station at the annual Intercollegiate Broadcasting System conference last winter. The 'Burg previously took home the award in 2015 and has been nominated for it every year since. The station also won Most Creative/Innovative Show and Best Phone App. The Best College Radio Station (with more than 10,000 students) award is given based on a 30-minute audio sample containing a slice of everything a station has to offer.





### **Aviation Professor Named National Flight Instructor of the Year**

CWU Aviation Professor Amy Hoover entered rarefied air last winter when she was named the 2022 National Certified Flight Instructor of the Year by the Federal Aviation Administration (FAA) and General Aviation Awards Industry Board. Hoover has spent the past three decades advancing aviation education around the Northwest. The FAA award recognized her many contributions at the regional and national levels through her mentoring efforts, publications, presentations, and backcountry flight instruction.



### **Police Chief Named to International Hall of Fame**

CWU police Chief Jason Berthon-Koch was recognized in May for his commitment to teaching women empowerment and self-defense skills through the international Rape, Aggression, Defense (R.A.D.) Systems organization. Berthon-Koch was named to the R.A.D. Hall of Fame for his 19 years of service as an instructor and instructor-trainer. He joins a prestigious group of program veterans around the world who have dedicated themselves to teaching women situational awareness skills and self-defense techniques that are designed to keep them safe.



### **CWU Featured on Amazon Prime as Part of 'The College Tour'**

A national audience learned all there is to know about Central Washington University last spring on the Amazon Prime broadcast of "The College Tour." Season four of the series was released on the Prime Video website in May, exposing viewers across the country to everything CWU has to offer. Each installment of "The College Tour" tells the story of a single college through the lens of its students. Ten CWU students and recent alumni were featured during the 30-minute episode.

### **College in the High School Earns National Accreditation**

CWU's College in the High School (CiHS) program achieved national accreditation from the National Alliance of Concurrent Enrollment Partnerships (NACEP) last year after a multi-year process. NACEP accreditation—which involves providing documentation and evidence to meet standards, a virtual site visit, and peer review—verifies that CiHS courses offered to high school students are as rigorous as the courses offered at any University Center or instructional site. The program helps prospective students transition to college with CWU credits while maintaining their high school experience.

During the 2021-22 academic year, CWU CiHS continued to collaborate with nearly 400 teachers in 150 high schools across Washington. The program benefits partner teachers with meaningful, ongoing professional development while providing access for more than 6,000 students to earn academic credits from Central.





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

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

Board of Trustees  
Central Washington University  
Ellensburg, 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 Central Washington University as of and for the year then ended June 30, 2022, 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, based on our audit and the reports of the other auditors, 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 Central Washington University, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Central Washington University Foundation (the Foundation), which represent 100 percent of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the reports of the other auditors. The financial statements of the Foundation 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, the financial statements of the Central Washington University, an agency of the state of Washington, are intended to present the financial position, and the changes in financial position, and where applicable, cash flows of only the respective portion of the activities of the state of Washington that is attributable to the transactions of the University and its aggregate discretely presented component units. They do not purport to, and do not, present fairly the financial position of the state of Washington as of June 30, 2022, the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 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.

### **Other Matters**

#### **Prior-Year Comparative Information**

The financial statements include summarized prior-year comparative information for the Foundation. Such information does not include all the information required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2021, from which the summarized information was derived. Other auditors have previously audited the Foundation's 2021 basic financial statements, and they expressed an unmodified opinion in their report dated October 19, 2022.

#### **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 introduction, CFO letter, initiatives, achievements and highlights and appendix sections 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 23, 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,

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

March 23, 2023

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Introduction

The following management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of Central Washington University (the University) for the fiscal year ended June 30, 2022, with comparative 2021 financial information. This discussion provides an objective and easily readable analysis of the University's financial performance for the year. This discussion has been prepared by management and should be read in conjunction with the financial statements and accompanying notes to the financial statements, which follow this section.

Central Washington University (CWU) is one of six state-assisted, four-year institutions of higher education in Washington. A regional comprehensive university, CWU offers baccalaureate and graduate degrees in more than 100 academic programs to approximately 10,000 students. The University has distinguished itself through quality teaching and academic programs, student-centered orientation, and commitment to research, outreach, and international experiences for faculty and students, and provision of life-long learning opportunities to the citizens of Washington. The University is comprised of the College of Arts and Humanities, College of the Sciences, College of Education and Professional Studies, and College of Business. CWU's instructional faculty, numbering more than 600, compiles an impressive record of teaching, scholarship, and service. The main campus is located in Ellensburg, a community of approximately 20,680 that enjoys one of the finest living environments of the Pacific Northwest. Historic Ellensburg offers the laid-back atmosphere of a small town, but with a variety of things to do and see both indoors and out. Most enjoy downtown Ellensburg with its distinctive shops, bars, restaurants, museums all within walking distance. Others enjoy the outdoor experience of camping, fishing, horseback riding, rafting, hiking, biking, and even golfing. In the shadow of the Cascade Mountains and only minutes from the Wenatchee National Forest, Ellensburg is situated in the Kittitas Valley, an agricultural region 110 miles east of Seattle, the cultural heart of Washington.

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

### Using the financial statements

The financial statements presented in this annual report encompass the University and its discretely presented component unit. The University's financial reports include the Statement of Net Position, the Statement of Revenue, Expenses, and Changes in Net Position, and the Statement of Cash Flows. The Statement of Net Position provides information about the University at a moment in time, at fiscal year-end. The Statement of Revenue, Expenses, and Changes in Net Position and the Statement of Cash Flows provide information about operations and activities over a twelve-month period. Together these statements, along with the notes to the financial statements, provide a comprehensive way to assess the University's overall financial health.

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB), which establish standards for external financial reporting for public colleges and universities. In accordance with GASB requirements, the financial statements are prepared utilizing the accrual basis of accounting and presented on a consolidated basis to focus on the University as a whole.

The Central Washington University Foundation (the Foundation) is a significant component unit based on the requirements of GASB Statement 39. This report reflects the Foundation as a discretely reported entity for all years reported. The reader will see reformatted CWU comparatives in this report. The MD&A, however, focuses on University activity unless otherwise noted.



## Financial Highlights for Fiscal 2022

- The university received \$6.0 million in institutional aid from the Higher Education Emergency Relief Fund (HEERF III) as authorized by the American Rescue Plan (ARP), Public Law 117-2, to replace lost revenue and help offset the financial impact of COVID-19. This amount is shown in non-operating revenue in accordance with Generally Accepted Accounting Principles (GAAP).
- The University successfully enrolled 10,176 students in the fall quarter of fiscal 2022.
- The University added \$31.9 million in capital assets and construction in progress. This is primarily construction of the Nutrition/Health Science Building funded by the State of Washington.
- On Campus auxiliary program participation continued to show improvement from pandemic levels. CWU System operating revenues increased 46.0 percent, from \$36.5 million to \$53.3 million while operating expenses increased only 15.9 percent. As a result, CWU System Unrestricted Net Position increased by \$6.2 million.





## KEY FINANCIAL RESULTS FOR FY 2022 COMPARED TO FY 2021 (in thousands)

	2022	2021
Total operating revenues	\$ 175,117	\$ 161,853
Operating expenses	266,386	261,699
<b>Operating Loss</b>	<b>(91,269)</b>	<b>(99,846)</b>
State appropriations	71,769	71,708
Investment income (loss)	2,723	5,744
Capital appropriations	28,602	31,354
Pell grant revenue	15,943	17,270
Interest on indebtedness	(6,058)	(6,306)
Institutional HEERF funding	6,015	9,945
BABS Subsidy and Foundation Gifts in Kind	635	616
<b>Total net non-operating revenue and capital appropriations</b>	<b>119,629</b>	<b>130,331</b>
Increase (decrease) in net assets	28,360	30,486
Net Position (as restated), beginning of year	369,785	339,299
<b>Net Position, end of year</b>	<b>\$ 398,145</b>	<b>\$ 369,785</b>

### Key Financial Results

- Operating revenues increased by \$13.3 million or 8.19% from the prior fiscal year.
- Operating expenses increased by \$4.7 million or 1.79% over the prior fiscal year.
- State operating appropriations increased by \$0.06 million or .09% over the prior fiscal year.
- Pell grant revenue decreased by \$1.3 million or 7.68% over the prior fiscal year.
- Interest on indebtedness decreased by \$0.3 million from the prior fiscal year.
- Total net non-operating revenues and capital appropriations decreased by \$10.7 million or 8.21% from the prior fiscal year.



The University receives a state appropriation for operating revenues, which are not usually sufficient to cover all of the University's operating expenses. Non-operating revenues, which include state operating and capital appropriations, Pell grant revenue, investment income and non-operating income net of expense result in a modest increase in the net position or "equity" of the University. The equity is re-invested in the University for facility upgrades, contingency reserves to offset periods of economic instability, and to increase the level of educational excellence and operational efficiencies.

### STATEMENT OF NET POSITION

The Statement of Net Position (SNP) presents the financial status of the University at the end of the last two fiscal years and includes all assets, deferred outflows, liabilities, and deferred inflows of the University. This statement represents assets available to continue operations of the institution, how much the institution owes vendors, employees, investors, and debt service obligations. Several nonfinancial factors also contribute to the University's financial health and include student enrollment, the number of full-time faculty, student retention, graduation rates, building conditions, and campus safety.

#### STATEMENT OF NET POSTION (in thousands)

	2022	2021
<b>Assets</b>		
Current assets	\$ 66,106	\$ 58,440
Non-current assets	64,616	40,683
Capital assets, net of depreciation	557,928	550,522
<b>Total assets</b>	<b>688,650</b>	<b>649,645</b>
<b>Deferred outflows of resources</b>	<b>19,691</b>	<b>21,994</b>
<b>Liabilities</b>		
Current liabilities	31,701	31,354
Non-current liabilities	221,764	243,052
<b>Total liabilities</b>	<b>253,465</b>	<b>274,406</b>
<b>Deferred Inflows of Resources</b>	<b>56,730</b>	<b>27,448</b>
<b>Net Position</b>		
Net investment in capital assets	418,048	402,782
Restricted: non-expendable	3,465	3,465
Restricted: expendable	20,305	10,164
Unrestricted	(43,673)	(46,625)
<b>Total net position</b>	<b>\$ 398,145</b>	<b>\$ 369,786</b>

#### ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

##### Current assets

The excess of current assets over current liabilities of \$34 million in 2022 reflects the continuing ability of the University to meet its short-term obligations. Current assets are those highly liquid assets that may be converted to cash in less than one year and include cash and cash equivalents, short-term investments, accounts receivable, and inventories. Current assets increased \$7.7 million to \$66.1 million at June 30, 2022 and the most significant fluctuations are discussed below:

Cash and cash equivalents increased by \$8.4 million to \$40.4 million due to favorable short term investment opportunities compared to long term.

##### Non-Current Assets

Non-current assets are not expected to be converted into cash, sold, or exchanged within the normal operating cycle and include: investments, student loan receivables, leases receivable and investments restricted for capital projects. Capital assets include construction in progress, furniture and equipment, land, buildings, and improvements. As of June 30, 2022, non-current and capital assets, net of depreciation increased by \$31.3 million to \$622.5 million.

Capital assets net of depreciation increased \$7.4 million to \$557.9 million in fiscal 2022 compared to \$550.5 million in the prior year largely due to construction of the Nutrition/Health Science Building.

Non-current investments decreased by \$8.9 million to \$24.3 million in fiscal 2022 as the University focused on favorable short-term investments over longer term bonds.

The Pension asset increased by \$31.1 million to \$32.2 million. In fiscal 2022 the calculations that are required by GASB 68 to record a portion of the State of Washington's assets, liabilities, deferred inflows and outflows on the Statement of Net Position were performed as required. These calculations resulted in an increase of \$31.1 million due to overall investment market changes in 2021. While this is the largest change in assets for the University, pension fund assets are defined as assets bought with the contributions to a pension plan for the exclusive purpose of financing pension plan benefits.

## Deferred Outflows of Resources

A portion of the deferred gain or loss on refunding outflows number represents costs associated with previous and ongoing debt issuances. This accounting treatment is the result of GASB 63 & 65, which were adopted in 2013. This component of the deferred outflows balance was amortized and decreased by \$.2 million at June 30, 2022 and will continue to be amortized on a straight-line basis through the term of the Replacement Bonds of 2016 (ending in fiscal 2038).

The application of GASB 68 in fiscal 2022 required the recognition and amortization of CWU's proportionate share of the various pension plan liabilities, resulting in the decrease of approximately \$.6 million of deferred outflows related to pension liabilities.

The application of GASB 75 required the recognition and amortization of CWU's proportionate share of the state's Other Post-Employment Benefits (OPEB); this resulted in the reduction of \$1.5 million of deferred outflows related to GASB 75 for a total of \$9.9 million.



## LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

### Liabilities

Current liabilities are claims that are due and payable within one year and include: accounts payable, accrued payroll liabilities, unearned revenues, deposits payable, and the current portion of pension liability, OPEB liability and bonds/leases payable.

Noncurrent liabilities represent obligations that become due after one year and include compensated absences, supplemental retirement liabilities, and long-term debt obligations (see Notes 8, 9, 10, 11, 12, and 13).

Current liabilities typically fluctuate from the timing of processing accounts payable and deposits payable, changes in the current year bond/leases payment schedule, and the changes in unearned revenue. Current liabilities at June 30, 2022, were \$31.7 million representing an increase of \$0.3 million from 2021 due to changes in payables in the normal operation of business.

Non-current liabilities decreased \$21.3 million to \$221.8 million at June 30, 2022. This net decrease primarily consists of a decrease in leases & bonds payable net of premium/discount of \$7.9 million from paying down debt, combined with a \$10.8 million dollar decrease related to GASB 68, a \$1.9 million dollar decrease related to GASB 75, along with a small decrease in accrued liabilities of \$0.6 million (see Notes 9, 10, 11, and 13).

### Deferred Inflows of Resources

The calculations related to GASB 68 and 75 activity resulted in an increase of \$29.3 million in deferred inflows of resources to \$56.7 million to be amortized over the following three to four years. The implementation of GASB 87 resulted in the recognition of \$0.1 million of deferred inflows related to Leases. (see Notes 1, 10, 12, and 13).

### Net Position

The difference between total assets and deferred outflows and total liabilities and deferred inflows is net position (equity), and it is an indicator of the University's overall financial condition. However, due to the required implementations of GASB 68 and 75 the figure shown is now negative in aggregate. The University believes that the actual financial condition was not affected by these pronouncements and that the Net Position figure is no longer as informative to the reader, in total.



Net position is divided into four major categories.

- Net Investment in Capital Assets: Equity in property, plant, equipment, and infrastructure, net of accumulated depreciation, and outstanding debt obligations related to those capital assets.
- Restricted Non-Expendable: Funds on which a donor or external party has imposed restrictions.
- Restricted Expendable: Resources, which the University is legally or contractually obligated to spend in accordance with restrictions, placed on the funds.
- Unrestricted: All other funds available to the University for general and educational obligations and may be expended for any lawful purpose. In many cases, these funds have been internally designated for specific purposes; including board required emergency reserves, debt policy requirements, facilities maintenance, and other purposes.

As of June 30, 2022, net position totaled \$398.1 million, an increase of \$28.4 million from the balance at June 30, 2021. Main drivers of the changes were \$10.0 million from GASB 68, \$7.4 million from capital assets increases, a reduction in debt of \$8.0 representing scheduled debt service payments.

## 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 and the effects of non-operating transactions over a one-year period. The statement classifies activities as either “operating” or “non-operating.”

Operating revenues are inflows of funds generated through the provision of goods and services to the University’s customers, which include tuition and fees, grant and contract payments, and sales and service revenue generated by student housing, student dining and other University enterprises. Operating expenses are the outflows of funds used to generate operating revenues and in carrying out the University’s mission.

Non-operating revenues include state operating and capital appropriations, Pell grants, and investment income. Non-operating expenses are mainly interest on indebtedness. Following is a condensed comparison of the University’s revenues, expenses, and changes in net position for the years ended June 30, 2022 and 2021.



**SUMMARY STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
(in thousands)

	2022	2021
Operating revenues	\$ 175,117	\$ 161,853
Operating expenses	266,386	261,699
<b>Operating loss</b>	<b>(91,269)</b>	<b>(99,846)</b>
Non-operating revenues and capital appropriations	125,687	136,638
Non-operating expenses	(6,058)	(6,306)
<b>Net non-operating revenues (expenses)</b>	<b>119,629</b>	<b>130,332</b>
Increase (Decrease) in net position	28,360	30,486
Net position beginning of year	369,785	339,299
<b>Net position end of year</b>	<b>\$ 398,145</b>	<b>\$ 369,785</b>

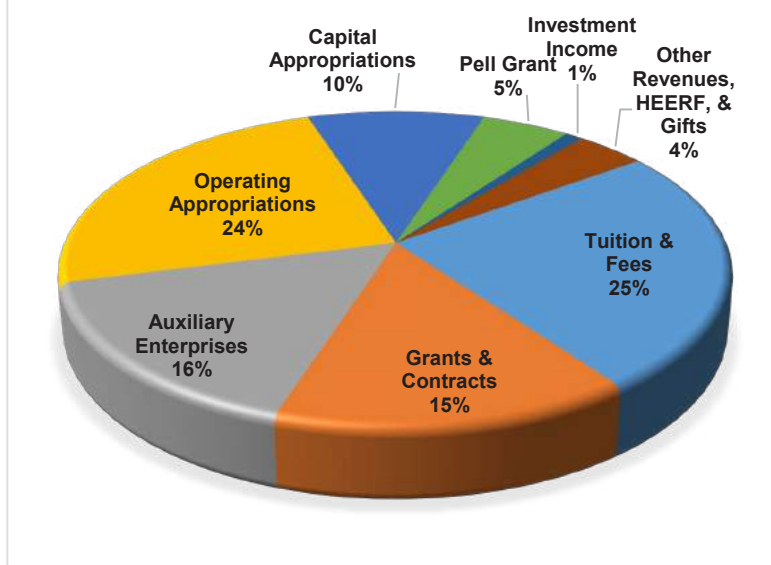
The University maintains a diversified revenue base comprised of tuition and fees, state appropriations, grants and sponsored programs, auxiliary enterprises, and non-operating income.

