Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Central Washington University

For the period July 1, 2023 through June 30, 2024

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Office of the Washington State Auditor
Pat McCarthy

Issue Date – (Inserted by OS)

Board of Trustees
Central Washington University
Ellensburg, Washington

Report on Financial Statements

Please find attached our report on the Central Washington University's financial statements.

We are issuing this report in order to provide information on the University's financial activities and condition.

Sincerely,

Pat McCarthy, State Auditor

Olympia, WA

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Central Washington University
July 1, 2023 through June 30, 2024

Board of Trustees
Central Washington University
Ellensburg, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component unit of the Central Washington University, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated March 24, 2025.

Our report includes a reference to other auditors who audited the financial statements of the Central Washington University Foundation and Alumni Association (the Foundation), as described in our report on the University's financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal controls over financial reporting or compliance and other matters associated with the Foundation that are reported on separately by those auditors.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters that we have reported to the management of the University in a separate special investigation report dated December 16, 2024.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Pat McCarthy, State Auditor

Olympia, WA

March 24, 2025

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Central Washington University
July 1, 2023 through June 30, 2024

Board of Trustees
Central Washington University
Ellensburg, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component unit of the Central Washington University, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the financial section of our report.

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

We did not audit the financial statements of the Central Washington University Foundation and Alumni Association (the Foundation), which represent 100 percent of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the reports of the other auditors. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

Basis for Opinions

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

Matters of Emphasis

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

As discussed in Note 13 to the financial statements, the University changed the measurement date used for reporting their participation in the State Board Retirement Plan. Our opinion is not modified with respect to this matter.

Other Matters

Prior-Year Comparative Information

The financial statements include summarized prior-year comparative information for the Foundation. Such information does not include all the information required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2023, from which the summarized information was derived. Other auditors have previously audited the Foundation's 2023, basic financial statements, and they expressed an unmodified opinion in their report dated June 30, 2024.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Required Supplementary Information

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2025 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Pat McCarthy

Pat McCarthy, State Auditor

Olympia, WA

March 24, 2025

FINANCIAL SECTION

Central Washington University
July 1, 2023 through June 30, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

The following management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of Central Washington University (the University) for the fiscal year ended June 30, 2024, with comparative 2023 financial information. This discussion provides an objective and easily readable analysis of the University's financial performance for the year. This discussion has been prepared by management and should be read in conjunction with the financial statements and accompanying notes to the financial statements, which follow this section.

Central Washington University (CWU) is one of six state-assisted, four-year institutions of higher education in Washington. A regional comprehensive university, CWU offers baccalaureate and graduate degrees in more than 100 academic programs to approximately 8,500 students. The University has distinguished itself through quality teaching and academic programs, student-centered orientation, and commitment to research, outreach, and international experiences for faculty and students, and provision of life-long learning opportunities to the citizens of Washington. The University is comprised of the College of Arts and Humanities, College of the Sciences, College of Education and Professional Studies, and College of Business. CWU's instructional faculty, numbering more than 600, compiles an impressive record of teaching, scholarship, and service. The main campus is located in Ellensburg, a community of approximately 20,680 that enjoys one of the finest living environments of the Pacific Northwest. Historic Ellensburg offers the laid-back atmosphere of a small town, but with a variety of things to do and see both indoors and out. Most enjoy downtown Ellensburg with its distinctive shops, bars, restaurants, museums all within walking distance. Others enjoy the outdoor experience of camping, fishing, horseback riding, rafting, hiking, biking, and even golfing. In the shadow of the Cascade Mountains and only minutes from the Wenatchee National Forest, Ellensburg is situated in the Kittitas Valley, an agricultural region 110 miles east of Seattle, the cultural heart of Washington.

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

Using the financial statements

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

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

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

Financial Highlights for Fiscal 2024.

- Enrollment the University successfully enrolled 8,509 students in the fall quarter of fiscal 2024.
- The University added $38.6 million in capital assets and construction in progress. This is primarily the North Academic Complex, Decarbonation Plan (geothermal), and Black Hall remodel funded by the State of Washington.
- The University taught 20,947 students, in 156 public high schools, participating in the College in the High School program. The State of Washington provided an appropriation of $4 million to CWU to fund this program

KEY FINANCIAL RESULTS FOR FY 2024 COMPARED TO FY 2023 (in thousands)

	2024	2023
Total operating revenues	$ 150,128	$ 159,487
Operating expenses	258,535	267,044
Operating Loss	**(108,407)**	**(107,557)**
State appropriations	87,624	78,709
Investment income (loss)	7,936	6,096
Capital appropriations	32,827	43,081
Pell grant revenue	16,493	15,783
Interest on indebtedness	(6,242)	(5,661)
Institutional HEERF funding	-	6,245
BABS Subsidy, Perkins Liquidation and Foundation Gifts in Kind	(2,308)	642
Total net non-operating revenue and capital appropriations	**136,330**	**144,895**
Increase (decrease) in net assets	27,923	37,338
Net Position (as restated), beginning of year	435,483	398,145
Net Position, end of year	**$ 463,406**	**$ 435,483**

Key Financial Results

2024 Notes

- Operating revenues decreased by $9.4 million or -5.87% from the prior fiscal year.
- Operating expenses decreased by $8.5 million or -3.19% over the prior fiscal year.
- State operating appropriations increased by $8.9 million or 11.33% over the prior fiscal year.
- Pell grant revenue increased by $0.71 million or 4.50% over the prior fiscal year.
- Interest on indebtedness increased by $0.6 million from the prior fiscal year.
- Total net non-operating revenues decreased by $8.6 million or 5.91% from the prior fiscal year

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

STATEMENT OF NET POSITION

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

STATEMENT OF NET POSITION (in thousands)

	2024	2023
Assets		
Current assets	$ 75,776	$ 72,630
Non-current assets	24,554	32,920
Capital assets, net of depreciation	604,656	589,292
Total assets	704,986	694,842
Deferred outflows of resources	22,951	25,579
Liabilities		
Current liabilities	34,083	34,120
Non-current liabilities	181,037	192,179
Total liabilities	215,120	226,299
Deferred Inflows of Resources	49,411	58,638
Net Position		
Net investment in capital assets	476,198	453,714
Restricted: non-expendable	3,465	3,465
Restricted: expendable	17,896	32,392
Unrestricted	(34,153)	(54,088)
Total net position	**$ 463,406**	**$ 435,483**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current assets

The excess of current assets over current liabilities of $41.7 million in 2024 reflects the continuing ability of the University to meet its short-term obligations. Current assets are those highly liquid assets that may be converted to cash in less than one year and include cash and cash equivalents, short-term investments, accounts receivable, and inventories. Current assets increased $3.1 million to $75.8 million at June 30, 2024 and the most significant fluctuations are discussed below:

Cash and cash equivalents decreased by $2.5 million to $41.8 million at June 30, 2024. The largest portion of this change, $2.2 million is related to the state funded capital program during the construction season. These large projects are funded on a reimbursable basis. Due to the timing of the end of year capital reimbursement, which occurs on June 30th, the reimbursement from the State occurred in July of 2024. This also resulted in the University recording a $3.1 million capital (construction) appropriation receivable at year end.

Receivables increased by $5.7 million over the previous year. The largest portion was due to the increase in capital appropriation receivable.

Non-Current Assets

Non-current assets are not expected to be converted into cash, sold, or exchanged within the normal operating cycle and include: investments, student loan receivables, and investments restricted for capital projects. Capital assets include construction in progress, furniture and equipment, land, buildings, and improvements. As of June 30, 2024, non-current and capital assets, net of depreciation increased to $604 million, due to construction in progress offset by the current year's depreciation.

Non-current investments decreased by $5.2 million to $10.5 million in fiscal 2024 as the University focused on favorable short-term investments over longer term bonds.

