



FINANCE AND BUSINESS AUXILIARIES

Annual System Financial Report

For Fiscal Year 2025.





Annual System Financial Report

Fiscal Year Ended June 30, 2025



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EXECUTIVE OFFICERS (AT JUNE 30, 2025)

Jim Wohlpart, President

Patrick Pease, Provost and Executive Vice President of Academic Affairs

Joel Klucking, Senior Vice President of Finance and Administration

Verónica Gómez-Vilchis, Vice President of Student Engagement and Success

Paul Elstone, Vice President of University Advancement

Ginny Tomlinson, Vice Provost of Institutional Transformation and Associate Vice President of Information Services

Tishra Beeson, Dean of Undergraduate Studies Rodrigo

Renteria-Valencia, Dean of Graduate Education, Research, and Strategic Initiatives

Ruben Cardenas, Associate Vice President of Student Development and Belonging

Hung Dang, Associate Vice President of Enrollment Management

Elvin Delgado, Associate Vice President of Faculty Success

Dania Cochran, Chief of Staff

Kim Dawson, Executive Assistant to the President

BOARD OF TRUSTEES (AT JUNE 30, 2025)

Erin Black, Chair

Jeffery Hensler, Vice Chair

Ray Conner, Trustee

Robert Nellams, Trustee

Jeffrey Charbonneau, Trustee

Gladys Gillis, Trustee

Zabrina Jenkins, Trustee

Eli Alvarado, Student Trustee



Management Discussion and Analysis

The "System" is composed of the housing and dining fund, services and activities fee fund, student union building fee fund, recreation center fee fund, bookstore fund, and the parking fund of the University. The System was established in 2004 as a segment of the University with the intent of formalizing a grouping of similar entities for the purpose of generating revenue to repay bonded debt. By organizing in this fashion, the System is intended to support the pledge of revenue to the special revenue bonds issued.

The management discussion and analysis (MD&A) provides an overview of the financial position and activities of the System for the fiscal year end June 30, 2025. The MD&A focuses on the current year's activities, and the resulting changes and facts to assist readers in understanding the accompanying financial statements. The MD&A should be read in conjunction with the accompanying financial statements and notes to the financial statements. The financial statements, notes, and this discussion and analysis are the responsibility of CWU management.

Activities from the System's component units are included in the accompanying financial statements.

System Highlights

- Housing & Dining Services launched new meal plans and room-type offerings that increased non-traditional participation, as well as catered to the growing need of affordability amongst Central Washington University students.
- Dining daily transactions and average check continued to increase year-over-year.

The System's overall financial condition continues to be sound, with total assets and deferred outflows of \$206.9 million and total liabilities and deferred inflows of \$140.9 million. The System's net position totals \$66.0 million.

Compared to 2024, total assets and deferred outflows decreased by \$5.6 million, while total liabilities and deferred inflows decreased by \$9.1 million. Net position has increased by \$3.5 million.

Total operating revenues increased by 3.1 percent or \$1.9 million. This is primarily a result of increased participation in service offerings and a rate increase approved by the Board of Trustees.

Total operating expenses decreased by 0.7 percent, or \$404 thousand. This is primarily due to cost-saving efforts surrounding payroll and cost of goods sold.

USING THE ANNUAL REPORT

This annual report consists of a series of financial statements: The *Statement of Net Position*, the *Statement of Revenues, Expenses, and Changes in Net Position*, and the *Statement of Cash Flows*. These basic statements provide information on the System as a whole and present a view of the System's finances.

Other non-financial factors, such as the condition of the working assets (physical infrastructure), changes in student enrollment, and on-campus occupancy need to be considered in order to assess the overall health of the System.

STATEMENT OF NET POSITION

The Statement of Net Position presents the financial position of the System, at one point in time, and includes all assets and deferred outflows, and liabilities and deferred inflows of the System. Net position is the difference between assets and deferred outflows and liabilities and deferred inflows and is one way to measure the System's financial health, or financial position.

Assets and liabilities are classified as either current or non-current. Current assets are those resources that are convertible to cash within one year and are available to satisfy current liabilities. Current assets include cash and cash equivalents, short-term investments, accounts receivable, and inventory. Non-current assets are mainly long-term investments and property, equipment, and intangibles. Current liabilities are those obligations of the System that are due within one year of the statement date. Non-current liabilities are comprised of long-term debt and other obligations of the System.

Deferred outflows of resources are a consumption of net assets by the state that is applicable to a future reporting period. Deferred inflows of resources are transactions that result in the acquisition of net assets in one period that are applicable to future periods.

Net position is reported in three categories: net investment in capital assets; restricted net position (both non-expendable and expendable); and unrestricted net position. Net investment in capital assets consists of capital assets less the balance of the outstanding debt incurred during the construction or improvement of those assets. Restricted net position is limited in use due to the constraints put in place by the donors or by law. Unrestricted net position includes assets that do not qualify as either invested in capital assets, net of related debt, or restricted net position. However, the University may have imposed restrictions on the use of some assets within this category, for example, reserving certain funds for bond payments, to support the emergency reserve fund designated by the Board of Trustees, or funds accumulated to complete capital renovation and construction.

The unrestricted net position balances shown are not only cash balances, but consist of investments, accounts receivable, inventories, and other non-liquid assets. The unrestricted net position balance fluctuates over time and should indicate the ability of the System to withstand external stressors. Decreases are not necessarily an indicator of trouble in the System; they may occur due to planned expenditures of funds set aside for a specific purpose, for example, to replace or renovate buildings or infrastructure. This type of decrease may be advantageous to the System and could indicate opportunities for the future.

The following table shows the Condensed Statement of Net Position at June 30, 2025 and June 30, 2024:

CONDENSED STATEMENT OF NET POSITION - JUNE 30, 2025 AND JUNE 30, 2024
(IN THOUSANDS)

	<u>2025</u>	<u>2024</u>	<u>2025-2024 Dollar Change</u>	<u>Percent Change</u>
Current assets	\$23,503	\$22,963	\$539	2.35%
Capital assets, net	166,850	173,574	(6,725)	-3.87%
Other non-current assets	10,385	10,171	(214)	2.10%
Total assets	200,737	206,708	(5,972)	-2.89%
Deferred outflows	6,173	5,800	(373)	6.43%
Total assets and deferred outflows	206,911	212,509	(5,599)	-2.63%
Current liabilities	12,539	12,800	(261)	-2.04%
Non-current liabilities	122,464	130,460	(128)	-2.25%
Total liabilities	135,003	143,260	(8,257)	-5.76%
Deferred inflows	5,901	6,732	(831)	-12.35%
Total liabilities and deferred inflows	140,904	149,992	(9,089)	-6.06%
Net investment in capital assets	54,338	52,415	1,923	3.67%
Restricted	3,113	3,012	101	3.36%
Unrestricted	8,556	7,090	(1,466)	20.67%
Total net position	\$66,007	\$62,517	3,490	5.58%

Total assets and deferred outflows decreased by \$5.6 million at the end of fiscal 2025. Capital assets, net decreased by \$6.7 million for net additions to property and equipment, less depreciation expense. Other Non-Current assets decreased by \$214 thousand.

Current assets increased by \$539 thousand from the preceding year, mainly attributed to the increase in housing and dining revenues.

CAPITAL ASSET AND LONG-TERM LIABILITIES HIGHLIGHTS

On June 30, 2025, the System had \$174.2 million invested in net capital assets, as reflected in the following table. This represents a net decrease of \$5.2 million or 2.9 percent during the fiscal year, primarily due to accumulated depreciation.

CAPITAL ASSETS (IN THOUSANDS)

	2025	2024
Land	\$1,804	\$1,804
Equipment	6,773	6,774
Improvements and infrastructure	25,227	25,227
Buildings	238,614	238,614
Construction in progress	5,462	3,975
Art	40	40
Total	277,920	276,434
Total accumulated depreciation and amortization	(103,764)	(97,040)
Capital assets, net	\$174,157	\$179,394

Depreciable capital assets, net of depreciation, increased during fiscal year 2025 by \$1.5 million (See Note 4). Construction in progress for projects underway totaled \$5.5 million at June 30, 2025. This increased by \$1.5 million in fiscal year 2025 due to apartment complex remodels and code updates. The total depreciation expense was \$6.7 million for the year ended June 30, 2025.