- Operating revenues in fiscal 2022 totaled \$175.1 million representing an increase of \$13.3 million or 8.2% percent from 2021.
- State appropriations increased by \$0.1 million to \$71.8 million or .1%
- Capital appropriations decreased by \$2.8 million to \$28.6 million or 8.8%

**Revenues by Source** (in thousands)

	2022		2021	
Net Tuition & Fees	\$75,465	25%	\$79,733	27%
Grants & Contracts	45,118	15%	45,562	15%
Auxiliary Services	48,225	16%	34,707	12%
Operating Appropriations	71,769	24%	71,707	24%
Capital Appropriations	28,602	10%	31,354	11%
Pell Grant	15,943	5%	17,270	6%
Investment Income	2,723	1%	5,744	2%
Other Revenue, HEERF & Gifts	12,959	4%	12,411	3%
<b>Total</b>	<b>\$300,804</b>	<b>100%</b>	<b>\$298,488</b>	<b>100%</b>

**OPERATING REVENUES FY 2022**



## OPERATING REVENUES FY 2021



Net tuition and fees remain the primary source of revenue. The decrease of \$4.3 million was due to decreases in enrollment, caused by smaller cohorts who enrolled during the pandemic while the larger pre-pandemic cohorts graduate. Net tuition and fees represent 25 percent of the University's revenue (see Statistics section for additional information on enrollment).

Auxiliary Enterprises generated 16 percent of total revenue representing an increase of \$13.5 million to \$48.2 million as of June 30, 2022. This was due to an increase in on campus participation, as we continue our recovery from the pandemic, in Auxiliary businesses including Housing, Dining, Bookstore, and Parking.

Grants and contracts provide student financial aid and supports educational and research opportunities at the University. In fiscal 2022, grants and contracts revenues decreased \$.4 million from the prior year due to fewer students receiving the Washington College Grant (WCG).

Capital appropriations decreased \$2.8 million from the prior year to \$28.6 million. Current capital projects include Nutrition/Health Science Building, Health Education, and Campus Security Enhancements.

Operating appropriations remained relatively flat, increasing \$.1 million to \$71.8 million in fiscal 2022 from 2021 driven mainly by continuing state support.

Investment income decreased \$3.0 million to \$2.7 million in 2022 reflecting overall market performance.





### Operating and Non-Operating Expenses

Operating expenses consist mainly of employee compensation, supplies and material costs, utilities, student scholarships and other aid. Non-operating expenses are those that do not relate to the core operation of the University. Examples of non-operating expenses are interest expense and amortization expense. Operating expenses are displayed in the following table by functional area as this is the industry standard. (See Note 16 for a listing of operating expenses by natural classification.)

#### OPERATING AND NON-OPERATING EXPENSES

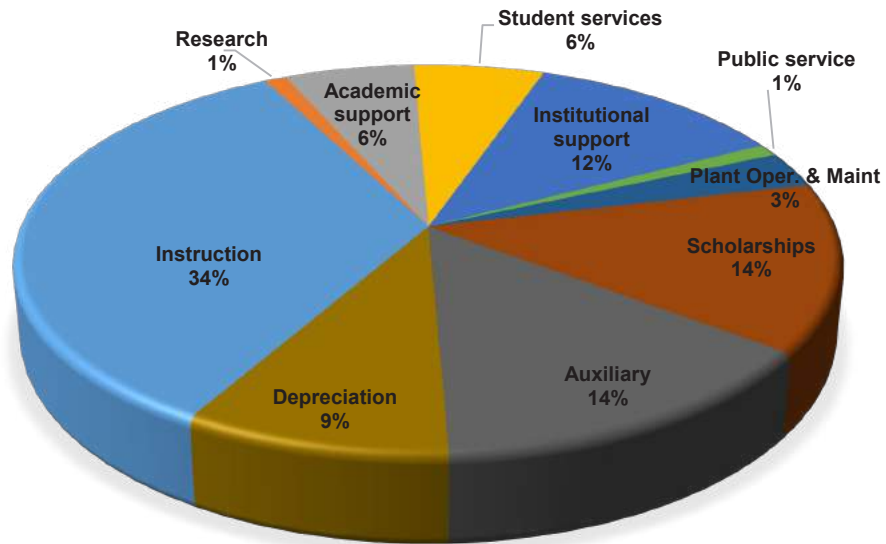
	2022	2021
Operating Expenses	\$266,386	\$261,699
Non-Operating Expenses	6,059	6,306
<b>Total Expense</b>	<b>\$272,445</b>	<b>\$268,005</b>

#### OPERATING EXPENSES BY FUNCTION (in thousands)

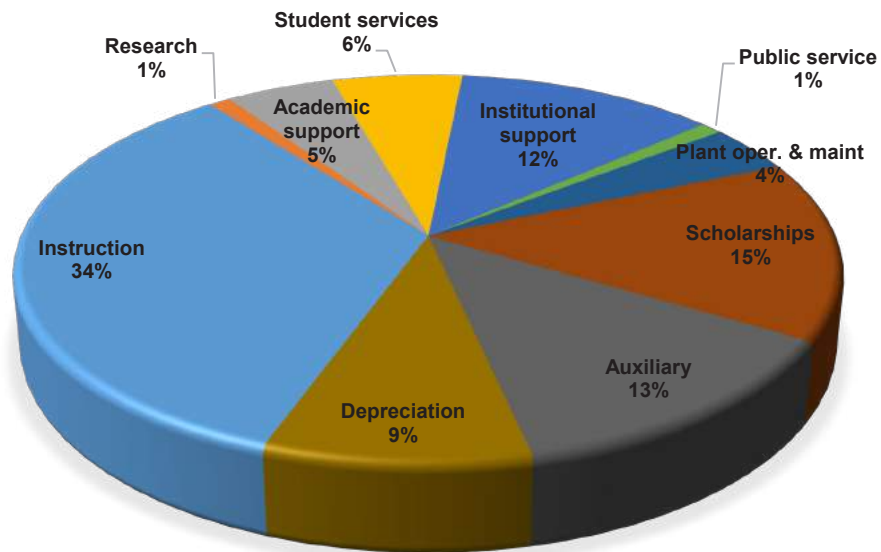
	2022		2021	
Instruction	\$90,688	34%	\$90,282	34%
Research	3,499	1%	2,586	1%
Public Service	811	1%	2,561	1%
Academic Support	14,916	6%	13,625	5%
Student Services	15,119	6%	14,739	6%
Institutional Support	31,540	12%	27,870	12%
Operations and maintenance of plant	8,150	3%	11,262	4%
Scholarships and other student aid	37,659	14%	40,369	15%
Auxiliary	40,137	14%	35,116	13%
Depreciation	23,867	9%	23,289	9%
<b>Total operating expenses</b>	<b>\$266,386</b>	100%	<b>\$261,699</b>	100%



## OPERATING AND NON-OPERATING EXPENSES FY 2022



## OPERATING AND NON-OPERATING EXPENSES FY 2021



Total operating expenses increased by \$4.7 million to \$266.4 million in fiscal 2022, with the greatest proportional increase in Auxiliary expenses, due to cost increases associated with increased on-campus occupancy and sales. Institutional Support expenses increased \$3.6 million to \$31.5 million due costs associated with increased on-campus student activities. Scholarships decreased by \$2.7 million primarily due to state and federal financial aid, and HEERF I/II/III student emergency assistance all decreasing in FY22.

Instructional expenses totaled \$90.7 million and comprised 34 percent of all University operating expenses during fiscal 2022 with a three-year average of 35 percent of total operating expense. The University remains committed to its primary mission: “In order to build a community of equity and belonging, Central Washington University nurtures culturally sustaining practices that expand access and success to all students. We are committed to fostering high impact practices, sustainability, and authentic community partnerships that are grounded in meaningful relationships.”

Auxiliary expenses increased by \$5.0 million to \$40.1 million due to increased personnel costs related to higher participation in Auxiliary services programs including housing, dining, and bookstore.





## CAPITAL CONSTRUCTION

Capital construction is a high priority as the University modernizes and replaces academic and residential facilities, continues to develop, and improve campus infrastructure and utilities, and reduces deferred maintenance. Major remodeling and system upgrade projects continue on campus that will bring older buildings and infrastructure into compliance with current teaching methodology and technology, health and safety needs, and code requirements.

Major State funded projects on campus include:

- Nutrition/Health Science Building. Construction is nearing completion of the 80,000 gross square foot facility which includes classrooms, class-labs, research laboratories, student study areas and offices. Appropriations for the project, including design, total \$59.6 million. The project obtained substantial completion and is currently being utilized, however final completion will not be until spring 2023 due to several minor building components and equipment being impacted by severe supply chain production issues in the mechanical and microchip industries.
- Health Education Project. As a follow-on to the \$5 million 19-21 biennium appropriation for design, the University received a \$55.5 million 21-23 biennium appropriation for the renovation and expansion of the Health and Physical Education building (Nicholson Pavilion) that houses the Health Education Program. This project modernizes and expands facilities for the Department of Sports and Movement Studies (SAMS) and the Bachelor of Science in Physical Education and School Health (PESH) degree program. The project scope includes the replacement of all deteriorated systems and upgrade of building components to current codes, regulations, and standards to a minimum LEED Silver Certification rating by USGBC.
- Campus Security Enhancements. This project is to increase the security posture of the campus by filling gaps in the emergency response and preparedness infrastructure. This involves installing 73 cameras as well as electronic door-

locking capabilities and card readers on a number of buildings throughout the CWU Ellensburg campus. This project is expected to be completed fall 2022

- North Academic Complex. Included in the 21-23 biennium appropriation is design funding for a 90,600 square foot Humanities and Social Science Complex. The project will include student medical counseling and the Early Childhood Learning Center to centralize a holistic approach to psychology education. The project includes the demolition of two failing buildings (Farrell Hall and Language and Literature) and a consolidation of the programs into a single, modern, flexible facility.
- The 21-23 biennium appropriation also includes \$3.2 million for the sorely needed addition of a 1200 ton Chiller and \$8.46 million for minor works preservation and program funding to upgrade buildings and infrastructure.



**Central Washington University**  
**Statement of Net Position**  
as of June 30, 2022

<b>Assets</b>	<b>2022</b>
<b>Current assets</b>	
Cash and cash equivalents	\$ 40,445,800
Receivables, net	23,565,904
Inventories	2,094,333
<b>Total current assets</b>	<b>66,106,037</b>
<b>Non-current assets</b>	
Endowment Investments	6,421,843
Investments	17,847,763
Student loan receivable, net	1,128,870
Leases Receivable	96,299
Funds with State Treasurer	6,909,950
Non-depreciable assets	36,292,835
Capital assets, net of depreciation	521,634,807
Pension Asset, net	32,211,100
<b>Total non-current assets</b>	<b>622,543,467</b>
<b>Total assets</b>	<b>688,649,504</b>
<b>Deferred Outflows of Resources</b>	
Deferred outflow from bond refunding	2,679,774
Deferred outflows from pension contributions	7,032,694
Deferred outflows from other post employment benefits	9,978,316
<b>Total Deferred Outflows</b>	<b>19,690,784</b>
<b>Liabilities</b>	
<b>Current liabilities</b>	
Accounts payable	5,291,955
Accrued liabilities, current portion	9,008,505
Deposits payable	1,870,524
Unearned revenues	7,517,843
Leases & bonds payable, current portion net of premium/disc	6,660,784
Net Pension Liability, current portion	100,560
OPEB Liability, current portion	1,250,503
<b>Total current liabilities</b>	<b>31,700,675</b>
<b>Non-current liabilities</b>	
Accrued liabilities	6,605,277
Leases & bonds payable, long term net of permium/discount	135,899,146
Net Pension Liability	4,757,715
OPEB Liability	74,501,809
<b>Total non-current liabilities</b>	<b>221,763,947</b>
<b>Total Liabilities</b>	<b>253,464,621</b>
<b>Deferred Inflows of Resources</b>	
Deferred Inflow related to Leases	73,252
Deferred Inflow related to pensions	33,763,690
Deferred Inflow related to other post employment benefits	22,893,935
<b>Total Deferred Inflows</b>	<b>56,730,878</b>
<b>Net Position</b>	
Net Investment in Capital Assets	418,047,487
Restricted for:	
Nonexpendable:	
Scholarships and Professorships	3,465,054
Expendable:	
Endowment Earnings	3,869,988
Loans	1,211,186
Other	15,224,244
Unrestricted	(43,673,170)
<b>Total net position</b>	<b>\$ 398,144,789</b>

*See Accompanying Notes to the Financial Statements*

**Central Washington University**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2022**

<b>Operating Revenues</b>	<b>2022</b>
Student tuition and fees	\$ 110,669,646
less tuition discounts	(35,204,834)
Federal grants and contracts	14,599,098
State and local grants and contracts	26,083,296
Nongovernmental grants and contracts	4,435,709
Sales and services of educational activities and other sources	6,308,765
Auxiliary enterprises sales - Housing and dining	39,871,564
Bookstore, parking, and other auxiliary sales	8,915,345
less auxiliary discounts	(561,759)
<b>Total operating revenue</b>	<b>175,116,829</b>
<b>Operating Expenses</b>	
Instruction	90,688,535
Research	3,499,839
Public service	811,548
Academic support	14,915,991
Student services	15,118,704
Institutional support	31,539,542
Operation and maintenance of plant	8,150,455
Scholarships and other student aid	37,658,569
Auxiliary enterprise expenditures	40,135,740
Depreciation	23,867,141
<b>Total operating expenses</b>	<b>266,386,063</b>
<b>Operating income (loss)</b>	<b>(91,269,234)</b>
<b>Non-operating Revenues (Expenses)</b>	
State appropriations	71,769,000
Pell Grant	15,943,447
Investment income	2,722,975
Institutional HEERF funding	6,015,272
Foundation Gifts in Kind	112,737
Interest on indebtedness	(6,058,852)
BABS Subsidy and other non-operating income net of expenses	522,046
<b>Net non-operating revenues (expenses)</b>	<b>91,026,625</b>
Income or (loss) before capital appropriations	<b>(242,609)</b>
Capital appropriations	28,602,056
Increase (Decrease) in net position	28,359,448
Net position, beginning of year	369,785,342
<b>Net position, end of year</b>	<b>\$ 398,144,789</b>

*See Accompanying Notes to the Financial Statements*

**Central Washington University**  
**Statement of Cash Flows**  
For the Year Ended June 30, 2022

<b>Cash flows from operating activities</b>	
Tuition and fees	\$ 77,080,554
Grants and contracts	44,431,601
Payments to vendors	(130,164,906)
Payments to employees for salaries and benefits	(123,943,843)
Auxiliary enterprise charges	47,671,412
Sales and services of educational activities and other sources	12,049,924
<b>Net cash used by operating activities</b>	<b><u>(72,875,257)</u></b>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	71,034,135
Pell Grants	15,943,447
HEERF Institutional Funding	6,015,272
<b>Net cash provided by noncapital financing activities</b>	<b><u>92,992,854</u></b>
<b>Cash flows from investing activities</b>	
Purchases of investments	(1,470,210)
Proceeds from sales of investments	10,338,819
Investment Income	2,722,975
Other investment activity	(1,661,022)
<b>Net cash provided by investing activities</b>	<b><u>9,930,562</u></b>
<b>Cash flows from capital and related financing activities</b>	
Capital appropriations	28,602,056
Purchases of capital assets	(31,273,110)
Principal paid on capital debt	(13,467,500)
Interest paid on capital debt	(6,058,852)
Other capital activities	542,944
<b>Net cash provided by capital and related financing activities</b>	<b><u>(21,654,463)</u></b>
Net increase in cash and cash equivalents	8,393,696
<b>Cash and cash equivalents, beginning of year</b>	<b>32,052,105</b>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 40,445,801</u></b>

**Reconciliation of Operating Loss to Net Cash Used by Operating Activities**

<b>Operating loss</b>	<b>\$ (91,269,234)</b>
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation	23,867,141
<b>Changes in assets and liabilities</b>	
Accounts receivable	1,412,326
Student loans receivable	58,543
Interest receivable	33,127
Inventories	16,989
Accounts payable	2,739,640
Accrued expenses	(14,346,456)
Unearned revenue	(1,553,481)
Student and other deposits	6,166,147
<b>Net cash used by operating activities</b>	<b><u>\$ (72,875,257)</u></b>

*See Accompanying Notes to the Financial Statement*

**CENTRAL WASHINGTON UNIVERSITY FOUNDATION  
COMBINED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,019,212	\$ 633,221
Investments	46,904,740	52,052,493
Pledges receivable, net	1,710,978	1,931,035
Other Assets	80,528	78,840
<b>Total Assets</b>	<b>49,715,458</b>	<b>54,695,589</b>
<b>Liabilities</b>		
Accounts payable	421,557	256,471
Trust and other liabilities	1,761,295	450,254
Note payable	1,180,364	1,466,237
<b>Total Liabilities</b>	<b>3,363,216</b>	<b>2,172,962</b>
<b>Net Assets (Unrestricted)</b>		
Operating	5,399,026	7,620,684
Board-designated	743,082	890,373
<b>Total unrestricted net assets</b>	<b>6,142,108</b>	<b>8,511,057</b>
<b>Net Assets (Restricted)</b>		
Temporarily restricted	-	-
Permanently restricted	40,210,134	44,011,550
<b>Total net assets</b>	<b>46,352,242</b>	<b>52,522,607</b>
<b>Total liabilities and net assets</b>	<b>\$ 49,715,458</b>	<b>\$ 54,695,589</b>