Deferred Outflows of Resources

A portion of the deferred gain or loss on refunding outflows number represents costs associated with previous and ongoing debt issuances. The deferred outflows from bond refunding were amortized and decreased by $0.2 million as of June 30, 2024, and will continue to be amortized on a straight-line basis through the term of the Replacement Bonds of 2016 (ending in fiscal 2038).

The recognition and amortization of CWU's proportionate share of the various state of Washington pension plan liabilities, resulted in the decrease of approximately $0.8 million of deferred outflows related to pension liabilities.

The recognition and amortization of CWU's proportionate share of Washington state's Other Post-Employment Benefits (OPEB) resulted in the reduction of $1.8 million of deferred outflows for a total of $6.6 million.

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Liabilities

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

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

Current liabilities typically fluctuate from the timing of processing accounts payable and deposits payable, changes in the current year leases and bonds payment schedule, and the changes in unearned revenue. Current liabilities as of June 30, 2024, were $34.1 million representing almost no change from 2023.

Non-current liabilities decreased $11.1 million to $181.0 million on June 30, 2024. This net decrease primarily consists of a decrease in leases & bonds payable net of premium/discount of $8.2 million, combined with a $1.5 million dollar decrease related to pensions, a $2.0 million dollar decrease related to OPEB, along with a small increase in accrued liabilities of $0.6 million (see Notes 9, 10, 11, and 13).

Deferred Inflows of Resources

The calculations related to pensions and OPEB activity resulted in a decrease of $9.2 million in deferred inflows of resources to $49.4 million to be amortized over the following three to four years.

Net Position

The difference between total assets and deferred outflows and total liabilities and deferred inflows is net position (equity), and it is an indicator of the University's overall financial condition. However, public universities and colleges have been required by GASB pronouncements to display portions of the State's pension and other post-employment benefits on their Statements of Net Position. In Washington State this has resulted in nearly all public colleges and universities reporting negative Unrestricted Net Position balances.

Net position is divided into four major categories.

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

As of June 30, 2024, net position totaled $463.4 million, an increase of $27.9 million from the balance on June 30, 2023. This increase is mainly due to the $32.8 million in capital appropriations as the income or (loss) before capital appropriations totaled $(4.9) million.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position provides information about the operating performance of the University and the effects of non-operating transactions over a one-year period. The statement classifies activities as either “operating” or “non-operating.”

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

Non-operating revenues include state operating and capital appropriations, Pell grants, and investment income. Non-operating expenses are mainly interest on indebtedness. Following is a condensed comparison of the University’s revenues, expenses, and changes in net position for the years ended June 30, 2024, and 2023.

		2024	2023
Revenues	State appropriations, net	$ 120,451	$ 121,790
	Tuition & fees, net	61,399	66,813
	Grants & contracts, net	39,200	61,864
	Auxiliary services	49,530	52,839
	Other income	24,670	6,737
	Total Revenue	**295,250**	**310,043**
Expenses	Compensation expense	153,787	156,424
	Goods and services	42,320	46,420
	Scholarships and fellowships	19,738	24,982
	All other operating expense	51,481	44,879
	Total Expenses	**267,327**	**272,705**
Increase (Decrease) in net position		27,923	37,338
Net Position, beginning of year		435,483	398,145
Net Position, end of year		**$ 463,407**	**$ 435,483**

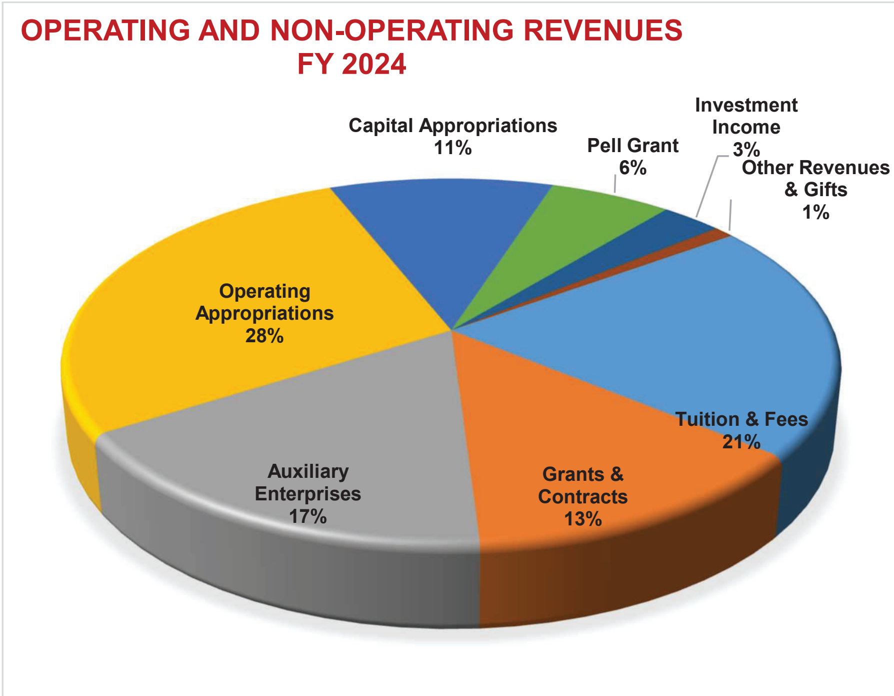
The University maintains a diversified revenue base comprised of tuition and fees, state appropriations, grants and sponsored programs, auxiliary enterprises, and non-operating income.

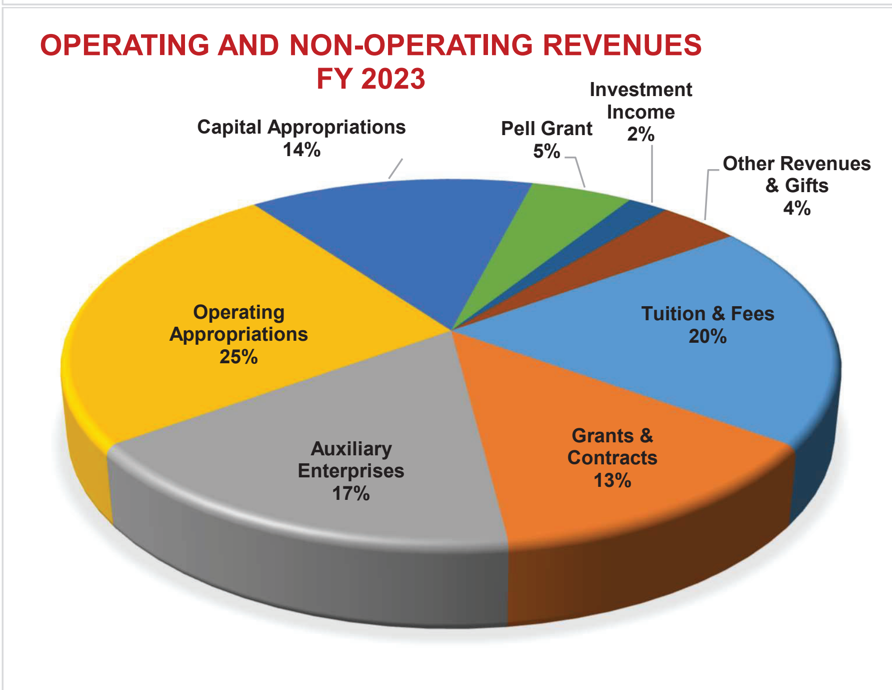
- State appropriations decreased $1.3 million or 1.1%
- Auxiliary services decreased $3.3 million or 6.3%
- Tuition and fees, net decreased $5.4 million or 8.1% related to the tuition discount calculation.
- Compensation expense decreased $2.6 million or 1.7%
- Scholarship expense decreased $5.2 million or 21% also related to the tuition discount calculation.
- Goods and Services decreased $4.1 million or 8.8%.