The Deferred Outflows balance has three components:

- 1) Deferred Pensions (contributions)** represents the payments made by the System on behalf of employees, subsequent to the measurement date of June 30, 2025.
- 2) Deferred OPEB Contribution**, represents payments that the State of Washington may be required to pay in the future, based on actuarial estimates. This amount will be amortized and recognized as an OPEB expense in subsequent years.
- 3) Deferred Gain or Loss on Refunding Outflows** represents costs associated with previous debt issuances. This component of the Deferred Outflows balance was amortized and decreased by \$197 thousand on June 30, 2025 and will continue to be amortized on a straight-line basis through the term of the replacement bonds of 2017. (See Notes 9,10 and 11).

In total, liabilities decreased during fiscal year 2025, from \$143.3 million at the end of 2024 to a total of \$135.0 million at the end of 2025. The majority of this decrease was in relation to the \$6.9 million in principal payments on bonds for the System (See Note 6).

NON-CURRENT OBLIGATIONS (IN THOUSANDS)

	2025	2024
Accrued leave liabilities	\$ 146	\$ 203
Net bond premium/discount, net of amortization	4,913	5,480
Bonds Payable, net of current portion	109,522	115,926
Pension Liability	2,319	3,159
OPEB Liability	5,563	5,692
Total non-current liabilities	122,463	130,460
Unrestricted net position	\$8,556	\$7,090

Total net position increased by \$1.5 million during fiscal 2025. The total change in net position is equal to the year’s operating activity less the effects of the costs of cash funded capital improvements and the financing activities, specifically the debt service payments. The System experienced an annual operating profit of \$8.7 million, with debt-service of \$5.7 million. The increase in net position is primarily the result of this operating profit after debt-service.



STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position provides information about the System's activities during the year by reporting all the revenues and expenses for the year. When revenues and other support exceed expenses, the result is an increase in net position. When the reverse occurs, the result is a decrease in net position. The relationship between revenues and expenses may be thought of as the System's operating results.

Revenues and expenses are categorized as either operating or non-operating. Operating revenues are revenues earned by the System in exchange for its goods and services. These revenues include tuition and fees, grants and contracts, sales and services of educational departments and auxiliary enterprise revenues. Operating expenses are those incurred during the normal operations of the System and include: salaries and wages, operating expenses, depreciation and cost of sales and services. Non-operating revenues and expenses are those derived from non-exchange transactions. Examples include: interest paid on capital debt, insurance proceeds, investment income, interest rebates, and gains or losses on capital assets.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (IN THOUSANDS)

	2025	2024
Operating revenues	\$62,416	\$60,566
Operating expenses	53,732	54,136
Operating income (loss)	8,684	6,430
Total non-operating revenues net of expenses	(5,194)	(5,680)
Increase (Decrease) in net position	\$3,490	\$750

The majority of the \$5.2 million in non-operating revenues, net of expenses is related to interest on capital debt partially offset by a \$538 thousand credit received from the Build America Bonds program (BABS).



REVENUES

Operating revenues from the system increased 3.1 percent from fiscal 2024. The following table shows revenues by source for the fiscal years ended June 30, 2025 and June 30, 2024:

OPERATING REVENUES (IN THOUSANDS)

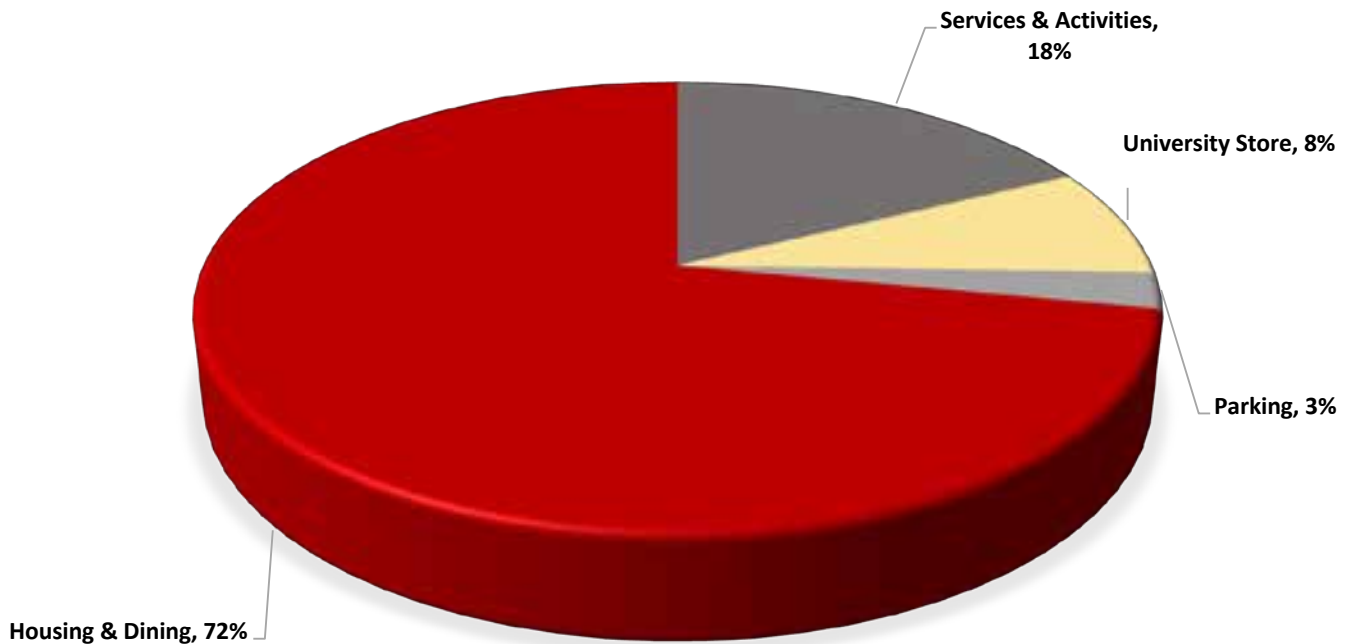
	2025	2024	2025-24 Dollar Change	Percent Change
Services and activities	\$11,033	\$11,487	\$(454)	-4.0%
University store	4,868	5,337	(468)	-8.8%
Parking	1,618	1,574	44	2.8%
Housing and dining	44,897	42,170	2,727	6.5%
Total operating revenues	\$62,416	\$60,568	1,849	3.1%

The Services and Activities operating revenue decreased 4.0 percent which was primarily due to a reduction of fee participation

University Store operating revenue decreased by 8.8 percent caused by challenges in the industry and less demand for textbooks.

Due to occupancy and rate increases from fiscal year 2024, revenue increased 6.5 percent for Housing and Dining. Additionally, the Housing and Dining rate increase from fiscal year 2024 to 2025 was 5.0 percent for Residence Halls and the Dining rate increase was 3.0 percent, these combined are an approximate aggregate increase of 4.0 percent, contributing to the revenue increase.

REVENUES FY 2025



No major changes in these percentages have occurred from the previous fiscal year; Housing and Dining Services continues to generate the largest portion of operating revenue.

EXPENSES

Expenses from auxiliary enterprises such as housing, bookstore, and dining services decreased 7.1 percent from fiscal 2024. The following table shows expenses by natural classification for the fiscal years ended June 30, 2025 and June 30, 2024:

EXPENSES (IN THOUSANDS)