*See notes to the financial statements*



**CENTRAL WASHINGTON UNIVERSITY FOUNDATION  
COMBINED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	2022			2021		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
<b>Support and Revenue</b>						
Contributions	\$ 170,947	\$ 5,436,075	\$ 5,607,022	\$ 3,346	\$ 3,658,450	\$ 3,661,796
In-kind contributions	1,847,277	155,323	2,002,600	1,924,438	104,404	2,028,842
Special event revenue	9,601	111,602	121,203	27,900	-	27,900
Sponsorships	-	73,428	73,428	-	74,348	74,348
Membership dues	50,568	-	50,568	45,788	-	45,788
Investment Return	(2,022,480)	(5,212,993)	(7,235,473)	4,120,645	10,397,959	14,518,604
Change in value of split interest liabilities		(263,846)	(263,846)			
Other	50,595	30,129	80,724	16,251	25,737	41,988
Net assets released from restrictions and other transfers	4,131,134	(4,131,134)	-	4,346,681	(4,346,681)	-
<b>Total support and revenue</b>	<b>4,237,642</b>	<b>(3,801,416)</b>	<b>436,226</b>	<b>10,485,049</b>	<b>9,914,217</b>	<b>20,399,266</b>
<b>Expenses</b>						
Program Expenses	4,967,977	-	4,967,977	3,978,215	-	3,978,215
Management and general	667,672	-	667,672	552,951	-	552,951
Fundraising	970,962	-	970,962	565,174	-	565,174
<b>Total program and administrative expenses</b>	<b>6,606,611</b>	<b>-</b>	<b>6,606,611</b>	<b>5,096,340</b>	<b>-</b>	<b>5,096,340</b>
<b>Total change in net assets</b>	<b>(2,368,969)</b>	<b>(3,801,416)</b>	<b>(6,170,385)</b>	<b>5,388,709</b>	<b>9,914,217</b>	<b>15,302,926</b>
Net Assets, beginning of year	8,511,077	44,011,550	52,522,627	3,122,368	34,097,333	37,219,701
<b>Net Assets, end of year</b>	<b>\$ 6,142,108</b>	<b>\$ 40,210,134</b>	<b>\$ 46,352,242</b>	<b>\$ 8,511,077</b>	<b>\$ 44,011,550</b>	<b>\$ 52,522,627</b>

*See notes to the financial statements*

**CENTRAL WASHINGTON UNIVERSITY FOUNDATION  
COMBINED STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	2022				2021			
	Management			Total	Management			Total
	Program	and General	Fundraising		Program	and General	Fundraising	
Salaries, wages, and benefits	\$ 1,603,244	\$ 399,907	\$ 245,151	\$ 2,248,302	\$ 1,536,924	\$ 356,375	\$ 372,568	\$ 2,265,867
Scholarships and grants	1,480,573	-	-	1,480,573	1,564,930	-	-	1,564,930
Program support	828,104	26,427	169,347	1,023,878	535,981	17,253	37,370	590,604
Professional services	89,618	91,913	481,171	662,702	47,445	42,928	134,880	225,253
University capital project support	584,332	-	-	584,332	-	-	-	-
Supplies	209,374	4,922	1,278	215,574	149,639	103	1,942	151,684
Travel	125,076	3,059	43,261	171,396	5,925	-	1,866	7,791
Information technology	11,913	104,028	-	115,941	27,013	98,490	553	126,056
Postage and printing	16,381	6,101	19,352	41,834	22,658	5,499	15,973	44,130
Miscellaneous	9,826	13,037	11,402	34,265	78,737	11,675	22	90,434
Interest	-	18,278	-	18,278	-	20,628	-	20,628
Write-off pledges	9,536	-	-	9,536	8,963	-	-	8,963
	<b>\$ 4,967,977</b>	<b>\$ 667,672</b>	<b>\$ 970,962</b>	<b>\$ 6,606,611</b>	<b>\$ 3,978,215</b>	<b>\$ 552,951</b>	<b>\$ 565,174</b>	<b>\$ 5,096,340</b>

*See notes to the financial statements*

**CENTRAL WASHINGTON UNIVERSITY FOUNDATION  
COMBINED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	2022	2021
<b>Cash flows from operating activities</b>		
Cash received from contributions	\$ 3,322,224	\$ 2,497,090
Cash paid for scholarships and programs	(2,391,714)	(2,095,032)
Cash paid to employees	(404,278)	(344,615)
Cash paid to University	-	-
Cash paid to vendors	(315,302)	(481,860)
Cash paid for interest	(18,278)	(20,628)
Net dividends and interest received	870,776	675,522
<b>Net cash flows from operating activities</b>	<b>1,063,428</b>	<b>230,477</b>
<b>Cash flows from Investing Activities</b>		
Purchase of investments, net	(2,105,485)	(1,641,820)
<b>Cash flows from Financing Activities</b>		
Proceeds from PPP loan	-	30,437
Payments on line of credit	(255,436)	(379,753)
Contributions received for long-term purposes	1,683,484	1,068,788
<b>Net cash flows from financing activities</b>	<b>1,428,048</b>	<b>719,472</b>
<b>Net change in cash and cash equivalents</b>	<b>385,991</b>	<b>(691,871)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>633,221</b>	<b>1,325,092</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,019,212</b>	<b>\$ 633,221</b>

*See notes to the financial statements*

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES



### Financial Reporting Entity

Central Washington University (the University) is a comprehensive regional institution of higher education offering baccalaureate and master's degrees. The University is an agency of the State of Washington, governed by a Board of Trustees (BOT) appointed by the governor, and included in the general-purpose financial statements of the State of Washington. As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component unit, the Central Washington University Foundation (the Foundation). The Foundation is an independent, non-profit organization established to raise private funds that support the students, faculty, and programs of the University. Accordingly, the Foundation has been reported as a discrete component unit in the financial statements. Separate financial statements of the foundation may be requested from its administrative office at Barge Hall, room 104, Ellensburg, WA 98926 or on the CWU Foundation website at <https://www.cwu.edu/foundation/accounting>.

### Financial Statement Presentation

The financial statements of the University have been prepared in accordance with Generally Accepted Accounting Principles (GAAP).

For financial reporting purposes, the University is considered a special-purpose government, engaged in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when obligations have been incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met. All significant intra-agency transactions have been eliminated.

The financial statements include a management discussion and analysis, a statement of net position, a statement of revenues, expenses, and changes in net position, a statement of cash flows, and notes to the financial statements. The notes to the financial statements focus on University activity in all years presented unless otherwise noted. The format provides a comprehensive, entity-wide perspective of the University's assets, deferred outflows, liabilities, deferred inflows, net position, revenues, expenses, changes in net position, and cash flows. Comparative totals for the year ended June 30, 2021, are presented where appropriate.

The Governmental Accounting Standards Board (GASB) issued Statement 61, The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34 which along with Statement 39, Determining Whether Certain Organizations are Component Units, which amended GASB Statement 14, The Financial Reporting Entity. These statements provided additional guidance for determining whether certain organizations should be reported as component units based on the nature and significance of their relationship with a primary government and to clarify reporting requirements for those organizations.

Under GASB 61 and 39 criteria, the CWU Foundation is an affiliated organization that meets the criteria for discrete component unit presentation. The University and its discretely presented foundation unit are shown as separate statements following the CWU financial statements. The CWU Foundation has a separately audited financial statement. The provisions of GASB Statement 39 were effective for financial statements for periods beginning with fiscal year 2004, while GASB 61 became effective for financial statements beginning with fiscal year 2012.

### **Cash Equivalents**

For purposes of the statement of cash flows, the University considers all highly liquid investments with an original maturity of 90 days or less to be cash equivalents. Funds invested through the State Treasurer's Local Government Investment Pool are considered cash equivalents.

### **Investments**

The University accounts for its investments at fair value in accordance with the relevant GASB statements. Changes in unrealized gains or losses on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenses, and changes in net position.

### **Accounts Receivable**

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable also includes amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivables are recorded net of estimated uncollectible amounts. Uncollectible amounts are calculated using a fixed percentage of receivables.

### **Inventories**

Inventories consist primarily of merchandise and consumables held by internal service, valued using the weighted average cost method, and auxiliary service departments valued using the retail cost method.

### **Non-current Cash and Investments**

Cash and investments that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other non-current assets, are classified as non-current assets in the statement of net position.

### **Fair Value of Investments**

The University records financial instruments at estimated fair value. Fair value accounting defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The fair value standard describes three levels of inputs that may be used to measure fair value:

**Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.

**Level 2** Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy. There have been no changes in valuation methodologies used at June 30, 2021 or June 30, 2020.

Where quoted market prices are available in an active market, investments are classified within Level 1 of the Valuation hierarchy. Level 1 investments include exchange-traded equities (mutual funds, stocks, and government bonds). If quoted market prices are not available, then fair market values are estimated by using pricing models, quoted prices of investments include foreign and corporate bonds. In certain cases where Level 1 or Level 2 inputs are not available, investments would be classified within Level 3 of the hierarchy.

Realized and unrealized gains and/or losses on investments are included in the statement of revenue expenses and changes in net position.

### **Capital Assets**

Capital assets (excluding intangible right-to-use lease assets) are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts, net of depreciation. The University's capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expenses in the year in which the expenses were incurred.

Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 50 years for building components, 20 to 50 years for infrastructure and land improvements, 5 to 7 years for equipment, 15 years for library books, and 3 to 15 years for intangibles. Inexhaustible resources such as the art collections and the library reserve collections are not depreciated. Donated capital assets are measured at acquisition value not fair market value. (See also Note 7 – Capital Assets).

### **Deferred Outflows of Resources**

Deferred outflows of resources are a consumption of net assets by the government that is applicable to a future reporting period.

### **Deferred Inflows of Resources**

Deferred Inflows of resources are transactions that result in the acquisition of net assets in one period that are applicable to future periods.

### **Unearned Revenues**

Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period and amounts received from grant and contract sponsors that have not yet been earned.

### **Compensated Absences**

Employee vacation, compensatory time, and sick leave are accrued at year-end for financial statement purposes. The liability and expense incurred are recorded as accrued liabilities in the statement of net position, and as a component of compensation and benefit expense in the statement of revenues, expenses, and changes in net position.

### **Non-current Liabilities**

Non-current liabilities include: (1) principal amounts of revenue bonds payable, notes payable, and capital lease obligations with contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as non-current assets.

### **Net Position**

The University's net position is classified as follows:

**Net Investment in Capital Assets:** This represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent, debt has been incurred but not yet expended for capital assets, such amounts are included as a component of Net Investment in Capital Assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvements of those assets or related debt are also included in this component of net position.

**Restricted - expendable:** Restricted expendable net position includes resources in which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. Net position for pensions is calculated as the net pension asset, less the deferred inflows, plus the deferred outflows for the pension plans that have a net pension asset.

**Restricted – non-expendable:** Non-expendable restricted net position consists of endowments and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal.

**Unrestricted:** 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. Unrestricted net position represents resources derived from student tuition and fees, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University and may be used at the discretion of the governing board to meet current expenses for any lawful purpose. The auxiliary enterprises are substantially self-supporting activities that provide services for students, faculty, and staff.

### **Income Taxes**

The University, as a political subdivision of the State of Washington, is excluded from federal income taxes under Section 115(a) of the Internal Revenue Code, as amended. The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

### **Classification of Revenues**

The University has classified its revenues as either operating or non-operating revenues according to the following criteria:

**Operating revenues:** Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services of auxiliary enterprises, net of discounts and allowances; (3) federal, state, local or private grants and contracts; and (4) interest on institutional student loans.

**Non-operating revenues:** Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, state appropriations, Pell grants, and investment income.

### **Discounts and Allowances**

Student tuition and fee revenues, and certain other revenues from students, are reported net of discounts and allowances in the statement of revenues, expenses, and changes in net position. Discounts and allowances are the difference between the stated charges for goods and services provided by the University and the amounts that are paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants and other federal, state, or non-governmental programs, are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition, fees, and other student charges, the University has recorded discounts and allowances.

### **Leases (Lessee)**

The University is a lessee for various noncancellable leases of buildings and equipment. For leases with a maximum possible term of 12 months or less at commencement, the University recognizes expense/expenditure based on the provisions of the lease contract. For all other leases (i.e. those that are not short-term), the University recognizes a lease liability, and an intangible right-to-use lease asset in the applicable columns of the University-wide and System financial statements.

**Measurement of Lease Amounts** At lease commencement, the University initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized into amortization expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. If the University is reasonably certain of exercising a purchase option contained in a lease, the lease asset will be amortized over the useful life of the underlying asset

**Key Estimates and Judgments** Key estimates and judgments include how the University determines (1) the discount rate it uses to calculate the present value of the expected lease payments, (2) lease term, and (3) lease payments.

- The University generally uses its estimated incremental borrowing rate as the discount rate for leases unless the rate that the lessor/vendor charges is known. The University's incremental borrowing rate for leases is based on the rate of interest it would need to pay if it issued general obligation bonds to borrow an amount equal to the lease, respectively, under similar terms at the commencement or remeasurement date.
- The lease term includes the noncancellable period of the lease, plus any additional periods covered by either a University or lessor option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the University and the lessor/vendor have a unilateral option to terminate (or if both parties have to agree to extend) are excluded from the lease.
- Payments are evaluated by the University to determine if they should be included in the measurement of the lease liabilities, including those payments that require a determination of whether they are reasonably certain of being made.

**Remeasurement of Lease and Subscription Amounts** The University monitors changes in circumstances that may require remeasurement of a lease. When certain changes occur that are expected to significantly affect the amount of the, the liability is remeasured and a corresponding adjustment is made to the lease asset, respectively.

**Presentation in Statement of Net Position** Lease assets are reported with capital assets and lease liabilities are reported with long-term debt in the statement of net position.

### **New Accounting Standards Adopted**

In fiscal year 2022, the University adopted an implemented one new accounting standards as follows:

GASB Statement No. 87, "Leases", It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. It requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments leasing activities. (See note 12)

## NOTE 2 – CASH AND INVESTMENTS

Cash and investments are managed under the guidance of the University investment policy. Investments are made using the prudent person standard with primary objectives being: (1) safety of principal; (2) liquidity (enabling the University to meet all operating requirements); and (3) return on investment (the objective of attaining a market rate of return through budgetary and economic cycles).

The University invests or deposits all temporary cash. These investments and time deposits do not result in reductions of the cash balances of the various funds and are considered to be cash equivalents to the funds. These amounts are reported on the SNP as part of cash and cash equivalents. Earnings from pool deposits are allocated to the funds owning the cash in proportion to the ending monthly balance in the investment pool.

As of June 30, 2022, the fair value of cash and investments was \$64,715,406. Of this total, \$40,445,800 is cash and cash equivalents with original maturity dates of less than 90 days and \$24,269,606 is held in investments maturing in more than 90 days. Cash and cash equivalents include: Local Government Investment Pool (LGIP), Bank Demand and Time Deposits, and Petty Cash. Investments maturing in more than 90 days and/or more than a year include: U.S. Government and Non-State Government Securities at fair value, Investments in Equity. All investments held by the University are considered level 1 for fair value calculations.

The SNP classification of cash and cash equivalents includes all readily available sources of cash such as petty cash, demand deposits, certificates of deposit, and temporary investments. All deposits of the University are insured by the FDIC up to \$250,000 and by the Washington Public Deposit Protection Commission for amounts over \$250,000.

The components of cash and investments are specified as follows:

### Cash and Investments

	Carrying Amount		Carrying Amount	
	June 30, 2022	Fair Value	June 30, 2021	Fair Value
Local government investment pool (LGIP)	\$ 37,435,515	\$ 37,435,515	\$ 25,940,416	\$ 25,940,416
MMDA Account			-	-
Money Market Investments	140,750	140,750	2,471,768	2,471,768
Bank Demand and Time Deposits	2,818,575	2,818,575	3,590,702	3,590,702
Other	50,960	50,960	49,218	49,218
<b>Total Cash &amp; Cash Equivalents</b>	<b>40,445,800</b>	<b>40,445,800</b>	<b>29,580,730</b>	<b>32,052,104</b>
U.S. government securities	5,286,728	5,209,114	7,363,622	7,644,287
Investments in equity – bonds	14,401,915	14,256,724	19,025,556	19,736,105
Investments in equity – foreign bonds	0	0	4,430	4,430
Investments in money markets	87,241	87,241	22,778	22,778
Investments in equity – stocks, mutual funds	4,716,527	4,716,527	5,730,615	5,730,615
<b>Total Investments</b>	<b>24,492,411</b>	<b>24,269,606</b>	<b>32,147,001</b>	<b>33,138,215</b>
<b>Total Cash and Investments</b>	<b>\$ 64,938,211</b>	<b>\$ 64,715,406</b>	<b>\$ 61,727,731</b>	<b>\$ 65,190,319</b>

\*LGIP is reported at amortized cost which approximates fair value

GASB 40, Deposit and Investment Risk Disclosures, became effective for financial statements for periods beginning after June 15, 2004. It primarily amends existing accounting guidance under GASB 3, Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Agreements, and under GASB 28, Accounting and Financial Reporting for Securities Lending Transactions. GASB 40 requires the University to disclose, as needed, any deposits and investments that are exposed to risks that have the potential to result in losses. The statement addresses risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. As an element of interest risk, this statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates. Deposit and investment policies related to any risks as identified by using this statement also need to be disclosed.

## Deposits

The University's deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).



## Investments

As of June 30, 2022, the University had the following investments:

### Investments

Level 1:	Fair Value FY 2022
U.S. treasuries*	5,209,114
Money market *	87,241
Bonds*	14,256,724
Stocks, mutual funds*	4,716,527
<b>Total</b>	<b>24,269,606</b>

\*The university has determined that it holds no level 2 or 3 investments.

Participants' balances in the LGIP are not subject to interest rate risk, as the weighted average maturity of the portfolio will not exceed 90 days. Per GASB 40 guidelines, the balances are also not subject to custodial credit risk. The credit (quality) risk of the LGIP is limited as most investments are either obligations of the U.S. government, government-sponsored enterprises, or insured demand deposit accounts and certificates of deposit. Investments or deposits held by the LGIP are all classified as category one risk level investments. They are either insured or held by a third-party custody provider in the LGIP's name.

Custodial credit risk is the risk that in the event of a failure of the counterparty to an investment transaction, the University would not be able to recover the value of the investment or collateral securities. Of the University's total position, no funds are exposed to custodial credit risk because of investments being held by the University's brokerage firm, and by having that brokerage firm also being the counterparty in those particular securities.