A more detailed breakdown of revenue sources is as follows

Revenues by Source (in thousands)

	2024		2023	
Net Tuition & Fees	$61,398	21%	$61,293	20%
Grants & Contracts	39,200	13%	39,806	13%
Auxiliary Services	49,530	17%	52,839	17%
State Operating Appropriations	87,624	28%	78,709	25%
Capital Appropriations	32,827	11%	43,081	14%
Pell Grant	16,493	6%	15,783	5%
Investment Income	7,936	3%	6,096	2%
Other Revenue, HEERF & Gifts	242	1%	12,407	4%
Total	$295,250	100%	$310,014	100%





Net tuition and fees remain the primary source of revenue. Net tuition and fees represent 21 percent of the University's revenue (see Statistics section for additional information on enrollment).

Auxiliary Enterprises generated 17 percent of total revenue while representing a decrease of $3.3 million to $49.5 million as of June 30, 2024, due to a temporary reduction in the investment income allocation. Auxiliary Enterprises include essential support programs such as residential housing and dining, catering, bookstore, and conference program.

Grants and contracts provide student financial aid and support educational and research opportunities at the University. In fiscal 2024, grants and contracts revenues decreased $0.6 million from the prior year due to some National Science Foundation and Department of Education grants ending in 2024.

Capital appropriations decreased $10.3 million from the prior year to $32.8 million. Current capital projects include North Academic Complex, Black Hall remodel, and Decarbonization effort (see Capital Highlights for additional details).

Operating appropriations increased $8.9 million to $87.6 million in fiscal 2024 from 2023 driven mainly by continuing state support.

Investment income increased $1.8 million to $7.9 million in 2024 due to overall improved market performance.

Operating and Non-Operating Expenses

Operating expenses consist mainly of employee compensation, supplies and material costs, utilities, student scholarships and other aid.

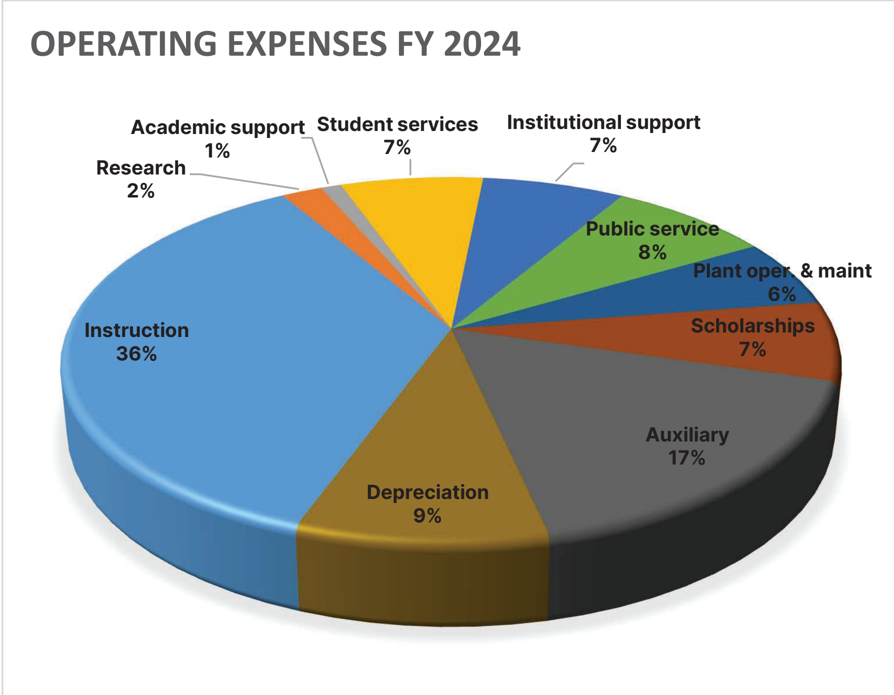
OPERATING AND NON-OPERATING EXPENSES

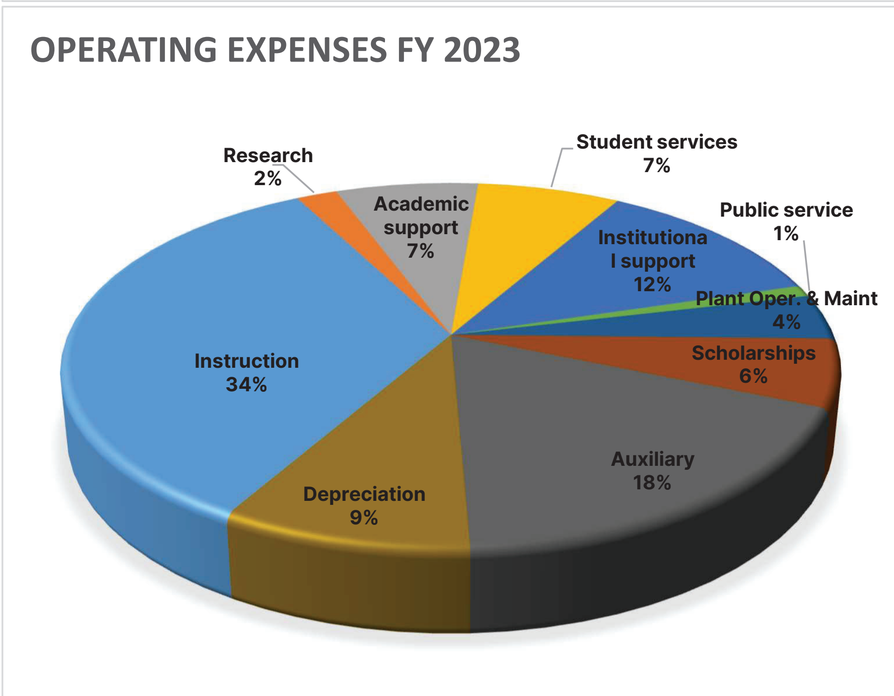
	2024	2023
Operating Expenses	258,535	$267,044
Non-Operating Expenses	8,791	5,661
Total Expense	267,327	$272,705

Non-operating expenses are those that do not relate to the core operation of the University. Examples of non-operating expenses are interest expense and amortization expense. Operating expenses are displayed in the following table by functional area as is the industry standard. (See Note 16 for a listing of operating expenses by natural classification.)

OPERATING EXPENSES BY FUNCTION (in thousands)

	2024		2023	
Instruction	$92,678	36%	$91,234	34%
Research	4,544	2%	4,787	2%
Public Service	1,070	1%	731	1%
Academic Support	17,849	7%	19,419	7%
Student Services	18,126	7%	17,648	7%
Institutional Support	19,618	8%	34,889	12%
Operations and maintenance of plant	16,693	6%	9,425	4%
Scholarships and other student aid	17,914	7%	14,754	6%
Auxiliary	47,241	17%	50,097	18%
Depreciation	22,802	9%	24,060	9%
Total operating expenses	**$258,535**	100%	**$267,044**	100%





Total operating expenses decreased by $8.5 million to $258.5 million in fiscal 2024, with the greatest proportional decrease in Institutional Support expenses, due to allocation of OPEB and Pension changes. Institutional Support expenses decreased $15.3 million to $19.6 million due changes associated with the allocation of OPEB and Pension activity. Scholarships increased by $3.2 million primarily due to the closing out of the Perkins loan fund, which resulted in recording the related expense and non-operating activity necessary to close out the fund.

Instructional expenses totaled $92.7 million and comprised 36 percent of all University operating expenses during fiscal 2024 with a three-year average of 35 percent of total operating expense. Instructional expenses are, to some extent, scalable and when enrollment decreases the University employs fewer adjuncts to provide instruction. The University remains committed to its primary mission: In order to build a community of equity and belonging, Central Washington University nurtures culturally sustaining practices that expand access and success to all students.