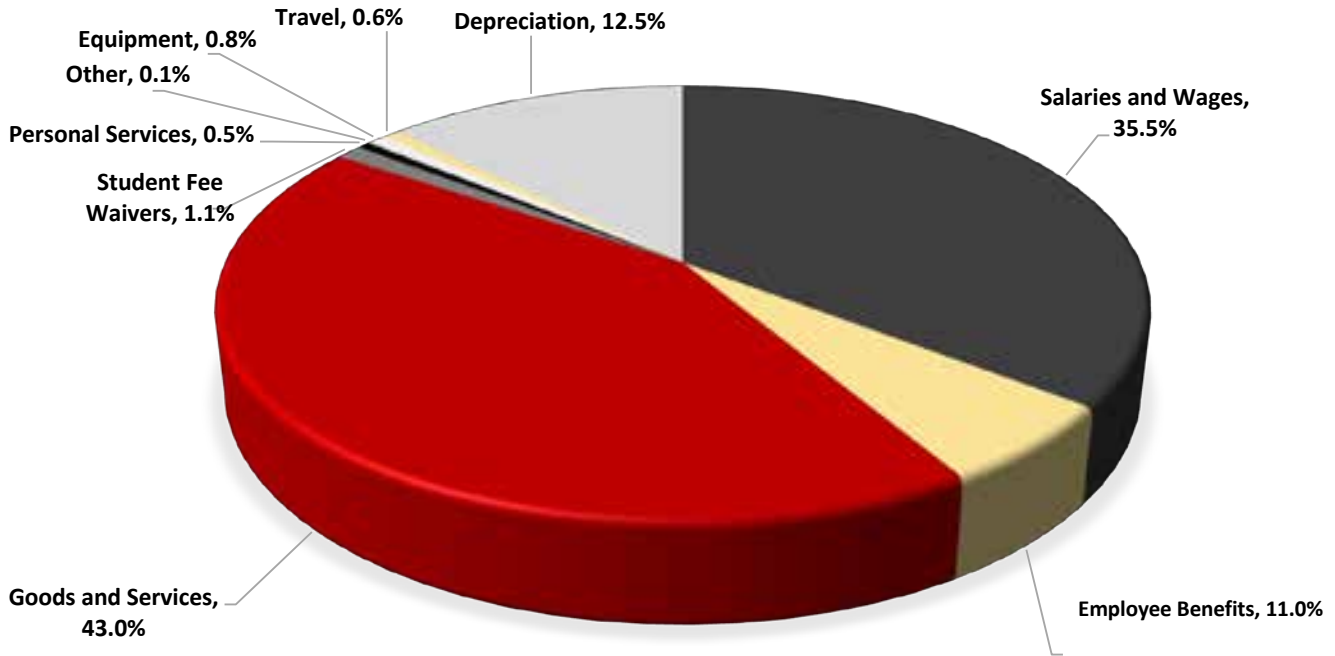
	2025	2024	2025-24 Dollar Change	Percent Change
Salaries and Wages	\$19,071	\$19,021	\$50	0.3%
Employee Benefits	3,188	3,162	26	0.8%
Goods and Services	23,097	22,894	203	0.9%
Student Fee Waivers	580	771	(191)	-24.8%
Personal Services	278	199	79	39.7%
Other	38	94	(56)	-59.6%
Equipment	416	927	(511)	-55.1%
Travel	321	266	55	20.7%
Depreciation	6,742	6,800	(58)	-0.9%
Total	\$53,732	\$54,134	(\$402)	-0.7%

Salaries and wages for the System increased by 0.3 percent in fiscal 2025, mainly because of cost-of-living adjustments. Benefits increased by 0.8 percent, which is primarily due to market and actuarial changes related to the GASB 68 pension assets.

Student fee waivers decreased by 24.8 percent in fiscal 2025 as Housing & Dining continued to limit the waiver program. The total increase in operating expenses of \$402 thousand is primarily associated with the impacts of GASB 68. Depreciation decreased by \$58 thousand since no major projects entered into operational use. There is no cash cost associated with depreciation; the expense is required to conform to GAAP.

The following chart depicts the uses of operating funds according to natural classification for fiscal 2025:

EXPENSES FY 2025



The allocation of operating expenses among the natural classification categories has not changed significantly from fiscal 2024.

RATIO ANALYSIS OF KEY MD&A FIGURES

Ratio	Formula	FY 2025 Value	Interpretation
Current Ratio	Current assets to current liabilities	1.87	a quick, high-level indicator of an organization's short-term liquidity
Primary reserve ratio	Expendable net assets to operating expenses	0.16	financial resilience and long-term sustainability
Viability ratio	Unrestricted net position to non-current liabilities	6.99%	measures the ability to retire non-current liabilities using available current resources
Net operating income margin	Increase in net position to total revenue	5.60%	Core operations surplus generated after covering operating costs

LOOKING AHEAD

The economic outlook for The System is dependent on student enrollment and participation in services provided. Over the course of the next fiscal year, the System is implementing a strategic plan to guarantee operational longevity. A few of these initiatives include:

- **Strategic diversification** — e.g., expanded conferencing, customized services, or partnerships — can help stabilize and grow auxiliary revenue.
- **Data-driven** pricing, dynamic occupancy planning, and marketing to off-campus students can improve performance.
- **Auxiliary operations** that align with student preferences (flexible dining plans, amenity upgrades) may capture more spend per student.

FINANCIAL CONTACT

The System's financial statements are designed to present users with a general overview of the System's finances and to demonstrate accountability. If you have questions about the report or need additional financial information, contact CWU Accounting, 400 E. University Way, Ellensburg, WA 98926, 509-963-2956.



Annual System Financial Statements

CENTRAL WASHINGTON UNIVERSITY - SYSTEM
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

	2025
Assets	
Current assets	
Cash and cash equivalents	\$16,418,366
Accounts receivable, net	6,101,804
Inventories	982,573
Total current assets	23,502,743
Non-current assets	
Investments	1,322,498
Capital Assets, non-depreciable	7,306,724
Capital assets, net of depreciation	166,849,877
Pension assets, net	1,755,544
Total non-current assets	177,234,642
Deferred outflows	
Deferred pensions	3,335,712
Deferred OPEB contribution	749,796
Deferred gain or loss on refunding	2,087,805
Total deferred outflows	6,173,313
Total assets and deferred outflows	206,910,698
Liabilities	
Current liabilities	
Accounts payable	2,454,980
Accrued liabilities	1,630,595
Deposits payable	724,385
Unearned revenues	103,640
Net Pension liability, current portion	3,805
Total OPEB liability, current portion	150,511
Current portion bond payable and premium	7,471,453
Total current liabilities	12,539,369
Non-current liabilities	
Construction accounts payable	
Accrued leave liabilities	146,217
Bonds payable, non-current net of premium/discount	114,434,809
Net Pension liability	2,319,306
Total OPEB liability	5,563,419
Total non-current liabilities	122,463,751
Total liabilities	135,003,120
Deferred Inflows of Resources	
Deferred Inflows related to pensions	871,155
Deferred Inflows related to OPEB	5,029,515
Total Deferred Inflows	5,900,670
Total liabilities and deferred inflows	140,903,790
Net position	
Net investment in capital assets	54,338,144
Restricted	3,112,763
Unrestricted	8,556,002
Total net position	\$66,006,908

See Accompanying Notes to the Financial Statements

Annual System Financial Statements

CENTRAL WASHINGTON UNIVERSITY - SYSTEM
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2025

	2025
Operating revenues	
Services & Activities	\$11,033,191
University store	4,868,167
Parking	1,617,838
Housing and dining	44,896,774
Total operating revenue	62,415,970
Operating expenses	
Services and activities	8,356,823
University store	4,691,879
Parking	1,513,867
Housing and dining	32,427,361
Depreciation	6,742,072
Total operating expenses	53,732,002
Operating income (loss)	8,683,967
Non-operating revenues (expenses)	
Interest on indebtedness	(5,731,855)
Non-operation income net of expenses	537,791
Net non-operating revenues (expenses)	(5,194,065)
Increase (decrease) in net assets	3,489,903
Net position, beginning of year	62,517,006
Net position, end of year	\$66,006,908



Annual System Financial Statements

CENTRAL WASHINGTON UNIVERSITY - SYSTEM STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025

	<u>2025</u>
Cash flows from operating activities	
Auxiliary enterprise charges and student fees	\$62,353,025
Payments to vendors	(28,178,258)
Payments to employees for salaries and benefits	(19,086,300)
Net cash provided by operating activities	<u>15,088,467</u>
Cash flows from non-capital financing activities	<u>-</u>
Cash flows from investing activities	
Purchases of Investments	788,042
Investment income	-
Other investment activity	-
Net cash provided by investing activities	<u>788,042</u>
Cash flows from capital and related financing activities	
Purchases of capital assets	(1,504,496)
Proceeds from sale of capital debt	-
Principal paid on capital debt	(6,761,000)
Interest paid on capital debt	(6,131,657)
Other capital activities	537,791
Net cash provided by capital and related financing activities	<u>(13,859,362)</u>
Net increase in cash and cash equivalents	2,017,146
Cash and cash equivalents, beginning of year	<u>14,401,219</u>
Cash and cash equivalents, end of year	<u>\$16,418,366</u>

RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

Operating income	<u>\$8,683,967</u>
Adjustments to reconcile operating profit to net cash provided by operating activities	-
Depreciation expense	6,742,072
Loss On Disposal of Asset	-
Changes in assets and liabilities	
Accounts receivable	1,363,379
Inventories	114,402
Accounts payable	1,506,944
Other liabilities	-
Accrued expenses	41,263
Deferred revenue	(488,020)
Deposits payable	(938,304)
Current non-cash pension & OPEB expense	(1,880,382)
Other Current Liabilities	-
Construction accounts payable	-
Accrued liabilities	(56,855)
Net cash provided by operating activities	<u>\$15,088,467</u>

See Accompanying Notes to the Financial Statements

NOTES TO FINANCIAL STATEMENTS

CENTRAL WASHINGTON UNIVERSITY (SYSTEM) - JUNE 30, 2025

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Central Washington University System (the "System") consists of various auxiliary funds of the University, including the Housing and Dining Fund, the Services and Activities Fee Fund, the Bookstore Fund, and the Parking Fund. The following summarizes the significant accounting policies adopted by the System for the fiscal year ended June 30, 2025.