\*U.S. Bank Private Client Group are a trust company. They manage the investments, but the investments are still in Central Washington University's name. The U.S. Bank Private Client Group is insured under the Security Investor's Protection Corporation. (This protection is to insure in case of loss of assets due to fraud, etc.)

### NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable, due from other agencies, interest receivable, and related allowance for uncollectible accounts consist of the following:

#### Note 3 Accounts Receivable

<b>Accounts receivable</b>	<b>June 30, 2022</b>
Student tuition and fees	\$ 1,984,290
Federal, state, and private grants and contracts	9,087,317
State appropriations receivable	815,056
Auxiliary enterprises	3,740,981
Other student fees	2,691,291
Leases Receivable	86,942
Interest and dividends	129,098
Other operating activities	5,853,321
<b>Subtotal</b>	<b>24,388,295</b>
Allowance for doubtful accounts	(822,392)
<b>Net accounts receivable</b>	<b>\$ 23,565,903</b>

### NOTE 4 – STUDENT LOANS RECEIVABLE

Student loans are comprised of non-current amounts of \$1,128,870 on June 30, 2022, and consists of the following:

#### Student loans receivable

	<b>June 30, 2022</b>
Federal Perkins student loans	\$1,128,870
Institutional and long term loans	-
<b>Subtotal</b>	<b>1,128,870</b>
Allowance for doubtful accounts	-
<b>Total student loans receivable</b>	<b>\$1,128,870</b>

### NOTE 5 – INVENTORIES

Inventories consisted of the following:

#### INVENTORIES

	<b>June 30, 2022</b>
Enterprise funds	\$ 1,106,767
Internal service funds	987,566
<b>Total</b>	<b>\$ 2,094,333</b>



#### **NOTE 6 – FUNDS WITH THE STATE TREASURER**

As of June 30, 2022, the balance invested with the State Treasurer was \$ 6,909,950. This represents the University's share of the net earnings of the Normal School Permanent Fund and the building fee portion of tuition, reduced by expenditures for capital projects, non-capitalized facility improvements and maintenance, debt service incurred over the years (Fund 063), and the balance of licensing revenues held by the State Treasurer (Fund 783). 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 and timber. The investing activities are managed by the State Treasurer's Office, while the management of land and timber is administered by the Department of Natural Resources. Interest earned from investments is either reinvested or used exclusively for the benefit of Central Washington University, Eastern Washington University, Western Washington University, and The Evergreen State College.

## NOTE 7 – CAPITAL ASSETS

Following are the changes in capital assets for the year ended June 30, 2022:

### Capital Assets

	Balance at June 30, 2021	Adjustments	Additions	Retirements	Balance at June 30, 2022
<b>Non-Depreciable Capital Assets</b>					
Land	\$5,884,081	\$0	\$0	\$0	\$5,884,081
Artworks	212,993				212,993
Library resources collectibles	38,122				38,122
Construction in progress	54,727,785		25,042,958	49,613,104	30,157,639
Subtotal	60,862,981		25,042,958	49,613,104	36,292,835
<b>Depreciable Capital Assets</b>					
Buildings	597,378,518		49,045,404	338,143	646,085,779
Improvements and infrastructure	133,419,367		518,306		133,937,673
Equipment	51,814,643		2,361,451	782,842	53,393,252
Leased Equipment	1,496,424				1,496,424
Leased Assets, (See Note 12 for detail)		1,208,641			1,208,641
Buildings - perpetuity rights	30,792,095				30,792,095
Library resources (depreciable)	27,217,898		75,699	854,620	26,438,977
Subtotal	842,118,945	1,208,641	52,000,860	1,975,605	893,352,841
<b>Total Capital Assets</b>	<b>902,981,926</b>	<b>1,208,641</b>	<b>77,043,818</b>	<b>51,588,709</b>	<b>929,645,676</b>
<b>Less Accumulated Depreciation/Amortization</b>					
Buildings	186,188,987		12,752,821	49,182	198,892,626
Improvements and infrastructure	84,297,672		5,149,582		89,447,254
Equipment	40,114,205		3,869,624	774,911	43,208,918
Leased Equipment	1,496,425				1,496,425
Leased Assets, (See Note 12 for detail)		667,271	151,080		818,351
Amortized perpetuity rights - buildings	13,340,992		771,583		14,112,575
Library resources	27,021,972	(3,597,915)	1,172,452	854,620	23,741,889
<b>Total Accumulated Depreciation</b>	<b>352,460,253</b>	<b>(2,930,644)</b>	<b>23,867,142</b>	<b>1,678,713</b>	<b>371,718,038</b>
Depreciable Capital Assets, Net of Depreciation	<b>489,658,692</b>	<b>4,139,285</b>	<b>28,133,718</b>	<b>296,892</b>	<b>521,634,803</b>
<b>Capital Assets, Net of Depreciation</b>	<b>\$550,521,673</b>	<b>\$4,139,285</b>	<b>\$53,176,676</b>	<b>\$49,909,996</b>	<b>\$557,927,638</b>



## NOTE 8 – ACCRUED LEAVE LIABILITIES

Upon termination of employment, employees may receive cash payment for all accumulated vacation and compensatory time. Employees who retire receive 25 percent of the value of their accumulated sick leave credited to a Voluntary Employees' Beneficiary Association (VEBA) account, which can be used for future medical expenses or insurance purposes. The amounts of unpaid vacation and compensatory time accumulated by University employees are accrued as expenses when incurred.

The amounts represent a liability to the University and are recorded and reported accordingly. The sick leave liability is recorded as an actuarial estimate of one-fourth the total balance on the payroll records. The amount of compensated time, vacation, and sick leave paid during fiscal year 2022 totaled \$6,703,975. The accrued compensated time balance as of June 30, 2022, was \$41,053.



## NOTE 9 – NON-CURRENT LIABILITIES

Non-Current liability activity for the period ended June 30, 2022, is summarized as follows:

### Liabilities

	June 30,2021	Additions	Reductions	June 30,2022	Current Portion	Non- Current Portion
Accrued liabilities	\$ 18,008,685	\$ 427,934	\$ 2,822,837	\$ 15,613,782	\$ 9,008,505	\$ 6,605,277
State Pension liability	14,829,482		11,751,206	3,078,276		3,078,276
OPEB Liability	77,757,605		2,005,293	75,752,312	1,250,503	74,501,809
CWU Pension liability	1,075,000	705,000	-	1,780,000	100,560	1,679,440
Bond Premium/Discount	7,117,149	-	406,453	6,710,697	406,453	6,304,244
Leases/contracts payable	1,615,000	-	455,000	1,160,000	470,000	690,000
Right to Use Lease Liabilities	-	632,233	-	632,233	235,332	396,901
Bonds payable	141,885,000	-	7,828,000	134,057,000	5,549,000	128,508,000
<b>Total</b>	<b>\$ 262,287,921</b>	<b>\$ 1,765,167</b>	<b>\$ 25,268,789</b>	<b>\$ 238,784,300</b>	<b>\$ 17,020,353</b>	<b>\$ 221,763,947</b>

## NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

### State Plan Description

The state of Washington implemented Statement No. 75 of the Governmental Accounting Standards Board (GASB) *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension* for fiscal year 2018 financial reporting. 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 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.

As of June 2021, CWU membership in the PEBB plan consisted of the following:

Plan Participants	
Active Employees	1,523
Retirees Receiving Benefits	634
Retirees Not Receiving Benefits	70

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 year 2022, the explicit subsidy was up to \$183 per member per month, and it will remain \$183 per member per month in calendar year 2023.

## Presentations and Allocations

### Allocation Method

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 of June 30, 2021 and the reporting date of June 30, 2022. 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.

### Total OPEB Liability

As of June 30, 2022, components of the calculation of total OPEB liability determined in accordance with GASB Statement No. 75 for CWU are represented in the following table:

Proportionate Share (%)		1.1705210087%
Service Cost	\$	3,786,177
Interest Cost		1,636,363
Differences Between Expected and Actual Experience		-
Changes in Assumptions		699,142
Changes of Benefit Terms		-
Benefit Payments		(1,246,682)
Changes in Proportionate Share		(6,880,294)
Other		-
Net Change in Total OPEB Liability		(2,005,294)
Total OPEB Liability - Beginning		77,757,605
<b>Total OPEB Liability - Ending</b>	<b>\$</b>	<b>75,752,311</b>

### Deferred Inflows and Deferred Outflows Schedule

As of June 30, 2022, the deferred inflows and deferred outflows of resources for CWU are as follows:

Proportionate Share (%)		1.1705210087%	
Deferred Inflows/Outflows of Resources	Deferred Outflows	Deferred Inflows	
Differences Between Expected and Actual Experience	\$ 1,295,778	\$ 293,243	
Changes in Assumptions	4,824,286	13,734,230	
Changes in Benefit Terms	-	-	
Transactions subsequent to the measurement date	1,250,503	-	
Changes in Proportion	2,607,749	8,866,464	
<b>Total Deferred (Inflows)/Outflows</b>	<b>\$ 9,978,316</b>	<b>\$ 22,893,937</b>	

Amounts currently reported as deferred inflows and deferred outflows of resources related to OPEB will be recognized as OPEB expense in subsequent years for CWU as follows:

<b>Proportionate Share (%)</b>	<b>1.1705210087%</b>
2023	\$ (2,752,426)
2024	(2,752,426)
2025	(2,752,426)
2026	(2,752,429)
2027	(1,453,466)
Thereafter	\$ (1,702,951)

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

Proportionate Share (%) 2020	1.2841473431%
Proportionate Share (%) 2021	1.1705210087%
Total OPEB Liability - Ending 2020	\$ 77,757,605
Total OPEB Liability - Beg 2021 (chg in prop)	70,877,311
Total OPEB Liability Change in Proportion	(6,880,294)
Total Deferred (Inflow s)/Outflow s 2020 (chg in prop)	(10,285,687)
Total Deferred (Inflow s)/Outflow s 2021 (chg in prop)	(9,375,569)
Total Deferred Inflow s/Outflow s Change in Proportion	910,118
<b>Total Change in Proportion</b>	<b>\$ (7,790,412)</b>

#### **OPEB Expense**

As of June 30, 2022, the components that make up OPEB expense for Central Washington University are as follows:

<b>Proportionate Share (%)</b>	<b>1.1705210087%</b>
Service Cost	\$ 3,786,177
Interest Cost	1,636,363
Amortization of Differences Between Expected and Actual Experience	217,264
Amortization of Changes in Assumptions	(2,232,964)
Changes of Benefit Terms	-
Amortization of Changes in Proportion	(736,726)
Other Changes to Fiduciary Net Position*	-
<b>Total OPEB Expense</b>	<b>\$ 2,670,114</b>



## Actuarial Methods and Assumptions

### Actuarial Assumptions

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 was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.75%
Projected Salary Changes	3.50% Plus Service-Based Salary Increases
Health Care Trend Rates*	Initial rate ranges from about 2-11%, reaching an ultimate rate of approximately 4.3% in 2075.
Post-retirement Participation Percentage	65.00%
Percentage with Spouse Coverage	45.00%

\*For additional detail on the health care trend rates, please see Office of the State Actuary's 2018 OPEB Actuarial Valuation Report.

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates, which vary by member status (eg, active, retiree, or survivor). The Office of the State Actuary (OSA) applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Under "generational" mortality, a member is assumed to receive additional mortality improvements in each future year, throughout their lifetime.

Most demographic actuarial assumptions, including mortality and when members are expected to terminate and retire, were based on the results of the 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.

### Actuarial Methodology

The total OPEB liability was determined using the following actuarial methodologies:



Actuarial Valuation Date	6/30/2020
Actuarial Measurement Date	6/30/2021
Actuarial Cost Method	Entry Age
Amortization Method	The recognition period for the experience and assumption changes is 9 years. This is equal to the average expected remaining service lives of all active and inactive members.
Asset Valuation Method	N/A - No Assets

The actuarial methodology used to determine the transactions subsequent to the measurement date were as follows:

Explicit Medicare Subsidy	Subsidy amounts are calculated at subscriber level, based on the benefit plan and enrollment tier selected, then summed over entire population to include Medicare retirees from the State, Higher Education, K-12, and Political Subdivision groups.
Implicit Medicare Subsidy	Subsidy amounts are calculated using the implicit subsidy rate* (difference between theoretical early retiree rates and composite rates** for non-Medicare risk pool) and the enrollment counts for early retirees.

\*early retirees assumed to be 58% more expensive than non-Medicare risk pool as a whole on a per adult unit basis.

\*\*calculated across non-Medicare risk pool for both self-insured and fully-insured plans using the PEBB Financial Projection Model (PFPM).

A retiree subsidy rate of \$69.36 per member per month, used to calculate the transactions subsequent to the measurement date, is equal to the total subsidies received by current retirees (both explicit and implicit), divided by the number of current active subscribers. This amount is then allocated to the agency level based on the active, health care eligible employee headcount of each agency as of the measurement date.

#### Discount Rate

Since OPEB benefits are funded on a pay-as-you-go basis, the discount rate used to measure the total OPEB liability was set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index, or 2.21 percent as of the June 30, 2020 measurement date and 2.16 percent for the June 30, 2021 measurement date.

#### Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following represents the total OPEB liability of CWU, calculated using the discount rate of 2.16 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16 percent) or 1 percentage point higher (3.16 percent) than the current rate:

Discount Rate Sensitivity			
1% Decrease	Current Discount Rate	1% Increase	
\$ 91,779,299	\$ 75,752,311	\$	63,291,448

#### Sensitivity of Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following represents the total OPEB liability of CWU calculated using the health care trend rates range of 2-11% reaching an ultimate range of 4.3%, as well as what the total OPEB liability would be if it were calculated using health care trend rates that are 1 percentage point lower (1-10%) or 1 percentage point higher (3-12%) than the current rate.

Health Care Cost Trend Rate Sensitivity			
Agency	1% Decrease	Current Discount Rate	1% Increase
Central Washington University	\$ 61,115,153	\$ 75,752,311	\$ 95,532,051

#### Additional Information

Additional actuarial and OPEB plan information is included in the Washington State ACFR on OFM's website: <https://www.ofm.wa.gov/accounting/financial-audit-reports/comprehensive-annual-financial-report>. All other actuarial data, assumptions, and methods relied on for the preparation of this report for GASB Statement No. 75 can be found on Office of the State Actuary's website: <http://leg.wa.gov/osa/additionalservices/Pages/OPEB.aspx>

## NOTE 11 – BONDS PAYABLE

Bonds payable as of June 30, 2022, consisted of bonds issued by Central Washington University.

### BONDS PAYABLE

	Interest Rate %	Original Issue	Balance June 30, 2022
<b>System revenue bonds</b>			
Series 2010 bonds (Barto Hall Series B)	1.50 – 6.95	\$31,950,000	\$23,770,000
Series 2013 bonds (SUB/REC-Sue L.)	3.13 – 5.00	53,415,000	37,290,000
Series 2016 bonds (Wendell Hill Hall Refunding)	2.50 - 5.00	29,175,000	25,085,000
Series 2018 bonds (Dugmore Hall)	2.50 - 5.00	45,425,000	43,455,000
Series 2022 bonds (Kamola Hall Refunding)	2.00 – 3.80	7,665,000	4,457,000
<b>Total bonds payable</b>		<b>\$167,630,000</b>	<b>\$134,057,000</b>
Bond premium			6,710,696
<b>Total</b>		<b>\$167,630,000</b>	<b>\$140,767,696</b>

### Maturity Information

The scheduled maturities of the general obligation and system revenue bonds are as follows:

### DEBT SERVICE REQUIREMENTS

Fiscal Year	Revenue and Facilities Bonds		
	Principal	Interest	Totals
2023	\$ 5,549,000	\$ 5,751,039	\$ 11,300,040
2024	5,820,000	5,475,566	11,295,567
2025	6,071,000	5,224,373	11,295,373
2026	7,065,000	4,962,040	12,027,041
2027	7,359,000	4,628,508	11,987,508
2028-2032	40,048,000	18,147,850	58,195,851
2033-2037	31,070,000	10,425,218	41,495,218
2038-2042	15,950,000	4,832,993	20,782,993
2043-2047	10,370,000	2,228,000	12,598,000
2048-2049	4,755,000	287,200	5,042,200
<b>Totals</b>	<b>\$ 134,057,000</b>	<b>\$ 61,962,787</b>	<b>\$196,019,791</b>

### Debt Service Requirements

The Central Washington University System Bonds Series 2010 B, taxable Build America Bonds issued in the original amount of \$31,950,000 maturing in varying annual amounts to May 1, 2040. Principal and interest on these revenue bonds are collateralized by a pledge of revenues. The Series 2010 B bonds were issued under the American Recovery Act of 2008 Build America Bond Program as taxable bonds. Under this program the university expects to receive a subsidy from the United States federal government of 35% of interest paid through maturity. The subsidy received during Fiscal 2022 was \$547,317. This amount is shown as non-operating revenue on the Statement of Revenue, Expenses and Changes in Net Position. The series was internally refinanced for a 5-year term, starting in Fiscal Year 2022.

Central Washington University System Bonds, Series 2012, issued in the original amount of \$7,655,000 and mature in varying annual amounts to May 1, 2032. Principal and interest on these revenue bonds are collateralized by a pledge of revenues. A final principal payment of \$365,000 was made in Fiscal 2022. This series was refinanced in July of 2022 under the Central Washington University System Bonds, Series 2022.

Central Washington University System Bonds, Series 2013, issued in the original amount of \$53,415,000 and mature in varying annual amounts to May 1, 2034. Principal and interest on these revenue bonds are collateralized by a pledge of revenues. A principal payment of \$2,375,000 was required and paid during Fiscal 2022. A principal payment of \$2,495,000 is scheduled for May 1, 2023.

Central Washington University System Bonds, Series 2016, issued in the original amount of \$29,175,000 and mature in varying annual amounts to May 1, 2038. Principal and interest on these revenue bonds are collateralized by a pledge of revenues. A

principal payment of \$1,085,000 was required and paid during Fiscal 2022. A principal payment of \$1,140,000 is scheduled for May 1, 2023.