Auxiliary expenses decreased by $2.9 million to $47.2 million due to decreased personnel costs related to lower participation in Auxiliary services programs provided including housing and dining related to lower on-campus occupancy.

CAPITAL CONSTRUCTION:

Capital Planning & Projects is engaging with several efforts towards decarbonization, energy efficiencies and campus improvement. This fiscal year's project portfolio demonstrates the campus commitment to sustainability within the adopted Climate Action Plan, as well as key values like engagement and stewardship. The execution of these projects improves the student experience on campus while strategically reduce our carbon footprint.

Major State Funded projects on campus include:

- **North Academic Complex:** This 4-story $103.8 construction project represents the first major project under the leadership of President Wohlpart. The new North Academic Complex will replace L&L and Farrell Hall that have approached the end of their life cycle and were built before modern building standards towards energy efficiency, ADA access, and pedagogy. The new home of humanities and social science curriculum such as history and law justice will be constructed to LEED Gold standards, including solar array, tribally sourced wood, EV charging and the first geothermal system at Central Washington University. The incorporation of a ground source heat pump system will serve as its primary heating & cooling sources and represents CWU's first step to eliminate our dependency on the carbon emissions associated with natural gas fire boilers. Construction is currently in progress with steel erection being complete and while wall rough-in, and drywall framing continue to dry in the building. This project is slated to be operational in the spring of 2026.

- **Black Hall Renovation:** Our student body was very successful in obtaining $6M of capital funds towards CWU's first Multicultural Center that will be constructed in Black Hall. This tenant improvement project will include the expansion of the existing Diversity and Equity Center (DEC) and reimagining of key components of the College of Education and Professional Studies (CEPS). As one of the most diverse institutions in the state of Washington this project reflects the multitudes of cultures, religions, & identities shared amongst the student body. The design will be complete by end of November with construction anticipated to start in February.

- **Decarbonization Plan:** This current Climate Commitment Act appropriation has allowed CWU to begin the engineered development of a 15-year decarbonization plan to includes the campus conversion dependency from natural gas to geothermal heating and cooling. This grandiose venture will include the installation of multiple GeoEco nodes that serve as the heat exchanger for aquifer-based ground water severing multiple buildings on campus. Most buildings will require a mechanical modification of some sort to accommodate the operational change and funding for the execution of this conversion is expected implemented on a biennial basis with the first appropriation occurring in 2025-2027 (legislative funding pending).

- **Minor Works:** Minor Works funding is a critical aspect of Capital Planning and projects. These funds are dedicated to timely preservation and programming improvements all across campus that pose a significant operation impact. Key projects this fiscal year include: a subsurface leak repair at Brooklane village, roof upgrade at the Purser Annex of Nicholson Pavilion, Brooks library carpet upgrade, Brooks library mechanical upgrade, several technological upgrades, and sidewalk improvements.

- **Grant Funding:** CWU has also been very successful in the awards of recent grants that allow Capital Planning to make key upgrades around campus. We're currently executing a $1M upgrade of the mechanical system serving our student Health center. We also received energy improvement grants. We received a $900k+ secondary mechanical improvement for our library, $900k in new solar panels to be installed at Dugmore Residence Hall and another $850k in campus wide solar feasibility study analysis.

Central Washington University
Statement of Net Position
as of June 30, 2024

Assets	2024
Current assets	
Cash and cash equivalents	$41,759,504
Receivables, net	31,937,331
Inventories	2,079,024
Total current assets	**75,775,858**
Non-current assets	
Endowment Investments	6,903,176
Investments	3,575,974
Funds with State Treasurer	1,473,572
Non-depreciable assets	113,588,962
Capital assets, net of depreciation	491,066,602
Pension Asset, net	12,601,414
Total non-current assets	**629,209,700**
Total assets	**704,985,558**
Deferred Outflows of Resources	
Deferred outflow from bond refunding	2,285,128
Deferred outflows related to pensions	14,044,404
Deferred outflows related to other post employment benefits	6,621,809
Total Deferred Outflows	**22,951,341**
Liabilities	
Current liabilities	
Accounts payable	3,257,079
Accrued liabilities, current portion	11,191,907
Deposits payable	3,582,526
Unearned revenues	6,566,761
Leases & bonds payable, current portion net of premium/discount	8,177,226
Net Pension Liability, current portion	127,862
Total OPEB Liability, current portion	1,180,007
Total current liabilities	**34,083,368**
Non-current liabilities	
Accrued liabilities	6,774,704
Leases & bonds payable, long term net of permium/discount	122,565,049
Net Pension Liability	6,049,036
Total OPEB Liability	45,647,712
Total non-current liabilities	**181,036,501**
Total Liabilities	**215,119,869**
Deferred Inflows of Resources	
Deferred Inflow related to pensions	7,457,689
Deferred Inflow related to other post employment benefits	41,953,338
Total Deferred Inflows	**49,411,028**
Net Position	
Net Investment in Capital Assets	476,198,416
Restricted for:	
Nonexpendable:	
Scholarships and Professorships	3,465,054
Expendable:	
Endowment Earnings	3,917,195
Loans	2,505,579
Other	11,473,023
Unrestricted	(34,153,266)
Total net position	**$ 463,406,001**

See Accompanying Notes to the Financial Statements

Central Washington University
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2024

Operating Revenues		**2024**
Student tuition and fees	$	100,383,933
less tuition discounts		(45,827,437)
Federal grants and contracts		6,178,104
State and local grants and contracts		28,209,729
Nongovernmental grants and contracts		4,812,334
Sales and services of educational activities and other sources		6,842,114
Auxiliary enterprises sales - Housing and dining		42,052,666
Bookdstore, parking, and other auxiliary sales		7,917,060
less auxiliary discounts		(440,185)
Total operating revenue		**150,128,318**
Operating Expenses		
Instruction		92,678,407
Research		4,544,314
Public service		1,069,546
Academic support		17,849,274
Student services		18,126,293
Institutional support		19,617,961
Operation and maintenance of plant		16,693,264
Scholarships and other student aid		17,913,500
Auxiliary enterprise expenditures		47,240,503
Depreciation		22,802,117
Total operating expenses		**258,535,179**
Operating income (loss)		**(108,406,861)**
Non-operating Revenues (Expenses)		
State appropriations		87,623,999
Pell Grant		16,492,590
Investment income		7,935,975
Perkins loan fund closeout		(2,549,374)
Foundation Gifts in Kind		61,723
Interest on indebtedness		(6,242,025)
BABS Subsidy and other non-operating income net of expenses		179,858
Net non-operating revenues (expenses)		**103,502,746**
Income or (loss) before capital appropriations		**(4,904,115)**
Capital appropriations		32,827,490
Increase (Decrease) in net position		27,923,375
Net position, beginning of year		435,482,626
Net position, end of year	**$**	**463,406,001**

See Accompanying Notes to the Financial Statements

Central Washington University
Statement of Cash Flows
For the Year Ended June 30, 2024

Cash flows from operating activities	
Tuition and fees	$ 59,306,684
Grants and contracts	40,408,577
Payments to vendors	(85,987,497)
Payments to employees for salaries and benefits	(152,843,493)
Auxiliary enterprise charges	36,437,123
Sales and services of educational activities and other sources	1,194,168
Net cash used by operating activities	**(101,484,439)**
Cash flows from noncapital financing activities	
State appropriations	85,423,146
Pell Grants	16,492,590
HEERF Institutional Funding	0
Net cash provided by noncapital financing activities	**101,915,736**
Cash flows from investing activities	
Purchases of investments	(4,304,018)
Proceeds from sales of investments	9,537,617
Investment Income	7,935,975
Other investment activity	3,027,055
Net cash provided by investing activities	**16,196,629**
Cash flows from capital and related financing activities	
Capital appropriations	32,827,490
Purchases of capital assets	(38,561,733)
Principal paid on capital debt	(7,317,800)
Interest paid on capital debt	(6,242,025)
Other capital activities	179,858
Net cash provided by capital and related financing activities	**(19,114,209)**
Net increase in cash and cash equivalents	(2,486,283)
Cash and cash equivalents, beginning of year	**44,245,787**
Cash and cash equivalents, end of year	**$ 41,759,504**

Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating loss	**$ (108,406,861)**
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation	22,802,117
Changes in assets and liabilities	
Accounts receivable	(3,629,157)
Student loans receivable	(0)
Interest receivable	55,402
Inventories	142,804
Accounts payable	(789,720)
Accrued expenses	(11,237,070)
Unearned revenue	(646,227)
Student and other deposits	224,273
Net cash used by operating activities	**$ (101,484,439)**

See Accompanying Notes to the Financial Statement

FOUNDATION FINANCIAL STATEMENTS

CENTRAL WASHINGTON UNIVERSITY FOUNDATION
COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
Assets		
Cash and cash equivalents	$ 616,769	$ 926,945
Investments	63,326,312	52,266,594
Pledges receivable, net	3,158,010	1,561,717
Other Assets		
Total Assets	67,101,091	54,755,256
Liabilities		
Accounts payable	462,295	471,808
Trust and other liabilities	1,663,170	1,751,984
Note payable	836,320	1,057,478
Total Liabilities	2,961,785	3,281,270
Net Assets (Unrestricted)		
Operating	9,021,462	6,484,519
Board-designated	908,413	807,576
Total unrestricted net assets	9,929,875	7,292,095
Net Assets (Restricted)		
Temporarily restricted	-	-
Permanently restricted	54,209,431	44,181,891
Total net assets	64,139,306	51,473,986
Total liabilities and net assets	$ 67,101,091	$54,755,256

See notes to the financial statements

CENTRAL WASHINGTON UNIVERSITY FOUNDATION

COMBINED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Without donor Restriction	**With Donor Restriction**	**Total**	**Without donor Restriction**	**With Donor Restriction**	**Total**
Support and Revenue						
Contributions	$ 218,851	$ 7,082,022	$ 7,300,873	$ 192,787	$ 3,309,607	$ 3,502,394
In-kind contributions	2,497,307	79,372	2,576,679	2,100,117	257,959	2,358,076
Special event revenue	8,117	75,605	83,722	11,754	81,004	92,758
Sponsorships	-	91,600	91,600	-	84,466	84,466
Membership dues	-	-	-	35,537	-	35,537
Investment Return	2,763,917	7,091,883	9,855,800	1,782,327	4,721,842	6,504,169
Change in value of split interest liabilities		(65,833)	(65,833)		23,335	23,335
Other	37,329	34,408	71,737	20,333	20,888	41,221
Net assets released from restrictions						
and other transfers	4,361,517	(4,361,517)	-	4,527,344	(4,527,344)	-
Total support and revenue	**9,887,038**	**10,027,540**	**19,914,578**	**8,670,199**	**3,971,757**	**12,641,956**
Expenses						
Program Expenses	4,993,879	-	4,993,879	5,316,504	-	5,316,504
Management and general	1,087,502	-	1,087,502	946,382	-	946,382
Fundraising	1,167,877	-	1,167,877	1,257,326	-	1,257,326
Total program and						
administrative expenses	**7,249,258**	**-**	**7,249,258**	**7,520,212**	**-**	**7,520,212**
Total change in net assets	**2,637,780**	**10,027,540**	**12,665,320**	**1,149,987**	**3,971,757**	**5,121,744**
Net Assets, beginning of year	7,292,095	44,181,891	51,473,986	6,142,108	40,210,134	46,352,242
Net Assets, end of year	**$ 9,929,875**	**$ 54,209,431**	**$64,139,306**	**$ 7,292,095**	**$ 44,181,891**	**$ 51,473,986**

See notes to the financial statements

CENTRAL WASHINGTON UNIVERSITY FOUNDATION
COMBINED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2024

	Program	Management and General	Fundraising	Total
Salaries, wages, and benefits	$ 1,630,637	$ 585,306	$ 481,346	$ 2,697,289
Scholarships and grants	1,843,356	-	-	1,843,356
Program support	632,749	170,462	282,264	1,085,475
Professional services	71,785	106,667	309,733	488,185
University capital project support	363,867	-	-	363,867
Supplies	174,131	1,777	7,656	183,564
Travel	229,328	24,346	57,274	310,948
Information technology	21,238	126,270	348	147,856
Postage and printing	10,140	1,904	29,256	41,300
Miscellaneous	7,692	7,745	-	15,437
Interest	-	63,025	-	63,025
Write-off pledges	8,956	-	-	8,956
	$4,993,879	**$1,087,502**	**$ 1,167,877**	**$7,249,258**

See notes to the financial statements

CENTRAL WASHINGTON UNIVERSITY FOUNDATION
COMBINED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2023

	Program	Management and General	Fundraising	Total
Salaries, wages, and benefits	$ 1,549,660	$ 345,934	$ 537,847	$ 2,433,441
Scholarships and grants	1,690,754	-	-	1,690,754
Program support	957,612	171,697	154,928	1,284,237
Professional services	69,462	235,173	469,001	773,636
University capital project support	635,349	-	-	635,349
Supplies	149,128	2,670	2,449	154,247
Travel	182,980	12,030	71,793	266,803
Information technology	23,718	113,501	-	137,219
Postage and printing	17,165	3,459	20,921	41,545
Miscellaneous	4,840	6,869	387	12,096
Interest	-	55,049	-	55,049
Write-off pledges	35,836	-	-	35,836
	$ 5,316,504	**$ 946,382**	**$ 1,257,326**	**$ 7,520,212**

See notes to the financial statements

CENTRAL WASHINGTON UNIVERSITY FOUNDATION

COMBINED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Cash flows from operating activities		
Cash received from contributions	$ 4,128,478	$ 2,451,536
Cash paid for scholarships and programs	(2,928,831)	(2,974,992)
Cash paid to employees	(257,441)	(333,324)
Cash paid to vendors	(1,799,443)	(1,578,625)
Cash paid for interest	(63,025)	(55,049)
Net dividends and interest received	1,254,450	1,109,218
Net cash flows from operating activities	**334,188**	**(1,381,236)**
Cash flows from Investing Activities		
Transfer to investment funds	(2,350,000)	
Purchase of investments, net	(15,105,385)	(6,682,626)
Proceeds from sale of investments	15,155,967	6,845,969
Net cash flows from investing activities	**(2,299,418)**	**163,343**
Cash flows from Financing Activities		
Payments on line of credit	(221,158)	(122,886)
Contributions received for long-term purposes	1,876,212	1,248,512
Net cash flows from financing activities	**1,655,054**	**1,125,626**
Net change in cash and cash equivalents	(310,176)	(92,267)
Cash and cash equivalents, beginning of year	926,945	1,019,212
Cash and cash equivalents, end of year	**$ 616,769**	**$ 926,945**

See notes to the financial statements

ANOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

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

Financial Statement Presentation

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

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

The financial statements include a management discussion and analysis, a statement of net position, a statement of revenues, expenses, and changes in net position, a statement of cash flows, and notes to the financial statements. The notes to the financial statements focus on University activity in all years presented unless otherwise noted. The format provides a comprehensive, entity-wide perspective of the University's assets, deferred outflows, liabilities, deferred inflows, net position, revenues, expenses, changes in net position, and cash flows. Comparative totals for the year ended June 30, 2023, are presented where appropriate.

Under GAAP, the CWU Foundation is an affiliated organization that meets the criteria for discrete component unit presentation. The University and its discretely presented foundation unit are shown as separate statements following the CWU financial statements. The CWU Foundation has a separately audited financial statement.