Financial Statement Presentation

The System's financial statements have been prepared in accordance with the Governmental Accounting Standards Board (GASB) Statements No. 34 and No. 35, which provide guidelines for the presentation of basic financial statements for public colleges and universities. The financial statements include:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows
- Notes to the Financial Statements

Where applicable, comparative data for the fiscal year ending June 30, 2024, is presented.

Basis of Accounting

The System's financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recognized when incurred, regardless of when cash transactions occur.

The System follows accounting standards issued prior to December 1, 1989, by the private sector, to the extent those standards do not conflict with GASB guidance. The System may also adopt subsequent private-sector standards for business-type activities, subject to the same limitation.

Cash Equivalents

For purposes of the Statement of Cash Flows, the System classifies all highly liquid investments with an original maturity of three months or less as cash equivalents.

Investments

Investments are recorded at fair value, in accordance with relevant GASB standards. The changes in fair value, including unrealized gains and losses, are included in investment income in the Statement of Revenues, Expenses, and Changes in Net Position.

Accounts Receivable

Accounts receivable primarily represent amounts due from students for housing, dining, and other services. The receivables are reported net of an allowance for uncollectible amounts, which is estimated based on a fixed percentage of outstanding balances.



Inventories

Inventories, consisting primarily of merchandise and consumables used to provide services to students, are valued at cost using either the retail method or the average cost method. The System consistently applies these cost methods in accordance with prior years.

Non-current Cash and Investments

Cash and investments that are externally restricted for purposes such as debt service, maintaining reserve funds, or financing the construction of capital assets, are classified as non-current assets in the Statement of Net Position.

Fair Value of Investments

Financial instruments are recorded at fair value, as defined by GASB standards. The fair value hierarchy prioritizes the inputs used in valuation:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs other than Level 1, such as quoted prices for similar assets or liabilities.
- Level 3: Unobservable inputs that are significant to the fair value measurement.

Level 1 investments include exchange-traded mutual funds, stocks, and government securities. When market prices are unavailable, Level 2 models are used, and in rare cases where observable data is absent, Level 3 is used. The System's investments in Level 1 and Level 2 assets are measured using quoted market prices or pricing models.

Capital Assets

Capital assets are recorded at historical cost or estimated fair market value in the case of donations, net of accumulated depreciation. The System capitalizes all assets with a unit cost of \$10,000 or more and an estimated useful life greater than one year. Major renovations that significantly extend the useful life of an asset are capitalized, while routine repairs are expensed.

Depreciation

Depreciation of capital assets is calculated using the straight-line method over the following estimated useful lives:

- Buildings: 15–50 years
- Infrastructure and Land Improvements: 20–50 years
- Equipment: 5–7 years
- Library Books: 15 years
- Intangible Assets: 3–15 years

Assets considered inexhaustible, such as the University's art collections and library reserves, are not depreciated.

Deferred Outflows and Inflows of Resources

Deferred Outflows: Represent the consumption of net assets applicable to future periods.

Deferred Inflows: Represent the acquisition of net assets that apply to future periods.

Unearned Revenues

Unearned revenues include amounts received for services (e.g., rent, fees) that relate to the period after June 30, 2023. These are recorded as liabilities until the revenue is earned.

Compensated Absences

Employee leave benefits, including vacation, compensatory time, and sick leave, are accrued as liabilities at the end of the fiscal year. These liabilities are reported in the Statement of Net Position and recognized as a component of operating expenses in the Statement of Revenues, Expenses, and Changes in Net Position.

Non-current Liabilities

Non-current liabilities include obligations with maturities beyond one year, such as:

- Long-term debt (e.g., revenue bonds, notes payable, capital leases)
- Accrued compensated absences that are not expected to be paid within the next fiscal year

Net Position

Net position is classified into three categories:

- Net Investment in Capital Assets: Represents the total investment in capital assets, net of related outstanding debt.
- Restricted – Expendable: Consists of resources that are subject to external restrictions for specific purposes, such as capital projects or debt service.
- Unrestricted: Includes resources derived from student fees, sales, and auxiliary services, which are available for general operations.

For pension-related assets and liabilities, if a pension plan has net liabilities, the net position is reduced in the Unrestricted Net Assets category. Conversely, plans with net assets result in an increase to Restricted Net Assets.

Income Taxes

As a public university entity, the System is exempt from federal income taxes under IRC Section 115(a).

Revenue Classification

The System classifies its revenues into two categories:

- Operating Revenues: These include revenues from exchange transactions, such as student housing and dining charges, parking fees, retail sales, and student activities fees.
- Non-operating Revenues: These include non-exchange transactions such as investment income, federal subsidies like Build America Bond (BABs) credits, and funds received under the CARES Act

New Accounting Standard

GASB 101 - "Compensated Absences". This Statement updates the recognition and measurement guidance for compensated absences. It requires that liabilities for all compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means.



NOTE 2—CASH AND CASH EQUIVALENTS; OTHER DEPOSITS; AND INVESTMENTS

Cash and investments are managed under the guidance of the University investment policy CWU202-02. 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)
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 in the cash balances of the various funds and are cash equivalent to the funds. These amounts are reported in the Statement of Net Position (SNP) as part of cash and cash equivalents.

Cash and cash equivalents include:

- Local Government Investment Pool (LGIP)
- Bank Demand and Time Deposits
- Petty Cash.

Investments maturing in more than 6 months 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.

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:

At June 30, 2025, the carrying amount of the System’s cash and cash equivalents were as follows:

CASH AND CASH EQUIVALENTS; OTHER DEPOSITS; AND INVESTMENTS

	June 30, 2025
Cash and equivalents, operating	\$ 16,418,366
Investments (Level 1)	<u>1,322,498</u>
Total	<u><u>\$ 17,740,863</u></u>

Investments

As of June 30, 2025, the University had the following investments:

Level 1	June 30, 2025
Money Market*	11,333
Bonds*	1,311,165
Total	<u>\$ 1,322,498</u>

*The System 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.

The University is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at www.tre.wa.gov.

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

ACCOUNTS RECEIVABLE

	June 30, 2025
Services and activities	\$ 971,521
University store	2,031,331
Parking	395,035
Housing and dining	6,014,364
Subtotal	9,412,252
Allowance for doubtful accounts	(573,799)
Net accounts receivable	\$ 8,838,452

NOTE 4—CAPITAL ASSETS

Capital Assets

	Balance at June 30, 2024	Additions	Retirements	Balance at June 30, 2025
Non-Depreciable Capital Assets				
Land	\$1,804,735	-	-	\$1,804,735
Artwork	40,000	-	-	40,000
Construction in progress	3,974,876	1,487,113	-	5,461,989
Subtotal	5,819,611	1,487,113	-	7,306,724
Depreciable Capital Assets				
Buildings	238,613,645	-	-	238,613,645
Improvements and infrastructure	25,227,272	-	-	25,227,272
Equipment	6,773,589	17,383	18,472	8,772,500
Subtotal	270,614,506	17,383	18,472	270,613,417
Total Capital Assets	276,434,117	1,504,496	18,472	277,920,141
Less Accumulated Depreciation				
Buildings	81,645,216	5,268,114	-	86,913,330
Improvements and infrastructure	10,249,093	1,123,490	-	11,372,583
Equipment	5,145,631	350,468	18,472	5,477,627
Total Accumulated Depreciation	97,039,940	6,742,072	18,472	103,763,540
Capital Assets, Net of Depreciation	\$179,394,177	\$ (5,237,576)	\$0	\$174,156,601

NOTE 5—ACCRUED LEAVE LIABILITIES

At termination of employment, employees may receive cash payment for all accumulated vacation and compensatory time. Employees who retire get 25% 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. Starting this year with the implementation of GASB 101, we now record a liability for earned but unused holiday equivalent time, shared leave, and personal holidays as of the end of the fiscal year. The sick leave liability is recorded as an actuarial estimate of one-fourth the total balance on the payroll records. The accrued leave liability balance as of June 30, 2025, was \$807,097.