Central Washington University System Bonds, Series 2018, issued in the original amount of \$45,425,000 and mature in varying annual amounts to May 1, 2049. Principal and interest on these revenue bonds are collateralized by a pledge of revenues. A principal payment of \$690,000 was required and paid during Fiscal 2022. A principal payment of \$1,510,000 is scheduled for May 1, 2023.

Central Washington University System Bonds, Series 2022, issued in the original amount of \$4,457,000 and mature in varying annual amounts to May 1, 2032. No principal payment was required in Fiscal 2022. A principal payment of \$404,000 is scheduled for May 1, 2023.

## NOTE 12 – LEASES/CONTRACTS PAYABLE

### Certificates of Participation

In August 2002, the University entered a 20-year lease/purchase agreement for \$5,145,000 with the Office of the State Treasurer to pay for a portion of an instructional building at Edmonds Community College to house the CWU-Lynnwood Center. Average annual payments are \$384,000 to be paid from tuition revenues for 20 years. Under the terms of the project contract, Edmonds Community College receives ownership of the building and Central Washington University has a tenant right in perpetuity.

On March 29, 2012 the State of Washington in conjunction with the Certificate of Participation (COP) program issued \$3,345,000 in Washington General Obligation Bonds with an average interest rate of 2.28% on behalf of the University to defease \$3,350,000 in General Obligation Bonds with an average interest rate of 4.37% issued on August 15, 2002.

On March 19, 2013 the State of Washington in conjunction with the Certificate of Participation (COP) program issued \$1,660,000 in Washington General Obligation Bonds with an average interest rate of 2.53% on behalf of the University to fund the Central Washington University Boiler Stack Heat Recovery Project. Anticipated savings through reduced energy costs once the project is completed will be the source of funding to make the COP payments.

Leases/Contracts Payable for the year ended June 30, 2022:

Contract #	Contract Name	% Rate	Original Issue	Balance June 30, 2022
S375-11-1	Edmonds COP 2012	2.28	\$3,345,000	\$350,000
S375-11-2	Heat Recovery Project COP 2013	2.53	1,660,000	810,000
			<b>\$5,005,000</b>	<b>\$1,160,000</b>

The University's lease and contracts payable payments for the next five years and thereafter are as follows:

Fiscal Year	Principle	Interest	Total
2023	\$470,000	\$45,100	\$515,100
2024	125,000	28,600	153,600
2025	130,000	22,350	152,350
2026	140,000	15,850	155,850
2027	145,000	8,850	153,850
2028	150,000	4,500	154,500
<b>Total</b>	<b>\$1,160,000</b>	<b>\$125,250</b>	<b>\$1,285,250</b>

### Intangible Right to Use Lease

As discussed in note one, The University is a lessee for various noncancellable leases of buildings and equipment. A summary of lease asset activity during the year ended June 30, 2022 is as follows:

Right-To-Use Lease Assets	Balance 7/1/2021	Adjustments	Additions	Deductions	Balance 6/30/2022
Buildings		\$ 1,208,641			\$ 1,208,641
<b>Total lease asset</b>		<b>1,208,641</b>			<b>1,208,641</b>
<b>Less accumulated amortization:</b>					
Buildings		667,271	\$ 151,080		818,351
<b>Total accumulated amortization</b>		<b>667,271</b>			<b>818,351</b>

Total lease assets, net	\$	<b>541,370</b>	\$	<b>(151,080)</b>	\$	<b>-</b>	\$	<b>390,290</b>
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A summary of changes in the related lease liability during the year ended June 30, 2022 is as follows:

Lease Liabilities	Balance 7/1/2021	Adjustments	Additions	Deductions	Balance 6/30/2022	Amounts due within 1 year
Lease Liabilities	\$ -	\$ 865,481		\$ 233,247	\$ 632,234	\$ 235,332
<b>Total lease liabilities</b>	<b>\$ -</b>	<b>\$ 865,481</b>	<b>\$ -</b>	<b>\$ 233,247</b>	<b>\$ 632,234</b>	<b>\$ 235,332</b>

Future annual lease payments are as follows:

Fiscal Year	Principle	Interest	Total
2023	\$235,332	\$4,668	\$240,000
2024	237,435	2,565	240,000
2025	159,467	533	160,000
<b>Total</b>	<b>\$632,234</b>	<b>\$7,766</b>	<b>\$640,000</b>

GASB87 establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources. The table below shows the relevant figures as of June 30, 2022 related to the current facility lease between CWU (lessor) and US Bank (lessee).

Contract #	Contract Name	% Rate	Contract End Date	Lease Receivable			6/30/2022 Balance	Deferred Inflow	
				Principle	Interest	Total Payments		Revenue Recorded	6/30/2022 Balance
8156	US Bank Facility Lease	2.13%	7/24/2024	\$ 85,112	\$ 4,888	\$ 90,000	\$ 183,242	\$ 35,161	\$ 73,252

As of June 30, 2022, future lease receivable principal and interest payments are as follows:

Future annual lease payments are as follows:

Fiscal Year	Principle	Interest	Total
2023	\$86,942	\$3,058	\$90,000
2024	96,300	1,201	97,501
<b>Total</b>	<b>\$183,242</b>	<b>\$4,258</b>	<b>\$187,501</b>

### NOTE 13 – PENSION LIABILITY

During fiscal year 2015, the University adopted GASB Statement No.68—Accounting and Financial Reporting for Pensions. These changes in accounting policies for pensions are designed to improve transparency regarding pension obligations by requiring recognition of a liability equal to the net pension liability for the University’s proportionate share of the Department of Retirement Systems (DRS) defined benefit plans. This standard requires recognition of pension expense using a systematic method, designed to match the cost of pension benefits with service periods for eligible employees, and to assist in paying for PERS1 and TRS1 future retiree costs. Because this was to be retroactively implemented, CWU also restated its beginning 2015 fund balance. The CWU financial data is now presented in accordance with the new accounting standards described above.

During fiscal year 2021, the Central Washington University Retirement Plan, which was previously not held in a qualifying trust, was moved to a qualifying trust at the State of Washington, and therefore is now incorporated into the GASB 68 Note.

#### Central Washington University Retirement Benefits

Substantially all full-time classified employees at CWU participate in the DRS retirement plans. CWU has a financial responsibility for pension benefits associated with its defined benefit plans, and the University’s financial statements for 2022 have been updated to include the University’s proportionate share of the State’s pension liability. Pension liability is allocated to multiple funds, based on their proportionate share of covered compensation for the fiscal year.

All state employers are required to contribute at a rate set by the Washington State Legislature. Employer contribution rates were 10.25 percent for PERS1, 10.25 percent for PERS2/3, 14.42 percent for TRS and 8.71 percent for LEOFF2 in fiscal 2022.

#### Pension Plan Tables & Discussion

The following table represents the University's aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, Accounting and Financial Reporting for Pensions, for the years 2021-2022.

**AGGREGATE PENSION AMOUNTS - TOTAL OF ALL PLANS - GASB 68**

	<b>Beginning Balance</b>	<b>Change</b>	<b>FY 2022 Total</b>
Pension Liabilities	\$ 15,904,482	\$ (11,046,207)	\$ 4,858,275
Pension Assets	1,108,722	31,102,378	32,211,100
Deferred outflows of resources	7,628,873	(596,179)	7,032,694
Deferred inflows of resources	6,468,585	27,295,106	33,763,691
<b>Total</b>	<b>\$ 31,110,662</b>	<b>\$ 46,755,099</b>	<b>\$ 77,865,761</b>
<b>Pension Expense</b>			<b>(\$9,473,646)</b>

**State Sponsored Pension Plans**

Substantially all CWU's full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov) or obtained by writing to:

Department of Retirement Systems Communications Unit  
P.O. Box 48380  
Olympia, WA 98540-8380

**Public Employees' Retirement System (PERS)**

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

**PERS PLAN 1**

PERS Plan 1 provides retirement, disability, and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

**Contributions**

The PERS Plan 1 member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates for fiscal 2022 were as follows:

**PERS PLAN 1**

**Actual contribution rates: Employer Employee**

July 01, 2021 - June 30, 2022 10.25% 6.00%

CWU's actual contributions to the plan were \$1,314,749 for the year ended June 30, 2022.

**PERS PLAN 2/3**

PERS Plan 2/3 provides retirement, disability, and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and one percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return- to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

**Contributions**

The PERS Plan 2/3 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates for fiscal 2022 were as follows:

**PERS PLAN 2/3**

<b>Actual contribution rates:</b>	<b>Employer</b>	<b>Employee</b>
PERS Plan 2 July 1, 2021-June 30, 2022	10.25%	6.36%
PERS Plan 3 July 1, 2021-June 30, 2022	10.25%	Varies

CWU's actual contributions to the plan were \$ 2,202,510 for the year ended June 30, 2022.

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

LEOFF membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians. Central Washington University participates solely in LEOFF Plan 2.

LEOFF Plan 2 provides retirement, disability, and death benefits. Retirement benefits are determined as two percent of the final average salary (FAS) per year of service (the FAS is based on the highest consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire prior to the age of 53 receive

reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 2 members are vested after the completion of five years of eligible service.

### Contributions

The LEOFF Plan 2 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate included an administrative expense component set at 0.18 percent.

Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. The LEOFF Plan 2 required contribution rates for fiscal 2022 were as follows:

#### LEOFF PLAN 2

Actual contribution rates:	Employer	Employee
July 01, 2021 - June 30, 2022	8.71%	8.53%

Central Washington University's actual contributions to the plan were \$ 97,722 for the year ended June 30, 2022.

### Teachers' Retirement System

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

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

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

### Contributions

The TRS Plan 1 member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The TRS Plan 1 required contribution rates for fiscal 2022 were as follows:

#### TRS PLAN 1

Actual contribution rates:	Employer	Employee
July 01, 2021 - June 30, 2022	14.42%	6.00%

CWU's actual contributions to the plan were \$220,918 for the year ended June 30, 2022.

**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.

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

From January 1, 2007 through December 31, 2007, judicial members of TRS were given the choice to elect participation in the Judicial Benefit Multiplier (JBM) program enacted in 2006. Justices and judges in TRS Plan 1 were able to make an irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit is capped at 75 percent of AFC.

Newly elected or appointed justices and judges who chose to become TRS members on or after January 1, 2007, were required to participate in the JBM Program.

### **Contributions**

TRS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions.

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

Members in TRS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from TRS-covered employment.

As a result of the implementation of the Judicial Benefit Multiplier (JBM) program in January 2007, a second tier of employee rates was developed to fund the increased retirement benefits of those judges who participate in the program.

### **Actual Contributions**

The TRS Plan 2/3 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the TRS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The TRS Plan 2/3 required contribution rates for fiscal 2022 were as follows:

#### **TRS PLAN 2/3**

<b>Actual contribution rates:</b>	<b>Employer</b>	<b>Employee</b>
TERS Plan 2 July 1, 2021-June 30, 2022	14.42%	8.05%
TERS Plan 3 July 1, 2021-June 30, 2022	14.42%	Varies

CWU's actual contributions to the plan were \$ 274,022 for the year ended June 30, 2022.





## Central Washington University Retirement Plan

### Plan Description

The Central Washington University Retirement Plan (CWURP), a single-employer 403(b) defined contribution plan administered by the University. To qualify as an eligible participant, an employee must be employed at least fifty percent of the normal full-time workload as a CWU faculty, civil service exempt staff, or other salaried employee. Contributions to the plan are invested in annuity contracts or mutual fund accounts in which employees have, at all times, a 100% vested interest in their accumulations. Benefits from fund sponsors are available upon separation or retirement at the member's option.

The number of participants in the CWURP as of June 30, 2022 was 606.

### Funding Policy

Current mandatory contribution rates are set at 5% for employees under the age of 35, 7.5% for employees between the ages of 35 – 49, and 10% for employees 50 and above. Contribution rates are established and amendable by Central Washington University's board of trustees per RCW 28.B.14.400. Employer contributions for the year ended June 30, 2022 were \$5,675,782.

## Central Washington University Supplemental Retirement Plan

The Central Washington University Supplemental Retirement Plan (CWUSRP), a single employer 401(a) defined-benefit retirement plan administered by the university operates in tandem with the 403(b) plan to supplement the expected defined-contribution retirement savings accumulated under the CWURP. The CWUSRP was closed to new participants effective September 1, 1998. The plan has a supplemental payment component which guarantees a minimum retirement benefit to eligible retirees based upon a one-time calculation at the employee's retirement date. The University makes direct payments to qualifying retirees when the retirement benefits provided by the fund sponsors do not meet the benefit goals, no assets are accumulated in trusts or equivalent arrangements. To qualify as an eligible participant, an employee must be employed at least fifty percent of the normal full-time workload as a CWU faculty, civil service exempt staff, or other salaried employee.

As of June 30, 2020, there were approximately 81 active members who could earn SRP benefit in the future, and 64 retirees and beneficiaries receiving lifetime benefits from the plan. Participants of CWUSRP are considered vested once all of the following criteria are met: the participant has reached the age of 62 while employed at CWU or retires due to health and the participant has ten or more years of service. The monthly benefit amount due to the participant is one-twelfth of 2% of his or her average annual salary multiplied by the number of service years. If the participant retires early, the monthly benefit is reduced by .5% times the number of calendar months between the date of retirement and the normal retirement age. Benefit payments made during the fiscal year ending June 30, 2022 were \$473,000.

### Total Pension Liability (TPL)

The total pension liability is based on an actuarial valuation performed as of June 30, 2020 using the entry age actuarial cost method. Any assets considered to offset the total pension liability are held in an irrevocable trust. As such, the total pension liability is shown on the balance sheet under net pension liability reported for GASB 68 with a measurement date of June 30, 2022. The CWUSRP pension expense for the fiscal year ending June 30, 2022 was (\$864,000).

### Schedule of Changes in Net Pension Liability

Service cost	\$	19,000
Interest		327,000
Changes in Benefit Terms		-
Differences between expected and actual experience		777,000
Changes in assumptions <sup>1</sup>		260,000
Benefit payments		(473,000)
Other		-
<b>Net Change in Total Pension Liability</b>		<b>910,000</b>
Total Pension Liability - Beginning		4,635,000
<b>Total Pension Liability - Ending (a)</b>	<b>\$</b>	<b>5,545,000</b>

### Plan Fiduciary Net Position

Contributions - Employer	\$	187,000
Contributions - Member		-
Net investment Income		4,000
Benefit payments		-
Administrative Expense		-
Other		-
<b>Net Change in Plan Fiduciary Net Position</b>		<b>191,000</b>
Plan Fiduciary Net Position - Beginning		3,560,000
<b>Plan Fiduciary Net Position - Ending (b)</b>		<b>3,751,000</b>

**Plan's Net Pension Liability (Asset) - Ending (a) - (b)** **\$ 1,794,000**

TPL Interest Rate Sensitivity Discount Rate	\$	1,794,000
TPL Interest Rate Sensitivity 1% Decrease		2,248,000
TPL Interest Rate Sensitivity 1% Increase	\$	1,397,000

### Deferred Inflows and Deferred Outflows

At June 30, 2022, the CWUSRP plan reported a deferred inflow of resources from the following sources.

#### DEFERRED INFLOWS/OUTFLOWS OF RESOURCES

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 291,000	\$ -
Changes in assumptions	97,000	-
Differences between Projected and Actual Earnings on Plan Investments	213,000	422,000
<b>Total</b>	<b>\$ 601,000</b>	<b>\$ 422,000</b>

#### Amortization of Deferred Inflows and Deferred Outflows

The amount of future transactions are summarized in the table below.

Future Transactions	
2023	\$ 301,000

2024	(87,000)
2025	(87,000)
2026	53,000
2027	-
Thereafter	-
Total	<u>\$ 180,000</u>

### Actuarial Assumptions

The Total Pension liability for the CWUSRP plan was calculated on a valuation date of June 30, 2020 and projected the TPL to the measurement date of June 30, 2022, reflecting the expected service cost, assumed interest, and actual benefit payments. Two primary changes were reflected with the new measurement date. First, the discount rate decreased from 7.40 to 7.00 percent, consistent with the state actuary's long-term rate of return assumption for assets invested in the Commingled Trust Fund and the results of the crossover calculation. Second, we reflected Fiscal Year 2022 returns for the TIAA and CREF investments, which are used to determine a member's assumed income. Those returns were 3.98 percent for TIAA and (16.99) percent for CREF.

Other than the changes noted above, the June 30, 2022, results rely on the same census data, assumptions, and methods detailed in our 2021 SRP AVR. We believe the data, assumptions, and methods used are reasonable and appropriate for the primary purpose stated above and are in conformity with generally accepted actuarial principles and standards of practice as of the date of this letter. The use of another set of assumptions and methods, however, could also be reasonable and could produce materially different results. Actual results may vary from our expectations.

The total pension liability for each of the DRS 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 located on the DRS employer-resource GASB webpage. The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the 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: 7.40%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates, which vary by member status (eg, active, retiree, or survivor), as our base table. OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Under "generational" mortality, a member is assumed to receive additional mortality improvements in each future year, throughout their lifetime.

### Discount Rate

The discount rate used to measure the total pension liability was 7.40% for all plans included in this publication. To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members.

Based on the assumptions described in OSA's certification letter within the DRS ACFR, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.40% was used to determine the total liability.

### Sensitivity of NPL

The table below presents the net pension liability of employers, calculated using the discount rate of 7.40% as well as what employers' net pension liability would be if it were calculated using a discount rate 1 percentage point lower (6.40%) or 1 percentage point higher (8.40%) than the current rate.