Cash Equivalents

For purposes of the statement of cash flows, the University considers all highly liquid investments with an original maturity of 6 months or less to be cash equivalents. Funds invested through the State Treasurer's Local Government Investment Pool are considered cash equivalents.

Investments

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

Accounts Receivable

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

Inventories

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

Non-current Cash and Investments

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

Fair Value of Investments

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

Capital Assets

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

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

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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

Unearned Revenues

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

Compensated Absences

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

Non-current Liabilities

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

Net Position

The University's restricted resources are utilized before unrestricted resources if both are available for the same purpose ,types of net position are classified as follows:

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

Restricted - expendable: Restricted expendable net position includes resources in which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. All pension plans are calculated and analyzed separately. For those plans that have net liabilities, the liabilities plus deferred inflows less deferred outflows result in a reduction in the Unrestricted Net Assets. For those plan that have net assets, the assets plus deferred outflows less deferred inflows result in an increase in Restricted Net Assets.

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

Unrestricted: The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. Unrestricted net position represents resources derived from student tuition and fees, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University and may be used at the discretion of the governing board to meet current expenses for any lawful purpose. The auxiliary enterprises are substantially self-supporting activities that provide services for students, faculty, and staff.

Income Taxes

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

Classification of Revenues

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

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

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

Discounts and Allowances

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

Leases (Lessee)

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

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

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

- The University generally uses its estimated incremental borrowing rate as the discount rate for leases unless the rate that the lessor/vendor charges is known. [Include description of how the government determines its incremental borrowing rate]. The University's incremental borrowing rate for leases is based on the rate of interest it would need to pay if it issued general obligation bonds to borrow an amount equal to the lease or subscription payments, respectively, under similar terms at the commencement or remeasurement date.
- The lease term includes the noncancellable period of the lease, plus any additional periods covered by either a

University or lessor option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the University and the lessor/vendor have a unilateral option to terminate (or if both parties have to agree to extend) are excluded from the lease.
- Payments are evaluated by the University to determine if they should be included in the measurement of the lease liabilities, including those payments that require a determination of whether they are reasonably certain of being made.

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

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

New Accounting Standards Adopted

In fiscal year 2024, the University adopted an implemented one new accounting standards as follows:

GASB Statement No. 100, *"Accounting Changes and Error Corrections,"* mandates that when discussing accounting changes and error corrections in the Management's Discussion and Analysis (MD&A) section of financial statements, entities must clearly disclose the nature of the change or error, its impact on the financial statements, and how it was addressed, ensuring transparency and comparability for users of the financial information. This implementation had no impact on the current financial statements

NOTE 2 – CASH AND INVESTMENTS

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

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

As of June 30, 2024, the fair value of cash and investments was $52,238,653. Of this total, $41,759,504 is cash and cash equivalents with original maturity dates of less than 90 days and $10,749,149 is held in investments maturing in more than 6 months. Cash and cash equivalents include: Local Government Investment Pool (LGIP), Bank Demand and Time Deposits, and 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, and Cash Surrender Value of Life Insurance (Foundation). All investments held by the University are considered level 1 for fair value calculations.

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

The components of cash and investments are specified as follows:

Cash and Investments

	Carrying Amount June 30, 2024	Fair Value	Carrying Amount June 30, 2023	Fair Value
Local government investment pool (LGIP*)	$ 38,030,885	$ 38,030,885	$ 31,781,643	$ 31,781,643
Money Market Investments	45,117	45,117	254,357	254,357
Treasury Bills	215,042	215,074	3,273,078	3,272,224
Bank Demand and Time Deposits	3,433,618	3,433,618	8,901,781	8,901,781
Other	34,810	34,810	35,781	35,781
Total Cash & Cash Equivalents	**41,759,472**	**41,759,504**	**44,246,640**	**44,245,786**
Investments in money markets	78,921	78,921	39,793	39,793
U.S. government securities	2,594,493	2,497,163	4,638,348	4,426,368
Investments in equity – bonds	3,713,420	3,599,082	7,553,955	7,337,800
Investments in equity – stocks, mutual funds	4,183,229	4,183,229	3,770,365	3,770,365
Investments in real estate	77,752	77,752	138,423	138,423
Investments in commodities	43,002	43,002	-	-
Total Investments	**10,690,817**	**10,479,149**	**16,140,884**	**15,712,749**
Total Cash and Investments	**$ 52,450,289**	**$52,238,653**	**$ 60,387,524**	**$ 59,958,535**

*LGIP is reported at amortized cost which approximates fair value

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

Deposits

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

Investments

As of June 30, 2024, the University had the following investments:

Investments

Level 1:	Fair Value FY 2024
Money market *	$ 78,921
U.S. treasuries*	2,497,163
Bonds*	3,599,082
Stocks, mututal funds*	4,183,229
Investments in real estate	77,752
Investments in commodities	43,002
Total	**$ 10,479,149**

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

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

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

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

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

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy. There have been no changes in valuation methodologies used at June 30, 2024 or June 30, 2023.

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

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

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

Note 3 Accounts Receivable

Accounts receivable	June 30, 2024
Student tuition and fees	$ 3,614,629
Federal, state, and private grants and contracts	8,378,285
State appropriations receivable	3,115,988
Auxiliary enterprises	5,178,501
Other student fees	5,403,524
Interest and dividends	21,707
Other operating activities	7,481,732
Subtotal	**33,194,367**
Allowance for doubtful accounts	(1,257,035)
Net accounts receivable	**$ 31,937,331**

NOTE 4 – STUDENT LOANS RECEIVABLE

Student loans are comprised of non-current amounts of $0 on June 30, 2024, due to the close out and return to the Federal Government of the remaining Perkins Loan balances:

Student loans receivable

	June 30, 2024
Federal Perkins student loans	$0
Institutional and long term loans	-
Subtotal	-
Allowance for doubtful accounts	-
Total student loans receivable	**$0**

NOTE 5 – INVENTORIES

Inventories consisted of the following:

INVENTORIES

		June 30, 2024
Enterprise funds	$	1,096,975
Internal service funds		982,049
Total	**$**	**2,079,024**

NOTE 6 – FUNDS WITH THE STATE TREASURER

As of June 30, 2024, the balance invested with the State Treasurer was $ 1,473,572. This represents the University's share of the net earnings of the Normal School Permanent Fund and the building fee portion of tuition, reduced by expenditures for capital projects, non-capitalized facility improvements and maintenance, debt service incurred over the years (Fund 063), and the balance of licensing revenues held by the State Treasurer (Fund 783). The Normal School Permanent Fund, established under RCW 43.79.160, is a permanent endowment fund that derives its corpus from the sale of state lands and timber. The investing activities are managed by the State Treasurer's Office, while the management of land and timber is administered by the Department of Natural Resources. Interest earned from investments is either reinvested or used exclusively for the benefit of Central Washington University, Eastern Washington University, Western Washington University, and The Evergreen State College.