ACCRUED LEAVE LIABILITIES

	June 30, 2024 Balance	Net Change	June 30, 2025 Balance
Sick Leave	\$ 61,210	\$ (42,246)	\$ 18,964
Vacation Leave	749,454	(24,642)	724,812
Compensation Time	15,666	(4,670)	10,996
Personal Holiday Payable	-	52,324	52,324
Total	\$ 826,330	\$ (19,234)	\$ 807,097

NOTE 6 —REVENUE BONDS AND NOTES PAYABLE

The following schedule of bonds payable provides a listing of outstanding debt at the end of fiscal year 2025 by the CWU System.

REVENUE BONDS AND NOTES PAYABLE

	Balance at June 30, 2024	Additions	Retirements	Principal Payments	Balance at June 30, 2025
CWU System bonds					
CWU System bonds of 2010 Series B	\$ 23,770,000	\$ -	\$ -	\$ -	\$ 23,770,000
CWU System bonds of 2013	32,175,000	-	-	2,725,000	29,450,000
CWU System bonds of 2016	22,750,000	-	-	1,255,000	21,495,000
CWU System bonds of 2018	40,360,000	-	-	1,660,000	38,700,000
CWU System bonds of 2022	3,633,000	-	-	431,000	3,202,000
Total bonds Payable	\$122,688,000	-	-	\$6,071,000	\$116,617,000
Bond Premium	5,493,023	-	203,761	-	5,289,262
Total Bonds	\$128,181,023	-	-	\$6,071,000	\$121,906,262
Internal Loan	690,000	-	-	690,000	-
Total Bonds & Notes Payable	\$128,871,023	-	203,761	6,761,000	\$121,906,262

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 2024 was \$532,994. This amount is shown as non-operating revenue on the Statement of Revenue, Expenses and Changes in Net Position. Five years of the series was refinanced internally, beginning in Fiscal Year 2022. No external principal payments will be made until May 1st, 2026. Internal payments will be made from the system to The University. The final internal principal payment of \$690,000 was required and paid during Fiscal 2025.

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 \$2,725,000 was required and paid during Fiscal 2025. A principal payment of \$2,835,000 is scheduled for May 1, 2026.

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 \$1,255,000 was required and paid during Fiscal 2025. A principal payment of \$1,320,000 is scheduled for May 1, 2026.

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 \$1,660,000 was required and paid during Fiscal 2025. A principal payment of \$960,000 is scheduled for May 1, 2026.

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. A principal payment of \$431,000 was required and paid during Fiscal 2025. A principal payment of \$435,000 is scheduled for May 1, 2026.



Maturity Information

The scheduled maturities of the System revenue bonds are as follows:

DEBT SERVICE REQUIREMENTS SYSTEM REVENUE BONDS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$7,065,000	\$4,962,041	\$12,027,041
2027	7,359,000	4,628,508	11,987,508
2028	7,682,000	4,280,531	11,962,531
2029	7,974,000	3,943,795	11,917,795
2030	8,255,000	3,631,480	11,886,480
2031-35	37,177,000	13,337,827	50,514,827
2036-40	22,365,000	6,790,885	29,155,885
2041-45	9,590,000	3,003,744	12,593,744
2046-49	9,150,000	933,000	10,083,000
Total	\$116,617,000	\$45,511,811	\$162,128,811

**Amounts do not reflect federal subsidies to be received for Build America Bonds Interest or internal loan*



NOTE 7 – RETIREMENT PLANS

As employees of CWU, System permanent staff are eligible to participate in the Central Washington University Retirement Plan (CWURP), the Public Employees Retirement System (PERS) or The Law Enforcement Officers' and Fire Fighters' Retirement Plan (LEOFF). The System contributions to the CWURP fund are as follows:

RETIREMENT PLANS

Fiscal Year	Amount
2016	839,731
2017	892,255
2018	1,027,418
2019	1,167,586
2020	1,290,450
2021	1,022,146
2022	936,387
2023	\$1,050,540
2024	963,008
2025	\$974,567

The CWURP is a defined contribution plan administered by the University. Contributions to the plan are invested in annuity contracts or mutual fund accounts offered by the three fund sponsors. Employee contribution rates, based on age, are 5%, 7.5%, or 10% of salary. The University matches the contributions of employees. Within parameters established by the legislature, contribution requirements may be established or amended by Central Washington University's Board of Trustees.

PERS and LEOFF are a defined benefit pension plans administered by the State of Washington Department of Retirement Systems. The Office of the State Actuary, using funding methods prescribed by statute, determines actuarially required contribution rates for employees and employers.



NOTE 8 —NATURAL CLASSIFICATIONS

The System’s primary purpose is providing services to students and conference participants. Expenses are reported in categories reflecting these activities on the statement of revenues, expenses, and changes in net assets. The following is a schedule of operating expenses by natural classification.

NATURAL CLASSIFICATIONS

	June 30, 2025
Salaries and wages	\$19,070,709
Employee benefits	3,188,366
Personal services	277,804
Goods and services	23,097,466
Travel	320,803
Equipment	416,117
Student waivers	579,814
Misc.	38,851
Depreciation	6,742,072
Total	<u>\$53,732,002</u>



NOTE 9 – PENSION PLANS

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.

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 2025 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 9.11 percent for PERS1, 9.11 percent for PERS2/3, 9.86 percent for TRS and 8.73 percent for LEOFF2 in fiscal 2025.

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 2024-2025.

AGGREGATE PENSION AMOUNTS - TOTAL OF ALL PLANS - GASB 68

	Beginning Balance	FY 2025	Total
Pension Liabilities	\$ 3,162,434	\$ (839,323)	\$ 2,323,111
Pension Assets	2,241,063	(485,519)	1,755,544
Deferred outflows of resources	2,689,773	645,939	3,335,712
Deferred inflows of resources	1,501,405	(630,250)	871,155
Total	\$ 9,594,675	\$ (1,309,153)	\$ 8,285,522

Pension Expense	\$ (225,349)
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State Sponsored Pension Plans

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 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 2025 were as follows:

PERS PLAN 1

Actual contribution rates:	Employer	Employee
July 01, 2024 - June 30, 2025	9.11%	6.00%

CWU's actual contributions to the plan were \$ 695,277 for the year ended June 30, 2025.

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 2025 were as follows:

PERS PLAN 2/3

Actual contribution rates:	Employer	Employee
PERS Plan 2 July 01, 2024 - June 30, 2025	9.11%	6.36%
PERS Plan 3 July 01, 2024 - June 30, 2025	9.11%	Varies

CWU’s actual contributions to the plan were \$ 498,584 for the year ended June 30, 2025.

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 2025 were as follows:

LEOFF PLAN 2

Actual contribution rates:	Employer	Employee
July 01, 2024 - June 30, 2025	8.73%	8.53%

Central Washington University’s actual contributions to the plan were \$ 18,652 for the year ended June 30, 2025.



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 2025 were as follows:

TRS PLAN 1

Actual contribution rates:	Employer	Employee
July 01, 2024 - June 30, 2025	9.86%	6.00%

CWU's actual contributions to the plan were \$17,947 for the year ended June 30, 2025.

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.

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 work load 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, 2024 was 24.

Funding Policy

Contribution rates are based on age and are 5%, 7.5% or 10%. 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, 2024 were \$228,731.94.

Central Washington University Supplemental Retirement Plan

The Central Washington University Supplemental Retirement Plan (CWUSR), 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 CWUSR 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 work load 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 CWUSR 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, 2023 were \$21,317.



Total Pension Liability (TPL)

The total pension liability is based on an actuarial valuation performed as of June 30, 2023 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 with a measurement date of June 30, 2024. The CWUSRP pension expense for the fiscal year ending June 30, 2024 was (\$16,966).