	<b>CWU Allocation %</b>	<b>1% Decrease 6.40%</b>	<b>Current Rate 7.40 %</b>	<b>1% Increase 8.4%</b>
PERS1	0.2239620%	\$ 4,659,397	\$ 2,735,100	\$ 1,056,915
PERS 2/3	0.2813280%	(7,983,720)	(28,024,795)	(44,528,630)
TRS 1	0.0488900%	630,946	329,175	65,829
TRS 2/3	0.0482310%	231,186	(1,325,777)	(2,595,865)
LEOFF 2	0.0492480%	\$ (1,803,851)	\$ (2,860,528)	\$ (3,725,735)

### Long-Term Expected Rate of Return

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

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

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

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns at various future times.

### Estimated Rates of Return by Asset Class

The table below summarizes the 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.

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

#### Estimated Rates of Return by Asset Class

<b>Asset Class</b>	<b>Target Allocation</b>	<b>% Long - Term Expected Real Rate of Return Arithmetic</b>
Fixed Income	20.00%	2.20%
Tangible Assets	7.00%	5.10%
Real Estate	18.00%	5.80%
Global Equity	32.00%	6.30%
Private Equity	23.00%	9.30%

### Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

### Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, Central Washington University reported a total pension liability of \$4,529,100 and an asset of \$31,881,925 for its proportionate share of the net pension balances as follows:

#### PENSION PLAN FIDUCIARY NET POSITION

<b>Plan</b>	<b>Liability</b>	<b>Asset</b>
PERS1	\$2,735,100	\$ -
PERS 2/3		(28,024,795)

TRS 1		329,175
TRS 2/3		(1,325,777)
CWUSR	1,794,000	
LEOFF 2		(2,860,528)
	\$ 4,529,100	\$ (31,881,925)

#### SCHEDULE OF PROPORTIONATE SHARE-LEOFF 2

	Liability (or Asset)
LEOFF 2 - employer's proportionate share	\$ (2,860,528)
LEOFF 2 - State's proportionate share of the net pension liability/(asset) associated with the employer	(1,845,353)
<b>Total</b>	<b>\$ (4,705,881)</b>

At June 30, 2022, the University's proportionate share of the collective net pension liabilities was as follows:

Plan	Proportionate Share 06/30/2020	Proportionate Share 06/30/2021	Change In Proportion
PERS1	0.252457%	0.223962%	-0.028495%
TRS 1	0.046607%	0.048890%	0.002283%

At June 30, 2022, the University's proportionate share of the collective net pension assets was as follows:

Plan	Proportionate Share 06/30/2020	Proportionate Share 06/30/2021	Change In Proportion
PERS 2/3	0.319501%	0.281328%	-0.038173%
TRS 2/3	0.046061%	0.048231%	0.002170%
LEOFF 2	0.052684%	0.049248%	-0.003436%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the Schedules of Employer and Non-employer Allocations for all plans except LEOFF 1, a plan the University does not utilize.

In fiscal year 2022, the State of Washington contributed 39.21 percent of LEOFF 2 employer contributions pursuant to RCW 41.27.726 and all other employers contributed the remaining 60.79 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2022, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2020, with update procedures used to roll forward the total pension liability to the measurement date.

#### Pension Expense

For the year ended June 30, 2022, Central Washington University recognized a net pension expense as follows:

Plan	Pension Expense
PERS1	\$ (1,520,641)
PERS 2/3	(6,484,677)
TRS 1	(37,520)
TRS 2/3	(151,114)
LEOFF 2	(415,694)
CWUSR	(864,000)
<b>Total</b>	<b>\$ (9,473,646)</b>

#### Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2022, Central Washington University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**PERS 1**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Net difference between projected and actual investment earnings on pension plan investments		\$ (3,035,046)
Changes of assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	\$ 1,314,749	
<b>Total</b>	<b>\$ 1,314,749</b>	<b>\$ (3,035,046)</b>

**PERS 2/3**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,361,124	\$ (343,557)
Net difference between projected and actual investment earnings on pension plan investments	-	(23,422,155)
Changes of assumptions	40,953	(1,990,224)
Changes in proportion and differences between contributions and proportionate share of contributions	96,081	(822,451)
Contributions subsequent to the measurement date	2,202,510	-
<b>Total</b>	<b>\$ 3,700,668</b>	<b>\$ (26,578,387)</b>

**LEOFF 2**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 129,743	\$ (15,118)
Net difference between projected and actual investment earnings on pension plan investments	-	(1,363,920)
Changes of assumptions	1,237	(136,047)
Changes in proportion and differences between contributions and proportionate share of contributions	112,441	(93,583)
Contributions subsequent to the measurement date	97,722	-
<b>Total</b>	<b>\$ 341,143</b>	<b>\$ (1,608,668)</b>

**TRS 1**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Net difference between projected and actual investment earnings on pension plan investments		\$ (493,498)
Changes of assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	\$ 220,918	
<b>Total</b>	<b>\$ 220,918</b>	<b>\$ (493,498)</b>

**TRS 2/3**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 411,881	\$ (10,730)
Net difference between projected and actual investment earnings on pension plan investments	-	(1,545,692)
Changes of assumptions	82,467	(69,671)
Changes in proportion and differences between contributions and proportionate share of contributions	85,847	
Contributions subsequent to the measurement date	274,022	-
<b>Total</b>	<b>\$ 854,217</b>	<b>\$ (1,626,093)</b>

Deferred outflows of resources related to pensions resulting from the University's contributions subsequent to the measurement date have been recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**TOTALS (EXCLUDING CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT DATE)**

	PERS 1 Yearly Amortization	PERS 2/3 Yearly Amortization	TRS 1 Yearly Amortization	TRS 2/3 Yearly Amortization	LEOFF 2 Yearly Amortization
2022	\$ (803,984)	\$ (6,537,959)	\$ (130,776)	\$ (335,960)	\$ (363,596)
2023	(736,742)	(6,117,139)	(119,667)	(310,119)	(338,788)
2024	(696,619)	(5,874,152)	(113,252)	(288,965)	(320,044)
2025	(797,700)	(6,293,592)	(129,803)	(333,382)	(360,408)
2026	-	(188,423)	-	67,385	(4,729)
Thereafter	-	(68,963)	-	155,142	22,318
<b>Total Net Deferred (Inflows)/Outflows</b>	<b>\$ (3,035,045)</b>	<b>\$ (25,080,228)</b>	<b>\$ (493,498)</b>	<b>\$ (1,045,899)</b>	<b>\$ (1,365,247)</b>

**NOTE 14 - DEFERRED COMPENSATION**

The University, through the State of Washington, offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. Under the plan, eligible employees can elect to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable financial emergency.

**NOTE 15 - RELATED PARTY TRANSACTIONS**

The Central Washington University Foundation (the Foundation) is organized to operate exclusively for the purposes of encouraging, promoting, and supporting educational programs and scholarly pursuits at or in conjunction with Central Washington University. The Foundation provided \$4,762,585 in scholarships and program support to the University during the fiscal year ending June 30, 2022. Detailed financial information for the foundation may be obtained from its administrative office.

Summary financial information of the Central Washington University Foundation as of June 30, 2022:

**CWU FOUNDATION FINANCIAL INFORMATION for June 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
Income	\$ 4,237,642	\$ (3,801,416)	\$ 436,226
Expense	6,606,611	-	6,606,611
Change in net position	(2,368,969)	(3,801,416)	(6,170,385)
Net position at beginning of year	8,511,077	44,011,550	52,522,627
<b>Net position at end of year</b>	<b>\$ 6,142,108</b>	<b>\$ 40,210,134</b>	<b>\$ 46,352,242</b>

## NOTE 16 – OPERATING EXPENSES BY NATURAL CLASSIFICATION

The statement of revenues, expenses, and changes in net position displays operating expenses by functional classification. The following table summarizes operating expenses by natural classification for the years ended:

<b>OPERATING EXPENSES BY NATURAL CLASSIFICATION</b>	
	<b>June 30, 2022</b>
Salaries and wages	\$117,908,157
Benefits	31,640,784
Goods and services	35,370,809
Scholarships and fellow ships	44,229,188
Non-capitalized facility improvements	5,343,470
Supplies and materials	2,493,835
Utilities	5,532,678
Depreciation	23,867,141
<b>Total</b>	<b><u>\$266,386,063</u></b>

## NOTE 17 – PLEDGED REVENUE

The University has pledged specific revenues, net of specified operating expenses, to repay the principal and interest of revenue bonds. The revenue bonds are obligations of the University's reporting segment referred to as "The System" (Note 18) with all revenues pledged as a whole to all debt service repayment. The following is a schedule of the pledged revenues and related debt:

Source of Revenue Pledged	2022 Revenues Pledged	2022 Debt Service	Total Future Revenues Pledged*	Description of Debt	Purpose of Debt	Term of Commitment
Student & Activity Fees	\$3,918,404	\$2,481,261	\$29,785,461	Series 2013 Bonds	Construction of new Student Union Building & Recreation Center (SURC)	2034
Bookstore Revenues	211,956	202,169	2,426,873	Series 2013 Bonds	Construction of new bookstore as part of the new SURC	2034
Housing, Dining & Parking Revenues	22,362,478	7,787,973	163,807,457	Series 2010, 2013, 2018, 2022 Bonds	Construction of Wendell Hill Hall 2008, Barto Hall 2010, Refunding bonds of 2012 and 2013, Dougmore Hall 2018, Refinance bonds of 2022	2049
<b>Total</b>	<b><u>\$ 26,492,838</u></b>	<b><u>\$ 10,471,404</u></b>	<b><u>\$ 196,019,791</u></b>			





## NOTE 18 – SEGMENT INFORMATION

Central Washington University's System operates the Student Union & Recreation Center, residence halls, apartment complexes, a conference program, dining facilities, parking services and the Wildcat Shop bookstore located on the Ellensburg campus. The system owns its buildings, while the University owns the land. The system issues revenue bonds from time to time to renovate and build new facilities. The system pledges its net revenues to cover the costs of debt service, for accounting purposes the system is considered a segment of the University.

Presented below are condensed financial statements for the System.

### Condensed Statement of Net Position

	<u>June 30, 2022</u>
<b>Assets</b>	
Current assets	\$ 32,731,037
Non-current assets	190,303,433
Deferred Outflow s	5,171,187
<b>Total assets &amp; deferred outflows</b>	<b><u>228,205,657</u></b>
<b>Liabilities</b>	
Current liabilities	11,108,682
Non-current liabilities	145,729,050
Deferred Inflow s	9,477,926
<b>Total liabilities &amp; deferred inflows</b>	<b><u>166,315,658</u></b>
<b>Net position</b>	
Net investment in capital assets	48,261,839
Unrestricted	13,628,160
<b>Total net position</b>	<b><u>\$ 61,889,999</u></b>

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

Operating revenues	\$ 53,336,588
Operating expenses	40,235,947
Depreciation	6,808,989
<b>Net operating income (loss)</b>	<b><u>6,291,652</u></b>
<b>Non-operating revenues (expenses)</b>	
Interest on indebtedness	(5,997,452)
Other non-operating revenue (expense), net	6,318,942
Total increase in net position	6,613,142
Total net position, beginning of year	55,276,856
<b>Total net position, end of year</b>	<b><u>\$ 61,889,998</u></b>

### Condensed Statement of Cash Flows

<b>Net cash flows provided by</b>	
Operating activities	\$ 8,590,101
<b>Non-capital financing activities</b>	
Investing activities	2,802,433
Capital and related financing	(7,059,628)
Net increase (decrease) in cash	4,332,906
Cash – beginning of year	10,091,505
<b>Cash – end of year</b>	<b><u>\$ 14,424,411</u></b>

## REQUIRED SUPPLEMENTARY INFORMATION (RSI)

### Notes to RSI

Methods and assumptions used in calculations of actuarial determined contributions for PERS, TRS and LEOFF – The Office of the State Actuary (OSA) calculates the Actuarially Determined Contributions (ADC) based on the results of an actuarial valuation consistent with the state’s funding policy defined under Chapter 41.45 RCW. Consistent with the state’s contribution rate adoption process, the results of an actuarial valuation with an odd-numbered year valuation date determine the ADC for the biennium that ensues two years later. For example, the actuarial valuation with a June 30<sup>th</sup>, 2015 valuation date, completed in the Fall of 2016, determines the ADC for the period beginning July 1<sup>st</sup>, 2017 and ending June 30<sup>th</sup>, 2020.

Under GASB Statement 68, government entities that participate in one or more of the State’s cost-sharing, multiple employer pension plans (PERS, SERS, PSERS, TRS, and LEOFF) must present as RSI:

- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Employer Contributions

These are 10-year schedules. Until a full 10-year trend is compiled, Central is presenting information only for those years for which information is available.

### GASB 68 RSI | SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY PERS 1

AS OF JUNE 30,

(in Thousands)

		2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.223962 %	0.252457 %	0.259075 %	0.261741 %	0.267831 %	0.267903 %	0.273865 %	0.286822 %
Employer's proportionate share of the net pension liability	\$ 4,659	\$ 8,913	\$ 9,962	\$ 11,689	\$ 12,709	\$ 14,388	\$ 14,326	\$ 14,449
<b>Total</b>	<b>4,659</b>	<b>8,913</b>	<b>9,962</b>	<b>11,689</b>	<b>12,709</b>	<b>14,388</b>	<b>14,326</b>	<b>14,449</b>
Employer's covered payroll	\$ 34,030	\$ 37,320	\$ 35,830	\$ 33,819	\$ 32,921	\$ 31,104	\$ 30,204	\$ 30,159
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	13.69%	23.88%	27.80%	34.56%	38.60%	46.26%	47.43%	47.91%
Plan fiduciary net position as a percentage of the total pension liability (State)	88.74%	68.64%	67.12%	63.22%	61.24%	57.03%	59.10%	61.19%

### GASB 68 RSI | SCHEDULE OF EMPLOYER CONTRIBUTIONS PERS 1

AS OF JUNE 30,

(in Thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or contractually required contributions	\$ 1,315	\$ 1,672	\$ 1,807	\$ 1,875	\$ 1,750	\$ 1,611	\$ 1,537	\$ 1,531	\$ 1,260
Contributions in relation to the statutorily or contractually required contributions	-1,315	-1,672	-1,807	-1,875	-1,750	-1,611	-1,537	-1,531	-1,260
Contribution deficit (excess)	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employer's covered payroll	\$ 35,043	\$ 34,030	\$ 37,320	\$ 35,830	\$ 33,819	\$ 32,921	\$ 31,104	\$ 30,204	\$ 30,159
Contributions as a percentage of covered employee payroll	3.75%	4.91%	4.84%	5.23%	5.17%	4.89%	4.94%	5.07%	4.18%

### GASB 68 RSI | SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY PERS 2/3

AS OF JUNE 30,

(in Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014
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Employer's proportion of the net pension liability (asset)	0.281328%	0.319501%	0.321394%	0.319236%	0.328308%	0.324228%	0.328819%	0.335470%
Employer's proportionate share of the net pension liability	-\$ 28,025	\$ 4,086	\$ 3,122	\$ 5,451	\$ 11,407	\$ 16,325	\$ 11,749	\$ 6,781
<b>Total</b>	<b>-28,025</b>	<b>4,086</b>	<b>3,122</b>	<b>5,451</b>	<b>11,407</b>	<b>16,325</b>	<b>11,749</b>	<b>6,781</b>
Employer's covered payroll	\$ 33,750	\$ 36,933	\$ 35,262	\$ 33,119	\$ 32,232	\$ 30,348	\$ 29,209	\$ 29,209
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	-83.04%	11.06%	8.85%	16.46%	35.39%	53.79%	40.22%	23.22%
Plan fiduciary net position as a percentage of the total pension liability (State)	120.29%	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%	93.29%

### GASB 68 RSI | SCHEDULE OF EMPLOYER CONTRIBUTIONS PERS 2/3

AS OF JUNE 30,

(in Thousands)	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or contractually required contributions	\$ 2,203	\$ 2,668	\$ 2,925	\$ 2,649	\$ 2,463	\$ 2,016	\$ 1,556	\$ 1,872	\$ 1,465
Contributions in relation to the statutorily or contractually required contributions	-2,203	-2,668	-2,925	-2,649	-2,463	-2,016	-1,556	-1,872	-1,465
Contribution deficit (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Employer's covered payroll	\$ 34,746	\$ 33,750	\$ 36,933	\$ 35,262	\$ 33,119	\$ 32,232	\$ 30,348	\$ 29,209	\$ 29,209
Contributions as a percentage of covered employee payroll	6.34%	7.91%	7.92%	7.51%	7.44%	6.25%	5.13%	6.41%	5.01%

### GASB 68 RSI | SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY LEOFF 2

AS OF JUNE 30,

(in Thousands)	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.049248 %	0.054353 %	0.052684 %	0.046013 %	0.049366 %	0.048980 %	0.049973 %	0.052338 %
Employer's proportionate share of the net pension liability (asset)	-\$ 2,861	-\$ 1,109	-\$ 1,221	-\$ 934	-\$ 685	-\$ 285	-\$ 514	-\$ 695
<b>Total</b>	<b>-2,861</b>	<b>-1,109</b>	<b>-1,221</b>	<b>-934</b>	<b>-685</b>	<b>-285</b>	<b>-514</b>	<b>-695</b>
Employer's covered payroll	\$ 1,136	\$ 1,241	\$ 1,191	\$ 913	\$ 921	\$ 894	\$ 875	\$ 876
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	-251.79%	-89.36%	-102.46%	-102.30%	-74.37%	-31.88%	-58.73%	-79.25%
Plan fiduciary net position as a percentage of the total pension liability (State)	142.00%	115.83%	148.78%	144.42%	113.36%	106.04%	111.67%	116.75%

### GASB 68 RSI | SCHEDULE OF EMPLOYER CONTRIBUTIONS LEOFF 2

AS OF JUNE 30,

(in Thousands)	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or contractually required contributions	\$ 98	\$ 98	\$ 107	\$ 98	\$ 80	\$ 78	\$ 75	\$ 73	\$ 74
Contributions in relation to the statutorily or contractually required contributions	-98	-98	-107	-98	-80	-78	-75	-73	-74
Contribution deficit (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Employer's covered payroll	\$ 1,195	\$ 1,136	\$ 1,241	\$ 1,191	\$ 913	\$ 921	\$ 894	\$ 875	\$ 876
Contributions as a percentage of covered employee payroll	8.18%	8.59%	8.59%	8.22%	8.74%	8.47%	8.39%	8.37%	8.46%