NOTE 7 – CAPITAL ASSETS

Following are the changes in capital assets for the year ended June 30, 2024
:

Note 7 Capital Assets 2024

Capital Assets

Non-Depreciable Capital Assets	Balance at June 30, 2023	Adjustments	Additions	Retirements	Balance at June 30, 2024
Land	$ 6,165,338	$ -	$ 191,252	$ -	$ 6,356,590
Artworks	356,443				356,443
Library resources collectibles	38,122				38,122
Construction in progress	72,120,059		35,062,817	345,069	106,837,807
Subtotal	78,679,962		35,254,069	345,069	113,588,962
Depreciable Capital Assets					
Buildings	650,190,360		687,243		650,877,603
Improvements and infrastructure	138,051,563		1,476,162		139,527,725
Equipment	54,288,949		1,081,199	450,647	54,919,501
Leased Equipment	1,496,424				1,496,424
Building Leased Assets, (See Note 12 for detail)	865,481				865,481
Subscription IT Lease	2,886,866				2,886,866
Buildings - perpetuity rights	30,792,095				30,792,095
Library resources (depreciable)	26,221,133		63,061	155,970	26,128,224
Subtotal	904,792,871	-	3,307,665	606,617	907,493,919
Total Capital Assets	**983,472,833**	**-**	**38,561,734**	**951,686**	**1,021,082,881**
Less Accumulated Depreciation/Amortization					
Buildings	212,230,413		13,210,684		225,441,097
Improvements and infrastructure	94,593,988		4,268,315		98,862,303
Equipment	45,867,857		3,220,259	399,600	48,688,516
Leased Equipment	1,496,424				1,496,424
Building Lease (See Note 12 for detail)	472,080		232,216		704,296
Subscription IT Lease	721,716		721,716		1,443,432
Amortized perpetuity rights - buildings	14,884,158		749,807		15,633,965
Library resources	23,914,132		399,122	155,970	24,157,284
Total Accumulated Depreciation	**394,180,768**	**-**	**22,802,119**	**555,570**	**416,427,317**
Depreciable Capital Assets, Net of Depreciation	**510,612,103**	**-**	**(19,494,454)**	**51,047**	**491,066,602**
Capital Assets, Net of Depreciation	**$589,292,065**	**$ -**	**$15,759,615**	**$ 396,116**	**$604,655,564**

NOTE 8 – ACCRUED LEAVE LIABILITIES

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

The amounts represent a liability to the University and are recorded and reported accordingly. The sick leave liability is recorded as an actuarial estimate of one-fourth the total balance on the payroll records. The amount of compensated time, vacation, and sick leave paid and earned during fiscal year 2024 are shown in the following table.

ACCRUED LEAVE LIABLITIES

	Sick Leave	Vacation Leave	Compensation Time	Totals
Beginning Balance as of June 30, FY 2023	$ 203,947	$ 5,336,778	$ 488	$ 5,541,213
Leave Earned	5,710,905	4,804,698	150,434	10,666,038
Leave Taken	7,298,129	4,451,453	201,217	11,950,799
Ending Balance as of June 30, 2024	**$ 1,791,171**	**$ 4,983,533**	**$ 51,271**	**$ 6,825,974**

NOTE 9 – NON- CURRENT LIABILITIES

Long-term liability activity for the period ended June 30, 2024, is summarized as follows:

Liabilities

	June 30,2023	Additions	Reductions	June 30,2024	Current Portion	Long-term Portion
Accrued liabilities	$ 17,022,936	$ 943,675	$ -	$ 17,966,611	$ 11,191,907	$ 6,774,704
State Pension liability	6,871,830	-	1,242,747	5,629,083		5,629,083
OPEB Liability	48,931,897	-	2,104,178	46,827,719	1,180,007	45,647,712
CWU Pension liability	795,000	-	247,185	547,815	127,862	419,953
Bond Premium/Disount	6,304,245	-	417,858	5,886,387	406,453	5,479,934
Leases/contracts payable	690,000	-	125,000	565,000	130,000	435,000
Right to Use Lease Liabilities	396,902	-	237,435	159,467	159,467	-
Software Based IT Agreements	2,160,930	-	717,509	1,443,421	720,306	723,115
Bonds payable	128,508,000	-	5,820,000	122,688,000	6,761,000	115,927,000
Total	**$ 211,681,740**	**$ 943,675**	**$ 10,911,912**	**$ 201,713,503**	**$20,677,002**	**$181,036,501**

The Non-Current Liabilities table breaks down the total non-current liabilities, as well as any related current portions of those liabilities, however current liabilities with no long-term portion are generally not included in this table.

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 are 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 the 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 2023, CWU membership in the PEBB plan consisted of the following:

Plan Participants	
Active Employees	1,445
Retirees Receiving Benefits	643
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 2024, the explicit subsidy was up to $183 per member per month, and it will remain $183 per member per month in calendar year 2025.

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, 2023 and the reporting date of June 30, 2024. The portion of health care premiums attributed to retirees for both explicit and implicit subsidies is determined by using the Fiscal Year 2024 4th Quarter Update in the PEBB Financial Projection Model (PFPM) from the State Health Care Authority.

Total OPEB Liability

As of June 30, 2024, components of the calculation of total OPEB liability determined in accordance with GASB Statement No. 75 for CWU are represented in the following table:

Proportionate Share (%)		**1.0705448295%**
Service Cost	$	1,640,519
Interest Cost		1,647,911
Differences Between Expected and Actual Experience		-
Changes in Assumptions		(792,437)
Changes of Benefit Terms		-
Benefit Payments		(1,147,830)
Changes in Proportionate Share		(3,452,341)
Other		-
Net Change in Total OPEB Liability		(2,104,178)
Total OPEB Liability - Beginning		48,931,897
Total OPEB Liability - Ending	**$**	**46,827,719**

Deferred Inflows and Deferred Outflows Schedule

As of June 30, 2024, the deferred inflows and deferred outflows of resources for CWU are as follows:

Proportionate Share (%)		**1.0705448295%**		
Deferred Inflows/Outflows of Resources		Deferred Outflows	Deferred Inflows	
Differences Between Expected and Actual Experience	$	711,062	$	1,390,605
Changes in Assumptions		3,042,879		28,056,483
Changes in Benefit Terms		-		-
Transactions subsequent to the measurement date		1,180,007		-
Changes in Proportion		1,687,861		12,506,252
Total Deferred (Inflows)/Outflows	**$**	**6,621,809**	**$**	**41,953,340**

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 (%)		**1.0705448295%**
2025	$	6,504,149
2026		6,504,152
2027		5,305,435
2028		4,040,884
2029		4,800,477
Thereafter	$	9,356,441

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		1.1518095966%
Proportionate Share (%) 2023		1.0705448295%
Total OPEB Liability - Ending 2022	$	48,931,897
Total OPEB Liability - Beg 2023 (chg in prop)		45,479,556
Total OPEB Liability Change in Proportion		(3,452,341)
Total Deferred (Inflows)/Outflows 2022 (chg in prop)		(30,930,107)
Total Deferred (Inflows)/Outflows 2023 (chg in prop)		(28,747,864)
Total Deferred Inflows/Outflows Change in Proportion		2,182,243
Total Change in Proportion	**$**	**(5,634,584)**

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

Proportionate Share (%)		**1.0705448295%**
Service Cost	$	1,640,519
Interest Cost		1,647,911
Ammortization of Differences Between Expected and Actual Experience		27,416
Ammortization of Changes in Assumptions		(5,022,401)
Changes of Benefit Terms		-
Amortization of Changes in Proportion		(1,509,164)
Other Changes to Fiduciary Net Position*		-
Total OPEB Expense	**$**	**(3,215,719)**

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 2023 OPEB Actuarial Valuation Report.

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

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

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

Actuarial Valuation Date	**6/30/2022**
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 betw een theoretical early retiree rates and composite rates** for non-Medicare risk pool) and the enrollment counts for early retirees.

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

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

A retiree subsidy rate of $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

Agency	1% Decrease	Current Discount Rate	1% Increase
Central Washington University	54,791,597	46,827,719	40,421,647

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

Agency	1% Decrease	Current Discount Rate	1% Increase
Central Washington University	39,349,521	46,827,719	56,452,864

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.

NOTE 11 – BONDS PAYABLE

Bonds payable as of June 30, 2024, consisted of bonds issued by Central Washington University.