Schedule of Changes in Net Pension Liability	
Total Pension Liability	
Service cost	\$ 500
Interest	14,054
Changes in Benefit Terms	-
Differences between expected and actual experience	(11,184)
Changes in assumptions ¹	-
Benefit payments	(21,145)
Other	(28,637)
Net Change in Total Pension Liability	(46,405)
Total Pension Liability - Beginning	239,451
Total Pension Liability - Ending (a)	\$ 103,046
Plan Fiduciary Net Position	
Contributions - Employer	\$ 7,555
Contributions - Member	-
Net investment income	14,519
Benefit payments	-
Administrative Expense	-
Other	(4,305)
Net Change in Plan Fiduciary Net Position	12,768
Plan Fiduciary Net Position - Beginning	181,609
Plan Fiduciary Net Position - Ending (b)	\$ 199,377
Plan's Net Pension Liability (Asset) - Ending (a)	\$ (6,331)
TPL Interest Rate Sensitivity Discount Rate	\$ (6,288)
TPL Interest Rate Sensitivity 1% Decrease	7,850
TPL Interest Rate Sensitivity 1% Increase	\$ (18,739)



Deferred Inflows And Deferred Outflows

At June 30, 2024, 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	\$	-	\$ 1,857
Changes in assumptions		-	
Differences between Projected and Actual Earnings on Plan Investments		-	2,997
Total	\$	-	\$ 4,854

Amortization of Deferred Inflows and Deferred Outflows

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

Future Transactions	
2025	\$ (5,951)
2026	1,857
2027	(380)
2028	(380)
2029	-
Thereafter	-
Total	\$ (4,854)

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, 2023, 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 (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2022 with a valuation date of June 30, 2021. The actuarial assumptions used in the valuation are summarized in the Actuarial Section of DRS' Annual Comprehensive Financial Report located on the DRS website. The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the 2013-2018 Demographic Experience Study Report and the 2021 Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2021 Actuarial Valuation Report. <https://leg.wa.gov/osa/> The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2022. Plan liabilities were rolled forward from June 30, 2021, to June 30, 2022, reflecting each plan's normal cost (using the entry age cost method), assumed interest and actual benefit payments.

- Inflation: 2.75% total economic inflation; 3.25% salary inflation
- Salary Increases: In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- Investment rate of return: 7.00%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates, which vary by member status (e.g., 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 7.00% 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 7.00% 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 7.00% as well as what employers' net pension liability would be if it were calculated using a discount rate 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate.

	CWU Allocation %	1% Decrease 6.00%	Current Rate 7.00 %	1% Increase 8.00%
PERS1	0.130744%	\$ 3,417,238	\$ 2,323,111	\$ 1,363,535
PERS 2/3	0.048551%	2,885,245	(1,600,521)	(5,284,588)
TRS 1	0.008835%	123,618	(2,990)	(107,195)
LEOFF 2	0.007942%	\$ 136,399	\$ 88,101	\$ 45,635

Long-Term Expected Rate of Return

OSA selected a 7.00% 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, 2024.

The inflation component used to create the table is 2.50% and represents the WSIB's most recent long-term estimate of broad economic inflation.

Estimated Rates of Return by Asset Class

Asset Class	Target Allocation	% Long - Term Expected Real Rate of Return Arithmetic
Fixed Income	19%	2.10%
Tangible Assets	8%	4.50%
Real Estate	18%	4.80%
Global Equity	30%	5.60%
Private Equity	25%	8.60%

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued Annual Comprehensive Financial Report located on the DRS employer-resource GASB webpage, www.drs.wa.gov

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

At June 30, 2024, Central Washington University reported a total pension liability of \$1,749,255 and an asset of \$2,777,034 for its proportionate share of the net pension balances as follows:

PENSION PLAN FIDUCIARY NET POSITION

Plan	Liability	Asset
PERS1		(\$2,335,576)
PERS 2/3	1,600,521	
TRS 1		(358,835)
TRS 2/3		(82,623)
CWUSR		
LEOFF 2	148,734	
	<u>\$ 1,749,255</u>	<u>\$ (2,777,034)</u>

SCHEDULE OF PROPORTIONATE SHARE-LEOFF 2 Liability (or Asset)

LEOFF 2 - employer's proportionate share	\$ 148,734
LEOFF 2 - State's proportionate share of the net pension liability/(asset) associated with the employer	\$ 90,199
Total	<u>\$ 238,933</u>

At June 30, 2025, the System's proportionate share of the collective net pension liabilities was as follows:

Plan	Proportionate Share 06/30/2023	Proportionate Share 06/30/2024	Change In Proportion
PERS1	0.0862285%	0.1307441%	0.0445156%

At June 30, 2025, the University's proportionate share of the collective net pension assets was as follows:

Plan	Proportionate Share 06/30/2023	Proportionate Share 06/30/2024	Change In Proportion
PERS 2/3	0.00495035%	0.04855107%	0.04360072%
LEOFF 2	0.0015052%	0.0079420%	0.0064368%

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 2025, the State of Washington contributed 39.36 percent of LEOFF 2 employer contributions pursuant to RCW 41.27.726 and all other employers contributed the remaining 60.64 percent of employer contributions. The collective net pension liability (asset) was measured as of June 30, 2024, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2024, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended June 30, 2025, Central Washington University recognized a net pension expense as follows:

Plan	Pension Expense
PERS1	\$(247,211)
PERS 2/3	(202,342)
TRS 1	(225,179)
LEOFF 2	(977)
Total	<u><u>\$(225,350)</u></u>

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2025, 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		\$ (186,887)
Changes of assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	\$ 695,277	
Total	<u><u>\$ 695,277</u></u>	<u><u>\$ (186,887)</u></u>

PERS 2/3

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 909,450	\$ (3,706)
Net difference between projected and actual investment earnings on pension plan investments	0	(458,664)
Changes of assumptions	883,811	(101,409)
Changes in proportion and differences between contributions and proportionate share of contributions	151,099	(352,530)
Contributions subsequent to the measurement date	\$ 498,584	
Total	<u><u>\$ 2,442,944</u></u>	<u><u>\$ (916,309)</u></u>

LEOFF 2

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 109,465	\$ (1,132)
Net difference between projected and actual investment earnings on pension plan investments	0	(24,471)
Changes of assumptions	61,228	(12,502)
Changes in proportion and differences between contributions and proportionate share of contributions	112,341	(72,808)
Contributions subsequent to the measurement date	\$ 18,389	
Total	<u><u>\$ 301,423</u></u>	<u><u>\$ (110,913)</u></u>

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, 2025. 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 DATA)							
	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2		
	Yearly Amortization	Yearly Amortization	Yearly Amortization	Yearly Amortization	Yearly Amortization		
2025	\$ (309,284)	\$ (445,367)	\$ (56,380)	\$ (83,652)	\$ (16,490)		
2026	158,895	609,362	29,504	259,138	40,869		
2027	(16,824)	239,523	(2,935)	119,011	18,718		
2028	(19,674)	322,531	(3,983)	115,252	18,240		
2029	-	160,769	0	121,721	25,677		
Thereafter	-		0	265,301	85,108		
Total Net Deferred (Inflows)/Outflows	\$ (186,887)	\$ 1,028,053	\$ (33,794)	\$ 796,770	\$ 172,122		

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 2024 CWU membership in the PEBB plan consisted of the following:

Plan Participants

Active Employees	181
Retirees Receiving Benefits	85
Retirees Not Receiving Benefits	N/A

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 2025, the explicit subsidy was up to \$183 per member per month, and it will remain \$183 per member per month in calendar year 2026.

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, 2024 and the reporting date of June 30, 2025. The portion of health care premiums attributed to retirees for both explicit and implicit subsidies is determined by using the Fiscal Year 2025 3rd Quarter Update in the PEBB Financial Projection Model (PFPM) from the State Health Care Authority.