### GASB 68 RSI | SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY TRS 1

AS OF JUNE 30,

(in Thousands)	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.048890 %	0.046607 %	0.042640 %	0.039625 %	0.035188 %	0.033936 %	0.026544 %	0.026263 %
Employer's proportionate share of the net pension liability	\$ 329	\$ 1,123	\$ 1,056	\$ 1,157	\$ 1,064	\$ 1,159	\$ 841	\$ 775
<b>Total</b>	<b>329</b>	<b>1,123</b>	<b>1,056</b>	<b>1,157</b>	<b>1,064</b>	<b>1,159</b>	<b>841</b>	<b>775</b>
Employer's covered payroll	\$ 3,544	\$ 3,162	\$ 3,073	\$ 2,322	\$ 1,933	\$ 1,675	\$ 1,274	\$ 1,523
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	9.29%	35.50%	34.35%	49.85%	55.04%	69.16%	65.99%	50.87%
Plan fiduciary net position as a percentage of the total pension liability (State)	91.42%	70.55%	70.37%	66.52%	65.58%	62.07%	65.70%	68.77%

### GASB 68 RSI | SCHEDULE OF EMPLOYER CONTRIBUTIONS TRS 1

AS OF JUNE 30,

(in Thousands)	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or contractually required contributions	\$ 221	\$ 270	\$ 231	\$ 227	\$ 165	\$ 123	\$ 105	\$ 60	\$ 55
Contributions in relation to the statutorily or contractually required contributions	-221	-270	-231	-227	-165	-123	-105	-60	-55
Contribution deficit (excess)	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employer's covered payroll	\$ 3,538	\$ 3,544	\$ 3,162	\$ 3,073	\$ 2,322	\$ 1,933	\$ 1,675	\$ 1,274	\$ 1,523
Contributions as a percentage of covered employee payroll	6.24%	7.61%	7.30%	7.38%	7.10%	6.37%	6.25%	4.69%	3.59%

### GASB 68 RSI | SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY TRS 2/3

AS OF JUNE 30,

(in Thousands)	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.048231 %	0.046061 %	0.042743 %	0.040336 %	0.034181 %	0.033194 %	0.026201 %	0.031582 %
Employer's proportionate share of the net pension liability	-\$ 1,326	\$ 707	\$ 258	\$ 182	\$ 315	\$ 456	\$ 221	\$ 102
<b>Total</b>	<b>-1,326</b>	<b>707</b>	<b>258</b>	<b>182</b>	<b>315</b>	<b>456</b>	<b>221</b>	<b>102</b>
Employer's covered payroll	\$ 3,497	\$ 3,128	\$ 3,064	\$ 2,322	\$ 1,885	\$ 1,642	\$ 1,237	\$ 1,401
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	-37.91%	22.62%	8.41%	7.82%	16.73%	27.76%	17.88%	7.28%
Plan fiduciary net position as a percentage of the total pension liability (State)	113.72%	91.72%	96.36%	96.88%	93.14%	88.72%	92.48%	96.81%

## GASB 68 RSI | SCHEDULE OF EMPLOYER CONTRIBUTIONS TRS 2/3

AS OF JUNE 30,

(in Thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or contractually required contributions	\$ 274	\$ 292	\$ 254	\$ 239	\$ 179	\$ 126	\$ 109	\$ 70	\$ 81
Contributions in relation to the statutorily or contractually required contributions	-274	-292	-254	-239	-179	-126	-109	-70	-81
Contribution deficit (excess)	0	0	0	0	0	0	0	0	0
Employer's covered payroll	\$ 3,497	\$ 3,510	\$ 3,128	\$ 3,064	\$ 2,322	\$ 1,885	\$ 1,642	\$ 1,237	\$ 1,401
Contributions as a percentage of covered employee payroll	7.84%	8.33%	8.11%	7.81%	7.72%	6.66%	6.65%	5.68%	5.75%

## GASB 68 RSI | SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY SUPPLEMENTAL PLAN

	2020	2019	2018	2017
<b>Total Pension Liability - Beginning</b>	<b>\$ 7,378,000</b>	<b>\$ 7,717,000</b>	<b>\$ 8,477,000</b>	<b>\$ 10,331,000</b>
Service cost	52,000	61,000	91,000	150,000
Interest	252,000	293,000	299,000	293,000
Changes in Benefit Terms	-	-	-	-
Differences between expected and actual experience	321,000	(711,000)	(466,000)	(1,270,000)
Changes in assumptions <sup>1</sup>	1,058,000	428,000	(272,000)	(616,000)
Benefit payments	(439,000)	(411,000)	(412,000)	(411,000)
Other	-	-	-	-
<b>Total Pension Liability - Ending</b>	<b>\$ 8,622,000</b>	<b>\$ 7,378,000</b>	<b>\$ 7,717,000</b>	<b>\$ 8,477,000</b>
Covered-Employee Payroll	8,282,000	8,952,000	10,368,000	11,028,000
	104.11%	82.42%	74.43%	76.87%

## GASB 68 RSI | SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION SUPPLEMENTAL PLAN

	2022	2021
<b>Total Pension Liability - Beginning</b>	<b>\$ 4,635,000</b>	<b>\$ 8,622,000</b>
Service cost	19,000	74,000
Interest	327,000	187,000
Changes in Benefit Terms	-	-
Differences between expected and actual experience	777,000	(1,386,000)
Changes in assumptions <sup>1</sup>	260,000	(2,394,000)
Benefit payments	(473,000)	(467,000)
Other	-	(1,000)
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 5,545,000</b>	<b>\$ 4,635,000</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>\$ 3,560,000</b>	<b>\$ 2,493,000</b>
Contributions - Employer	187,000	173,000
Net Investment Income	4,000	894,000
Other	-	-
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 3,751,000</b>	<b>\$ 3,560,000</b>
<b>CWUSRP Net Pension Liability (a-b)</b>	<b>\$ 1,794,000</b>	<b>\$ 1,075,000</b>

Covered-Employee Payroll	\$ 66,747,000	\$ 10,380,766
Net pension liability as a percentage of the total pension liability	8.31%	44.65%
Plan fiduciary net position as a percentage of the total pension liability	67.65%	76.81%

**GASB 68 RSI | SCHEDULE OF EMPLOYER CONTRIBUTIONS SUPPLEMENTAL PLAN  
AS OF JUNE 30,**

(In Thousands)

	2022	2021
Statutorily or contractually required contributions	\$ 187	\$ 173
Contributions in relation to the statutorily or contractually required contributions	(187)	(173)
Contribution deficit (excess)	-	-
Employer's covered payroll	66,747	10,380
Contributions as a percentage of covered payroll	0.28%	1.67%

**GASB 75 RSI | SCHEDULE OF CHANGES IN TOTAL OPEB  
LIABILITY AND RELATED RATIOS**

PEBB FOR YEAR ENDED JUNE 30,

	2022	2021	2020	2019	2018
Proportionate Share (%)	1.1705210087%	1.2841473431%	1.3110123441%	1.2699155000%	1.2489969930%
Service Cost	\$ 3,786,177	\$ 3,226,709	\$ 3,080,900	\$ 4,032,287	\$ 4,932,979
Interest Cost	1,636,363	2,699,192	2,672,504	2,772,175	2,310,638
Differences Between Expected and Actual Experience	-	(413,626)	-	2,530,457	-
Changes in Assumptions	699,142	1,749,678	4,976,906	(17,652,761)	(11,271,331)
Changes of Benefit Terms	-	-	-	-	-
Benefit Payments	(1,246,682)	(1,285,126)	(1,222,510)	(1,170,828)	(1,177,538)
Changes in Proportionate Share	(6,880,294)	(1,559,207)	2,087,159	1,218,675	(1,144,803)
Other	-	(2,749,326)	-	-	-
Net Change in Total OPEB Liability	(2,005,294)	1,668,294	11,594,959	(8,269,995)	(6,350,055)
Total OPEB Liability - Beginning	77,757,605	76,089,311	64,494,352	72,764,347	79,114,402
<b>Total OPEB Liability - Ending</b>	<b>\$ 75,752,311</b>	<b>\$ 77,757,605</b>	<b>\$ 76,089,311</b>	<b>\$ 64,494,352</b>	<b>\$ 72,764,347</b>
Covered-Employee Payroll	117,651,664	113,522,581	109,598,517	101,003,340	93,216,733
Total OPEB Liability as a percentage of covered-employee Payroll	64.38694399%	68.49527584%	69.42549323%	63.85368249%	78.05931888%

## APPENDIX

### EXHIBIT II - ENROLLMENT STATISTICS (IPEDS) For Fiscal Years Ended June 30

<b>Fall Quarter Headcount</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Undergraduates</b>							
Full-time	8,373	9,235	9,977	10,040	9,810	9,482	9,103
Part-time	1,193	1,283	1,134	1,379	1,566	1,637	2,009
<b>Total undergraduates</b>	<b>9,566</b>	<b>10,518</b>	<b>11,111</b>	<b>11,419</b>	<b>11,376</b>	<b>11,119</b>	<b>11,112</b>
<b>Graduates</b>							
Full-time	238	225	121	528	466	509	503
Part-time	372	431	426	395	355	343	378
<b>Total graduates</b>	<b>610</b>	<b>656</b>	<b>547</b>	<b>923</b>	<b>821</b>	<b>852</b>	<b>881</b>
<b>Total – undergraduates and graduates</b>							
Full-time	8,611	9,460	10,098	10,568	10,276	9,991	9,606
Part-time	1,565	1,714	1,560	1,774	1,921	1,980	2,387
<b>Total – full- and part-time</b>	<b>10,176</b>	<b>11,174</b>	<b>11,658</b>	<b>12,342</b>	<b>12,197</b>	<b>11,971</b>	<b>11,993</b>
<b>Fall quarter FTE</b>	<b>9,661</b>	<b>10,631</b>	<b>11,172</b>	<b>11,110</b>	<b>11,149</b>	<b>10,776</b>	<b>10,597</b>

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Freshmen</b>							
Applications	9,686	12,263	9,854	9,783	8,597	7,377	4,923
Percent applicants admitted	91%	86%	78%	79%	86%	79%	82%
Enrolled	1,499	1,665	2,133	2,076	2,133	1,906	1,652
Enrolled percent of admissions	17%	16%	28%	27%	29%	33%	34%
<b>Transfer Students</b>							
Applications	2,125	2,558	2,449	2,548	2,533	2,553	2,338
Percent applicants admitted	81%	77%	86%	83%	84%	83%	85%
Enrolled	910	1,057	1,236	1,247	1,387	1,369	1,383
Enrolled percent of admissions	53%	54%	59%	59%	65%	65%	59%



**EXHIBIT III - HISTORICAL OPERATIONS FOR THE SYSTEM  
FOR FISCAL YEARS ENDED JUNE 30**

	2022	2021	2020	2019	2018	2017
<b>Gross Revenue</b>						
Housing and dining	\$34,938,272	\$17,800,356	\$35,294,847	\$41,778,485	\$39,854,400	\$36,029,703
Services and activities	11,162,239	11,604,434	13,115,666	13,881,824	13,188,290	13,176,896
University store	5,911,927	6,079,756	7,910,660	9,718,683	9,187,452	9,804,374
Parking	1,324,151	1,033,838	1,309,223	1,693,337	1,458,281	1,145,258
<b>Total gross revenue</b>	<b>\$53,336,589</b>	<b>\$36,518,384</b>	<b>\$57,630,396</b>	<b>\$67,072,329</b>	<b>\$63,688,423</b>	<b>\$60,156,231</b>
<b>Operating Expenses<sup>(1)</sup></b>						
Housing and dining	24,639,118	19,291,299	31,088,214	29,361,663	26,836,571	26,486,151
Services and activities	8,417,169	7,632,943	9,926,532	10,207,464	10,447,874	10,210,918
University store	5,796,395	6,820,384	8,209,996	10,349,299	10,316,632	9,599,478
Parking	1,383,265	305,777	1,205,154	2,564,632	1,046,751	1,277,868
<b>Total operating expenses</b>	<b>40,235,947</b>	<b>34,050,403</b>	<b>50,429,896</b>	<b>52,483,058</b>	<b>48,647,828</b>	<b>47,574,415</b>
<b>Net revenue</b>	<b>\$13,100,642</b>	<b>\$2,467,981</b>	<b>\$7,200,500</b>	<b>\$14,589,270</b>	<b>\$15,040,595</b>	<b>\$12,581,816</b>
<b>Total debt service<sup>(2)</sup></b>	<b>\$11,479,723</b>	<b>\$11,511,103</b>	<b>\$11,511,049</b>	<b>\$12,760,759</b>	<b>\$8,804,467</b>	<b>\$8,704,387</b>

(1) Excludes depreciation

(2) Excludes capitalized interest

EXHIBIT IV

Central Washington University						
Schedule of System Revenue Bond Debt Service						
	The Series 2010 Bonds		The Series 2022 Bonds		The Series 2013 Bonds	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2023		\$ 1,614,890	\$ 404,000	\$ 89,556	\$ 2,495,000	\$ 1,362,075
2024		1,614,890	420,000	71,332	2,620,000	1,237,325
2025		1,614,890	431,000	63,940	2,725,000	1,132,525
2026	1,515,000	1,614,890	435,000	56,356	2,835,000	1,023,525
2027	1,580,000	1,516,415	439,000	48,700	2,945,000	910,125
2028	1,650,000	1,413,715	452,000	40,972	3,065,000	792,325
2029	1,715,000	1,306,465	459,000	33,018	3,160,000	696,544
2030	1,790,000	1,194,990	465,000	24,940	3,265,000	593,844
2031	1,260,000	1,078,640	471,000	16,756	3,370,000	487,731
2032	1,320,000	991,070	481,000	8,466	3,485,000	373,994
2033	1,380,000	899,330			3,600,000	256,375
2034	1,440,000	803,420			3,725,000	130,375
2035	1,505,000	703,340				
2036	1,575,000	598,743				
2037	1,645,000	489,280				
2038	1,720,000	374,952				
2039	1,795,000	255,412				
2040	1,880,000	130,660				
2041						
2042						
2043						
2044						
2045						
2046						
2047						
2048						
2049						
<b>Total</b>	<b>\$23,770,000</b>	<b>\$ 18,215,992</b>	<b>\$ 4,457,000</b>	<b>\$ 454,036</b>	<b>\$ 37,290,000</b>	<b>\$ 8,996,763</b>

**EXHIBIT IV (CONTINUED)**

<b>Central Washington University</b>							
<b>Schedule of System Revenue Bond Debt Service</b>							
	<b>The Series 2016 Bonds</b>		<b>The Series 2018 Bonds</b>				
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Principal</b>	<b>Total Interest</b>	<b>Total</b>
2023	\$ 1,140,000	\$ 888,087	\$ 1,510,000	\$ 1,796,431	\$ 5,549,000	\$ 5,751,039	\$ 11,300,040
2024	1,195,000	831,087	1,585,000	1,720,932	5,820,000	5,475,566	11,295,567
2025	1,255,000	771,337	1,660,000	1,641,681	6,071,000	5,224,373	11,295,373
2026	1,320,000	708,587	960,000	1,558,682	7,065,000	4,962,040	12,027,041
2027	1,385,000	642,587	1,010,000	1,510,681	7,359,000	4,628,508	11,987,508
2028	1,455,000	573,337	1,060,000	1,460,182	7,682,000	4,280,531	11,962,532
2029	1,525,000	500,587	1,115,000	1,407,181	7,974,000	3,943,795	11,917,795
2030	1,565,000	466,275	1,170,000	1,351,431	8,255,000	3,631,480	11,886,480
2031	1,605,000	419,325	1,225,000	1,292,931	7,931,000	3,295,383	11,226,383
2032	1,645,000	379,200	1,275,000	1,243,931	8,206,000	2,996,661	11,202,661
2033	1,695,000	329,850	1,325,000	1,192,931	8,000,000	2,678,486	10,678,486
2034	1,750,000	279,000	1,380,000	1,139,931	8,295,000	2,352,726	10,647,726
2035	1,805,000	226,500	1,435,000	1,084,731	4,745,000	2,014,571	6,759,571
2036	1,860,000	172,350	1,490,000	1,027,331	4,925,000	1,798,424	6,723,424
2037	1,915,000	116,550	1,545,000	975,181	5,105,000	1,581,011	6,686,011
2038	1,970,000	59,100	1,600,000	921,106	5,290,000	1,355,158	6,645,158
2039			1,655,000	865,106	3,450,000	1,120,518	4,570,518
2040			1,715,000	805,113	3,595,000	935,773	4,530,773
2041			1,775,000	742,944	1,775,000	742,944	2,517,944
2042			1,840,000	678,600	1,840,000	678,600	2,518,600
2043			1,915,000	605,000	1,915,000	605,000	2,520,000
2044			1,990,000	528,400	1,990,000	528,400	2,518,400
2045			2,070,000	448,800	2,070,000	448,800	2,518,800
2046			2,155,000	366,000	2,155,000	366,000	2,521,000
2047			2,240,000	279,800	2,240,000	279,800	2,519,800
2048			2,330,000	190,200	2,330,000	190,200	2,520,200
2049			2,425,000	97,000	2,425,000	97,000	2,522,000
<b>Total</b>	<b>\$25,085,000</b>	<b>\$7,363,759</b>	<b>\$43,455,000</b>	<b>\$26,932,237</b>	<b>\$ 134,057,000</b>	<b>\$ 61,962,787</b>	<b>\$196,019,791</b>