Total OPEB Liability

As of June 30, 2025, 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 (%)	0.1404602884%	
Service Cost	\$	185,388
Interest Cost		212,637
Differences Between Expected and Actual Experience		108,801
Changes in Assumptions		(485,352)
Changes of Benefit Terms		124,774
Benefit Payments		(143,926)
Changes in Proportionate Share		(280,423)
Other		153,311
Net Change in Total OPEB Liability		(124,790)
Total OPEB Liability - Beginning		5,838,720
Total OPEB Liability - Ending	\$	5,713,930

Deferred Inflows and Deferred Outflows Schedule

As of June 30, 2025, the deferred inflows and deferred outflows of resources for CWU are as follows:

Proportionate Share (%)	0.1404602884%			
Deferred Inflows/Outflows of Resources	Deferred Outflows		Deferred Inflows	
Differences Between Expected and Actual Experience	\$	154,531	\$	144,047
Changes in Assumptions		287,631		3,157,396
Changes in Benefit Terms		-		-
Transactions subsequent to the measurement date		150,511		-
Changes in Proportion		157,123		1,728,072
Total Deferred (Inflows)/Outflows	\$	749,796	\$	5,029,515

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:

Proportionate Share (%)	0.1466905718%
2025	\$ 810,971
2026	810,971
2027	661,509
2028	503,838
2029	598,548
Thereafter	\$ 1,166,609

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 (%) 2022	0.1614249062%
Proportionate Share (%) 2023	0.1466905718%
Total OPEB Liability - Ending 2022	\$ 5,101,080
Total OPEB Liability - Beg 2023 (chg in prop)	5,670,625
Total OPEB Liability Change in Proportion	(430,456)
Total Deferred (Inflows)/Outflows 2022 (chg in prop)	(3,856,525)
Total Deferred (Inflows)/Outflows 2023 (chg in prop)	(3,584,431)
Total Deferred Inflows/Outflows Change in Proportion	272,093
Total Change in Proportion	\$ (702,549)

OPEB Expense

As of June 30, 2024, the components that make up OPEB expense for Central Washington University are as follows:

Proportionate Share (%)	0.1466905718%
Service Cost	\$ 204,548
Interest Cost	205,470
Amortization of Differences Between Expected and Actual Experience	3,418
Amortization of Changes in Assumptions	(626,219)
Changes of Benefit Terms	-
Amortization of Changes in Proportion	(188,170)
Other Changes to Fiduciary Net Position*	-
Total OPEB Expense	\$ (400,952)



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, 2022 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.35%
Projected Salary Changes	3.25% Plus Service-Based Salary Increases
Health Care Trend Rates*	Initial rate ranges from about 2-11%, reaching an ultimate rate of approximately 3.8% in 2080.
Post-retirement Participation Percentage	60.00%
Percentage with Spouse Coverage	45.00%

*For additional detail on the health care trend rates, please see Office of the State Actuary's 2020 OPEB Actuarial Valuation Report.

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates, which vary by member status (ex., 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	6/30/2022
Actuarial Measurement Date	6/30/2022
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.

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 (PFFPM).

A retiree subsidy rate of \$66.16 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 3.54 percent as of the June 30, 2022 measurement date and 3.65 percent for the June 30, 2023 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 3.65 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 (2.65 percent) or 1 percentage point higher (4.65 percent) than the current rate:

Discount Rate Sensitivity

	1% Decrease	Current Discount Rate	1% Increase
Central Washington University	6,831,698	5,838,721	5,039,979

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 3.8%, 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

	1% Decrease	Current Discount Rate	1% Increase
Central Washington University	4,906,300	5,838,721	7,038,833

Additional Information

Additional actuarial and OPEB plan information is included in the Washington State CAFR on OFM's website: <https://ofm.wa.gov/accounting>. 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>.



Appendix

CENTRAL WASHINGTON UNIVERSITY REQUIRED SUPPLEMENTARY INFORMATION

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 30th, 2015 valuation date, completed in the Fall of 2016, determines the ADC for the period beginning July 1st, 2017 and ending June 30th, 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 an 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, CWU is presenting information only for those years for which information is available.

RSI | SCHEDULE OF PROPORTIONATE SHARE OF SYSTEM NET PENSION LIABILITY (ASSET) PERS 1
AS OF JUNE 30.

(In Thousands)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employee's proportion of the net pension liability (asset)	0.18744%	0.157034%	0.138075%	0.096027%	0.108527%	0.093307%	0.069561%	0.062837%	0.047874%	0.077445%
Employee's proportionate share of the net pension liability	\$ 2,323	\$ 3,139	\$ 3,054	\$ 1,094	\$ 3,365	\$ 1,500	\$ 2,271	\$ 2,623	\$ 2,571	\$ 1,945
Total	2,323	3,139	-3,854	1,994	3,365	1,500	2,271	2,623	2,571	1,945
Employee's covered employee payroll	\$ 26,337	\$ 23,350	\$ 14,021	\$ 13,813	\$ 14,332	\$ 14,325	\$ 13,981	\$ 13,883	\$ 13,928	\$ 13,394
Employee's proportionate share of the net pension liability as a percentage of covered employee payroll	8.81%	8.47%	21.78%	8.0%	23.82%	13.92%	16.24%	18.92%	18.46%	14.52%
Plan fiduciary net position as a percentage of the total pension liability (State)	84.05%	80.19%	76.58%	86.71%	88.64%	87.12%	81.22%	81.21%	97.20%	88.10%

RSI | SCHEDULE OF SYSTEM EMPLOYER CONTRIBUTIONS PERS 1
AS OF JUNE 30.

(In Thousands)	2024	2023	2022	2021	2020	2019	2018	2017	2016	
Statutory or contractually required contributions	\$ 695	\$ 754	\$ 758	\$ 528	\$ 660	\$ 321	\$ 384	\$ 381	\$ 322	\$ 271
Contributions in relation to the statutory or contractually required contributions	-88	-74	-758	-528	-88	-321	-384	-381	-322	-271
Contribution deficit (excess)	0	0	0	0	0	0	0	0	0	0
Covered employee payroll	\$ 27,307	\$ 25,918	\$ 18,808	\$ 14,021	\$ 13,813	\$ 14,802	\$ 14,325	\$ 13,981	\$ 13,853	\$ 13,598
Contributions as a percentage of covered employee payroll	2.91%	2.84%	4.22%	3.71%	4.81%	2.30%	2.54%	2.73%	2.64%	2.34%

RSI | SCHEDULE OF PROPORTIONATE SHARE OF SYSTEM NET PENSION LIABILITY (ASSET) PERS 2/3

(In Thousands)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employee's proportion of the net pension liability (asset)	0.046021%	0.068712%	0.053621%	0.054529%	0.055222%	0.060282%	0.061241%	0.062295%	0.061722%	0.063822%
Employee's proportionate share of the net pension liability	\$ (1,880,92)	\$ (2,837)	\$ 1,368	\$ 5,457	\$ 704	\$ 673	\$ 1,112	\$ 2,199	\$ 3,858	\$ 3,276
Total	(1,880,92)	(2,837)	1,368	5,457	704	673	1,112	2,199	3,858	3,276
Employee's covered employee payroll	\$ 7,849	\$ 5,879	\$ 5,741	\$ 6,367	\$ 7,705	\$ 8,425	\$ 8,388	\$ 8,027	\$ 8,894	\$ 8,094
Employee's proportionate share of the net pension liability as a percentage of covered employee payroll	-3.81%	-0.07%	20.48%	83.04%	9.02%	10.48%	13.47%	26.42%	43.72%	40.28%
Plan fiduciary net position as a percentage of the total pension liability (State)	108.17%	107.02%	106.72%	120.28%	87.22%	87.77%	86.77%	80.87%	80.82%	86.20%

RSI | SCHEDULE OF SYSTEM EMPLOYER CONTRIBUTIONS PERS 2/3
AS OF JUNE 30.