STATISTICS

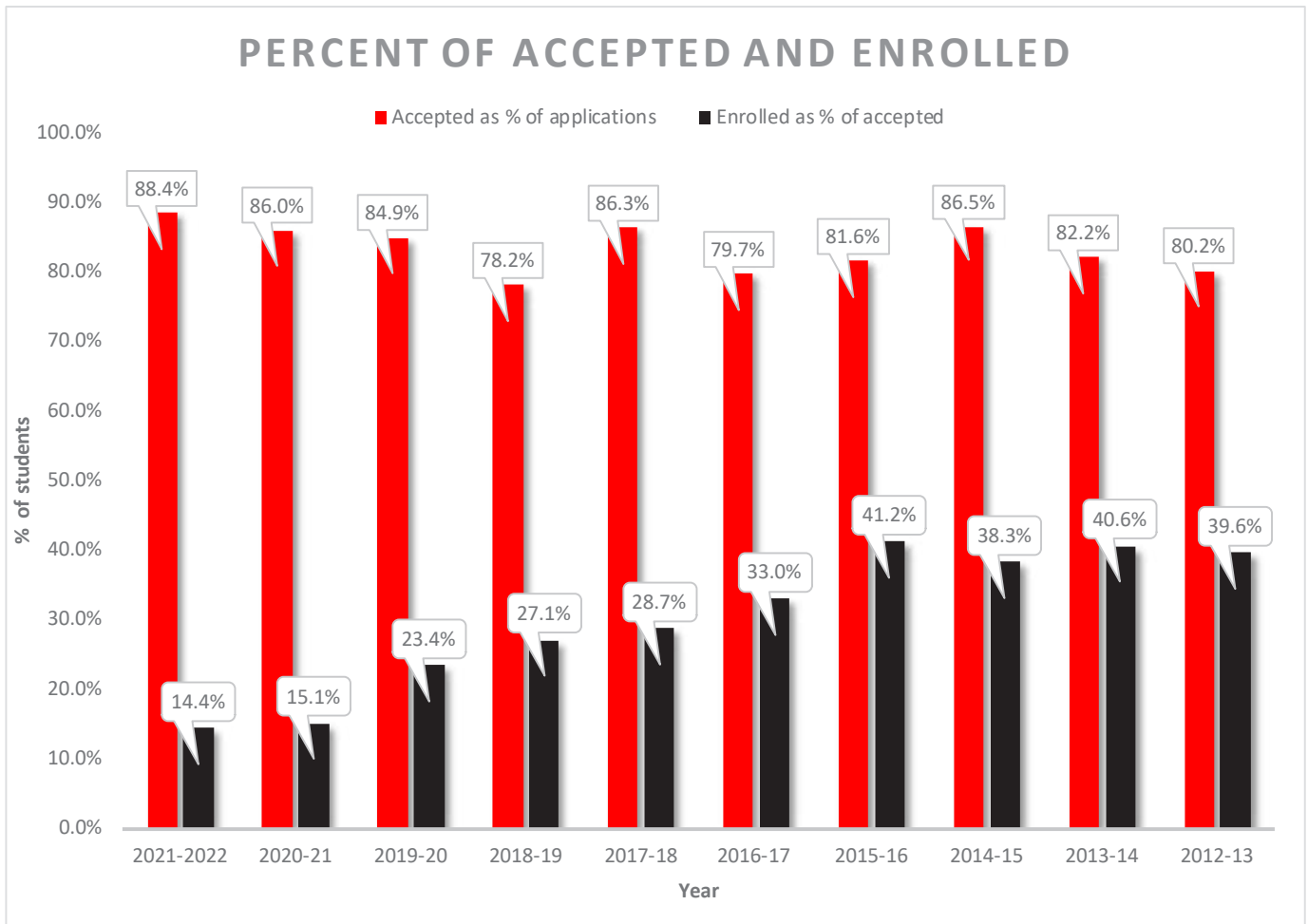


## ADMISSIONS AND ENROLLMENT

(IPEDS ADMISSIONS)

Admissions - Freshman	2021-2022	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Applications	10767	13263	11,017	10,148	8,597	7,255	4,934	4,120	4,507	4,528
Accepted	9523	11405	9,356	7,932	7,423	5,783	4,027	3,562	3,703	3,630
Enrolled	1371	1723	2,193	2,148	2,133	1,911	1,661	1,363	1,502	1,438
Accepted as % of applications	88.4%	86.0%	84.9%	78.2%	86.3%	79.7%	81.6%	86.5%	82.2%	80.2%
Enrolled as % of accepted	14.4%	15.1%	23.4%	27.1%	28.7%	33.0%	41.2%	38.3%	40.6%	39.6%

Source: Central Washington University Office of Institutional Effectiveness

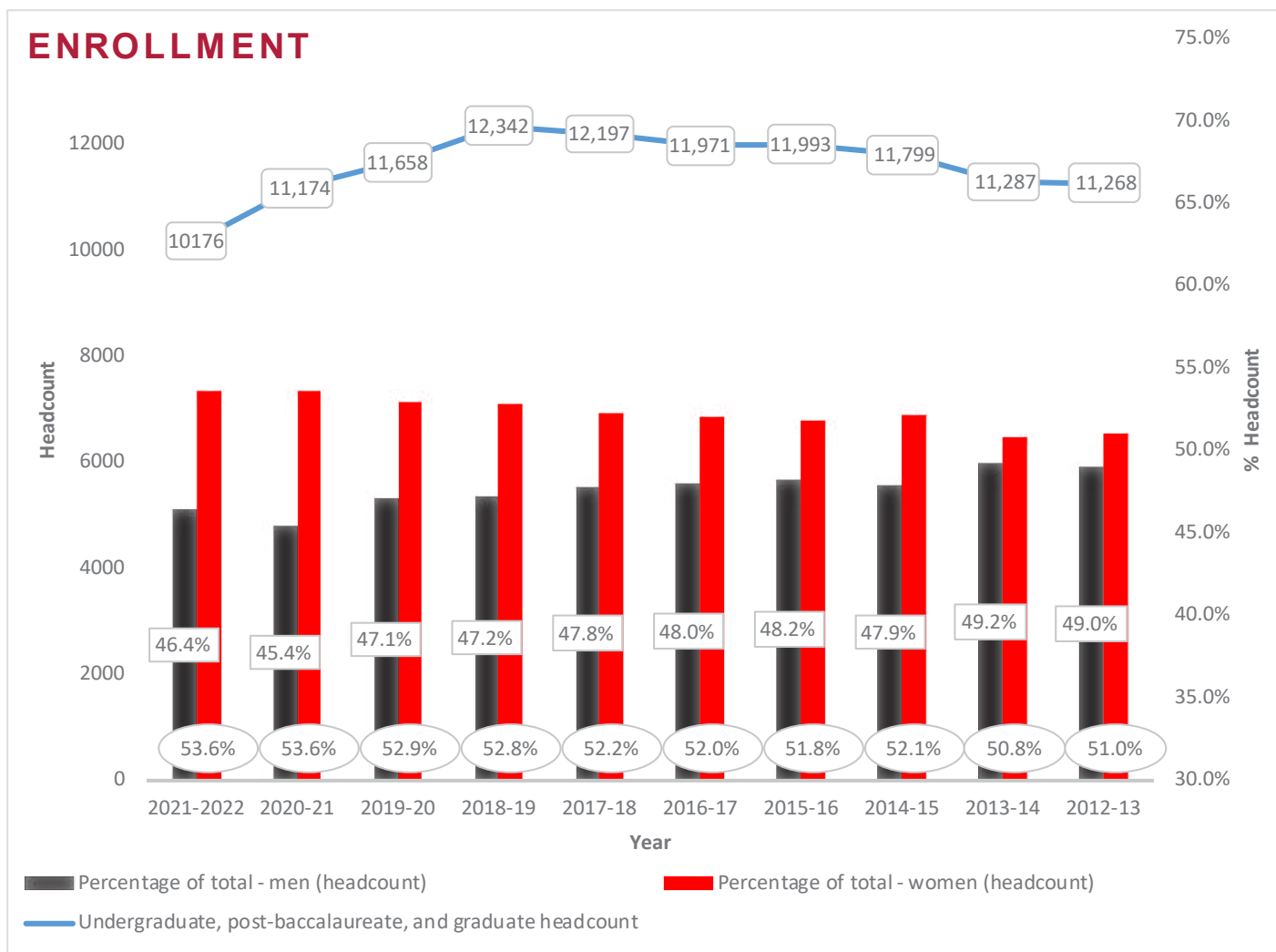


## ENROLLMENT

(IPEDS FALL ENROLLMENT)

Enrollment	2021-2022	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Undergraduate, post-baccalaureate, and graduate headcount	10176	11,174	11,658	12,342	12,197	11,971	11,993	11,799	11,287	11,268
Men (headcount)	4724	5076	5,489	5,828	5,828	5,746	5,786	5,652	5,552	5,520
Percentage of total - men (headcount)	46.4%	45.4%	47.1%	47.2%	47.8%	48.0%	48.2%	47.9%	49.2%	49.0%
Women (headcount)	5452	5989	6,169	6,514	6,369	6,225	6,207	6,147	5,735	5,748
Percentage of total - w omen (headcount)	53.6%	53.6%	52.9%	52.8%	52.2%	52.0%	51.8%	52.1%	50.8%	51.0%

Source: Central Washington University Office of Institutional Effectiveness



Left axis applies to Line, Right axis applies to Bars

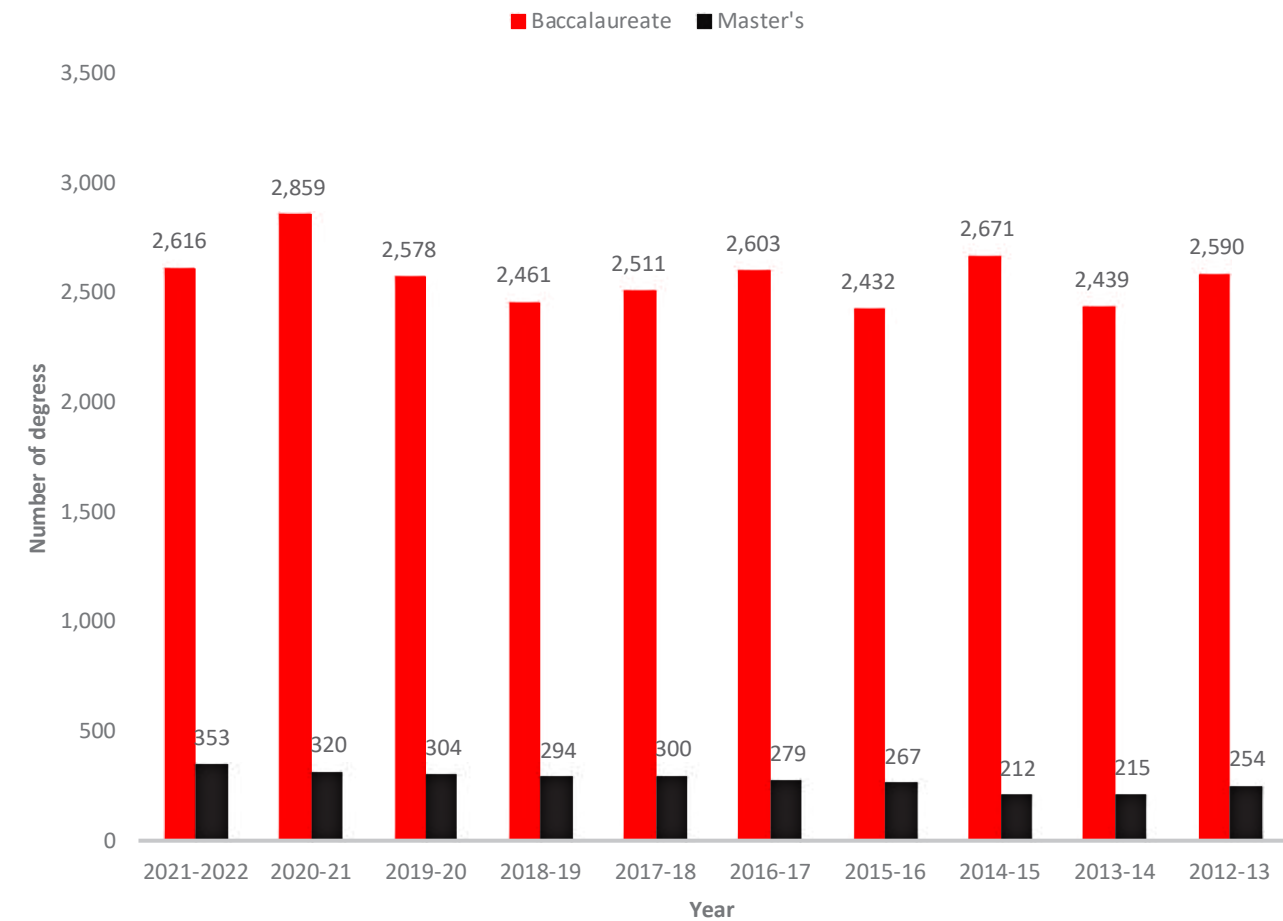
## DEGREES EARNED

(1ST MAJOR)

Degrees Earned	2021-2022	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Baccalaureate	2,616	2,859	2,578	2,461	2,511	2,603	2,432	2,671	2,439	2,590
Master's	353	320	304	294	300	279	267	212	215	254
Total earned	2,969	3,179	2,882	2,755	2,811	2,882	2,699	2,883	2,654	2,844

Source: Central Washington University Office of Institutional Effectiveness

## DEGREES EARNED



## FACULTY AND STAFF

Fall employment - FTE	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Faculty	591	649	526	628	626	633	637	622	609	598
Administrative professional	382	423	413	408	344	329	303	282	247	219
Classified staff	536	582	604	587	581	588	582	581	591	598
Total FTE	1509	1654	1543	1623	1551	1550	1522	1485	1447	1415

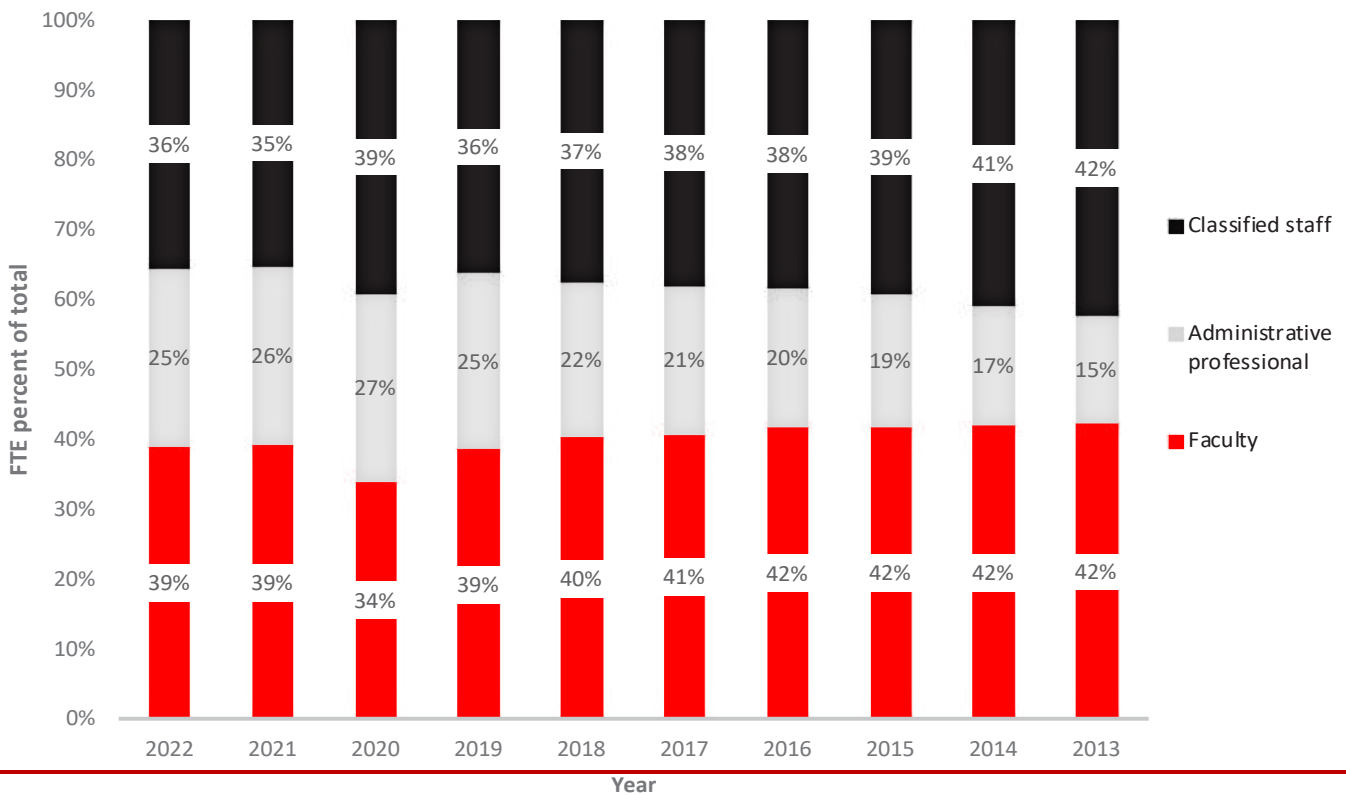
Fall employment - Headcount	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Faculty	732	731	688	768	703	721	724	730	696	695
Administrative professional	384	428	417	412	346	332	303	288	252	224
Classified staff	544	596	617	598	596	602	597	602	616	623
Total Headcount	1660	1755	1722	1778	1645	1655	1624	1620	1564	1542

FTE - percent of total	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Faculty	39%	39%	34%	39%	40%	41%	42%	42%	42%	42%
Administrative professional	25%	26%	27%	25%	22%	21%	20%	19%	17%	15%
Classified staff	36%	35%	39%	36%	37%	38%	38%	39%	41%	42%

Headcount - percent of total	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Faculty	44%	42%	40%	43%	43%	44%	45%	45%	45%	45%
Administrative professional	23%	24%	24%	23%	21%	20%	19%	18%	16%	15%
Classified staff	33%	34%	36%	34%	36%	36%	37%	37%	39%	40%

Source: Central Washington University Office of Institutional Effectiveness

## FACULTY AND STAFF - FTE FALL DATA







# ANNUAL FINANCIAL REPORT 2022

MANAGING DIRECTOR  
STARBUCKS  
TOMORROW'S SUCCESS  
BEGINS TODAY

Disability  
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# CWU

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