(In Thousands)	2024	2023	2022	2021	2020	2019	2018	2017	2016	
Statutory or contractually required contributions	\$ 480	\$ 480	\$ 475	\$ 427	\$ 480	\$ 421	\$ 523	\$ 475	\$ 379	\$ 351
Contributions in relation to the statutory or contractually required contributions	-480	-480	-475	-427	-480	-421	-523	-475	-379	-351
Contribution deficit (excess)	0	0	0	0	0	0	0	0	0	0
Covered employee payroll	\$ 7,849	\$ 7,370	\$ 7,104	\$ 6,741	\$ 6,847	\$ 7,705	\$ 8,425	\$ 8,388	\$ 8,027	\$ 8,094
Contributions as a percentage of covered employee payroll	6.30%	6.30%	6.62%	6.34%	7.02%	5.80%	6.32%	5.44%	4.25%	4.21%

RSI | SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) LEOFF 2

AS OF JUNE 30,

(in Thousands)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.042539%	0.047628%	0.047206%	0.049248%	0.054353%	0.051694%	0.048013%	0.049366%	0.048980%	0.049973%
Employer's proportionate share of the net pension liability (asset)	-\$ 707	-\$ 1,147	-\$ 1,283	-\$ 2,881	-\$ 1,109	-\$ 1,221	-\$ 934	-\$ 885	-\$ 285	-\$ 514
Total	-797	-1,147	-1,283	-2,881	-1,109	-1,221	-934	-885	-285	-514
Employer's covered payroll	\$ 1,368	\$ 1,218	\$ 1,195	\$ 1,130	\$ 1,241	\$ 1,191	\$ 913	\$ 921	\$ 884	\$ 875
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	-58.73%	-94.18%	-107.33%	-251.79%	-89.36%	-102.46%	-102.30%	-74.37%	-31.88%	-58.73%
Plan fiduciary net position as a percentage of the total pension liability (State)	109.27%	113.17%	116.09%	142.00%	115.83%	148.75%	144.42%	113.35%	106.04%	111.67%

RSI | SCHEDULE OF EMPLOYER CONTRIBUTIONS LEOFF 2

AS OF JUNE 30,

(in Thousands)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutory or contractually required contributions	\$ 98	\$ 100	\$ 108	\$ 88	\$ 98	\$ 107	\$ 98	\$ 80	\$ 78	\$ 75
Contributions in relation to the statutory or contractually required contributions	-98	-100	-108	-88	-98	-107	-98	-80	-78	-75
Contribution deficit (excess)	0	0	0	0	0	0	0	0	0	0
Employer's covered payroll	\$ 1,368	\$ 1,368	\$ 1,218	\$ 1,195	\$ 1,136	\$ 1,241	\$ 1,191	\$ 913	\$ 921	\$ 894
Contributions as a percentage of covered employee payroll	7.25%	7.30%	8.87%	8.18%	8.53%	8.55%	8.22%	8.74%	8.47%	8.30%

RSI | SCHEDULE OF PROPORTIONATE SHARE OF SYSTEM NET PENSION LIABILITY LEOFF 2

AS OF JUNE 30,

(in Thousands)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.007642%	0.008409%	0.00919%	0.01288%	0.01926%	0.02148%	0.01488%	0.01382%	0.01896%	0.01876%
Employer's proportionate share of the net pension liability (asset)	\$ 149	-\$ 204	-\$ 249	\$ 719	-\$ 277	-\$ 498	-\$ 287	\$ 192	-\$ 113	-\$ 200
Total	-149	-204	-249	-719	-277	-498	-287	-192	-113	-200
Employer's covered employer payroll	\$ 250	\$ 216	\$ 213	\$ 207	\$ 305	\$ 310	\$ 298	\$ 368	\$ 354	\$ 340
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	-10.6%	-16.7%	-19.5%	-251.7%	-91.4%	-159.6%	-115.8%	-52.7%	-31.8%	-58.8%
Plan fiduciary net position as a percentage of the total pension liability (State)	109.27%	113.17%	116.09%	142.00%	115.83%	148.75%	144.42%	113.35%	106.04%	111.67%

RSI | SCHEDULE OF SYSTEM EMPLOYER CONTRIBUTIONS LEOFF 2

AS OF JUNE 30,

(in Thousands)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutory or contractually required contributions	\$ 18	\$ 18	\$ 20	\$ 26	\$ 34	\$ 43	\$ 31	\$ 20	\$ 31	\$ 20
Contributions in relation to the statutory or contractually required contributions	-18	-18	-20	-26	-34	-43	-31	-20	-31	-20
Contribution deficit (excess)	0	0	0	0	0	0	0	0	0	0
Covered employee payroll	\$ 254	\$ 243	\$ 238	\$ 213	\$ 287	\$ 335	\$ 312	\$ 298	\$ 360	\$ 354
Contributions as a percentage of covered employee payroll	7.2%	7.2%	8.3%	8.1%	8.2%	13.3%	9.8%	8.7%	8.6%	8.3%



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

	2024	2023	2022	2021
Total Pension Liability - Beginning	\$ 215,893	\$ 239,451	\$ 190,790	\$ 299,090
Service cost	506	1,013	820	2,944
Interest	14,054	15,742	14,121	7,440
Changes in Benefit Terms	-	-	-	-
Differences between expected and actual experience	(11,184)	(7,639)	33,553	(55,147)
Changes in assumptions ¹	-	(11,522)	11,228	(95,254)
Benefit payments	(21,145)	(20,807)	(20,426)	(18,581)
Other	42	(346)	9,365	50,298
Total Pension Liability - Ending (a)	\$ 198,166	\$ 215,893	\$ 239,451	\$ 190,790
Plan Fiduciary Net Position - Beginning	\$ 181,609	\$ 161,980	\$ 141,648	\$ 99,193
Contributions - Employer	7,555	7,697	8,075	6,883
Net investment income	14,519	11,718	173	35,571
Other	(4,305)	214	12,084	-
Plan Fiduciary Net Position - Ending (b)	\$ 199,377	\$ 181,609	\$ 161,980	\$ 141,647
CWUSRP Net Pension Liability (Asset) (a-b)	\$ (1,210)	\$ 34,284	\$ 77,471	\$ 49,143
Covered-Employee Payroll	\$ 2,695,172	\$ 2,680,653	\$ 2,882,350	\$ 413,037
Net pension liability as a percentage of the total pension liability	-0.23%	8.05%	8.31%	46.19%
Plan fiduciary net position as a percentage of the total pension liability	100.61%	84.12%	67.65%	74.24%

GASB 68 RSI | SCHEDULE OF EMPLOYER CONTRIBUTIONS SUPPLEMENTAL PLAN

AS OF JUNE 30, (In Thousands)

	2024	2023	2022	2021
Statutorily or contractually required contributions	\$ 8	\$ 8	\$ 8	\$ 7
Contributions in relation to the statutorily or contractually required contributions	(8)	(8)	(8)	(7)
Contribution deficit (excess)	-	-	-	-
Employer's covered payroll	\$ 2,695	\$ 2,746	\$ 2,882	\$ 413
Contributions as a percentage of covered payroll	0.28%	0.29%	0.28%	1.67%

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

OPEB FOR YEAR ENDED JUNE 30,

	2024	2023	2022	2021	2020	2019	2018
Proportionate Share (%)	0.1804002834%	0.1669005718%	0.0161424906%	0.1265126473%	0.1362277708%	0.1720332946%	0.1096404900%
Service Cost	\$ 185,388	\$ 204,548	\$ 483,614	\$ 413,064	\$ 349,364	\$ 404,281	\$ 529,124
Interest Cost	212,637	205,470	215,203	179,100	292,248	350,691	363,770
Differences Between Expected and Actual Experience	108,801	(213,121)	-	(44,784)	-	332,051	-
Changes in Assumptions	(485,354)	(98,005)	(3,598,368)	70,094	189,442	653,078	(2,310,425)
Changes of Benefit Terms	124,774	-	-	-	-	-	-
Benefit Payments	(143,926)	(143,117)	(158,111)	(135,688)	(139,144)	(160,420)	(153,038)
Changes in Proportionate Share	(280,425)	(430,456)	(155,596)	(748,845)	(168,819)	273,981	159,917
Other	153,311	(180,259)	1,488,229	(1,792,137)	(297,070)	-	-
Net Change in Total OPEB Liability	(124,792)	(448,619)	(1,957,476)	(1,920,292)	180,631	1,521,310	(1,085,203)
Total OPEB Liability - Beginning	5,138,720	6,287,329	8,244,809	10,165,201	9,984,570	8,493,280	9,548,263
Total OPEB Liability - Ending	\$ 5,713,928	\$ 5,838,720	\$ 6,287,329	\$ 8,244,809	\$ 10,165,201	\$ 9,984,570	\$ 8,463,060
Covered-Employee Payroll	15,855,679	15,581,311	15,093,257	12,805,995	12,291,374	11,441,517	9,746,358
Total OPEB Liability as a percentage of covered-employee Payroll	36.03710773%	37.96833779%	41.65600050%	64.38090968%	82.70190049%	87.29014215%	86.83322775%



ANNUAL SYSTEM REPORT 2025



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