BONDS PAYABLE

	Interest Rate %	Original Issue	Balance June 30, 2024
System revenue bonds			
Series 2010 bonds (Barto Hall Series B)	1.50 – 6.95	$31,950,000	$23,770,000
Series 2013 bonds (SUB/REC-Sue L.)	3.13 – 5.00	53,415,000	32,175,000
Series 2016 bonds (Wendell Hill Hall Refunding)	2.50 - 5.00	29,175,000	22,750,000
Series 2018 bonds (Dugmore Hall)	2.50 - 5.00	45,425,000	40,360,000
Series 2022 bonds (Kamola Hall Refunding)	2.00 – 3.80	7,665,000	3,633,000
Total bonds payable		$167,630,000	$122,688,000
Bond premium			5,886,387
Total		**$167,630,000**	**$128,574,387**

Maturity Information

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

DEBT SERVICE REQUIREMENTS

	Revenue and Facilities Bonds		
Fiscal Year	Principal	Interest	Totals
2025	$ 6,071,000	$ 5,224,373	$ 11,295,373
2026	7,065,000	4,962,041	12,027,041
2027	7,359,000	4,628,508	11,987,508
2028	7,682,000	4,280,532	11,962,532
2029	7,974,000	3,943,795	11,917,795
2030-2034	40,687,000	14,954,736	55,641,736
2035-2039	23,515,000	7,869,682	31,384,682
2040-2044	11,115,000	3,490,717	14,605,717
2045-20489	11,220,000	1,381,800	12,601,800
Totals	**$ 122,688,000**	**$ 50,736,184**	**$ 173,424,184**

Debt Service Requirements

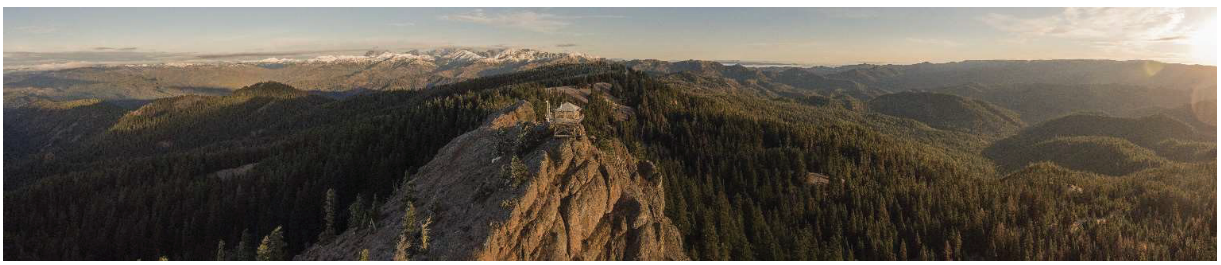
The Central Washington University System Bonds Series 2010 B, taxable Build America Bonds issued in the original amount of $31,950,000 maturing in varying annual amounts to May 1, 2040. Principal and interest on these revenue bonds are collateralized by a pledge of revenues. The Series 2010 B bonds were issued under the American Recovery Act of 2008 Build America Bond Program as taxable bonds. Under this program the university expects to receive a subsidy from the United States federal government of 35% of interest paid through maturity. The subsidy received during Fiscal 2024 was $532,994. This amount is shown as non-operating revenue on the Statement of Revenue, Expenses and Changes in Net Position. The series was internally refinanced for a 5-year term, 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. An internal principal payment of $665,000 was required and paid during Fiscal 2024. An internal principal payment of $690,000 is scheduled for May 1, 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 $2,620,000 was required and paid during Fiscal 2024. A principal payment of $2,725,000 is scheduled for May 1, 2025.

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 $1,195,000 was required and paid during Fiscal 2023. A principal payment of $1,255,000 is scheduled for May 1, 2025.

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 $1,585,000 was required and paid during Fiscal 2024. A principal payment of $1,660,000 is scheduled for May 1, 2025.

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 $420,000 was required and paid during Fiscal 2024. A principal payment of $431,000 is scheduled for May 1, 2025.



NOTE 12 – LEASES/CONTRACTS PAYABLE

Certificates of Participation

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

Leases/Contracts Payable for the year ended June 30, 2024:

Contract #	Contract Name	% Rate	Original Issue	Balance June 30, 2024
S375-11-2	Heat Recovery Proje	2.53	$1,660,000	$565,000
			$1,660,000	**$565,000**

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

Fiscal Year	Principle	Interest	Total
2025	$130,000	$22,350	$152,350
2026	140,000	15,850	155,850
2027	145,000	8,850	153,850
2028	150,000	4,500	154,500
Total	**$565,000**	**$51,550**	**$616,550**

Intangible Right to Use Lease

As discussed in note one, The University is a lessee for various noncancellable leases of buildings and equipment. A summary of lease asset activity during the year ended June 30, 2024, is as follows:

Right-To-Use Lease Assets	Balance 7/1/2023	Adjustments	Additions	Deductions	Balance 6/30/2024
Buildings	$ 865,481				$ 865,481
Subscription IT Lease	2,886,866				2,886,866
Total lease asset	**3,752,347**	-	-	-	**3,752,347**
Less accumulated amortization:					
Buildings	472,080		236,040		708,120
Subscription IT Lease	721,716		721,716		1,443,432
Total accumulated amortizatior	**1,193,796**	-	**957,756**	-	**2,151,552**
Total lease assets, net	**$ 2,558,551**	**$ -**	**$ (957,756)**	**$ -**	**$ 1,600,795**

NOTE 13 – PENSION LIABILITY

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

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

Central Washington University Retirement Benefits

Substantially all full-time classified employees at CWU participate in the DRS retirement plans. CWU has a financial responsibility for pension benefits associated with its defined benefit plans, and the University's financial statements for 2024 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 9.53 percent for PERS1, 9.53 percent for PERS2/3, 9.70% percent for TRS and 8.73% percent for LEOFF2 in fiscal 2024.

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, including state plans and the Central Washington Supplemental Retirement Plan (CWSRP), Accounting and Financial Reporting for Pensions, for the years 2023-2024.

AGGREGATE PENSION AMOUNTS - TOTAL OF ALL PLANS

	Beginning Balance	FY 2024	Total
Pension Liabilities	$ 7,666,829	$ (2,037,746)	$ 5,629,083
Pension Assets	11,635,581	965,833	12,601,414
Deferred outflows of resources	14,682,783	(817,194)	13,865,589
Deferred inflows of resources	12,601,437	**(5,143,748)**	**7,457,689**
Total	**$ 46,586,631**	**$ (7,032,856)**	**$ 39,553,775**
Pension Expense			**$ (1,527,176)**

State Sponsored Pension Plans

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

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR 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 2024 were as follows:

PERS PLAN 1

Actual contribution rates:	Employer	Employee
July 01, 2023 - June 30, 2024	9.53%	6.00%

CWU's actual contributions to the plan were $1,218,535 for the year ended June 30, 2024.

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 2024 were as follows:

PERS PLAN 2/3

Actual contribution rates:	Employer	Employee
PERS Plan 2 July 1, 2023-June 30, 2024	9.53%	6.36%
PERS Plan 3 July 1, 2023-June 30, 2024	9.53%	Varies

CWU's actual contributions to the plan were $ 2,600,527 for the year ended June 30, 2024.

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 2024 were as follows:

LEOFF PLAN 2

Actual contribution rates:	Employer	Employee
July 01, 2023 - June 30, 2024	8.73%	8.53%

Central Washington University's actual contributions to the plan were $ 99,905 for the year ended June 30, 2024.

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 2024 were as follows:

TRS PLAN 1

Actual contribution rates:	Employer	Employee
July 01, 2023 - June 30, 2024	9.70%	6.00%

CWU’s actual contributions to the plan were $68,531 for the year ended June 30, 2024.

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

TRS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) for each year of service credit, up to a maximum of 60 percent. The AFC is the total earnable compensation for the two consecutive highest-paid fiscal years, divided by two.

TRS Plan 1 members may elect to receive an optional cost of living allowance (COLA) amount based on the Consumer Price Index, capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

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

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

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

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

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

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

Contributions

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

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

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

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

Actual Contributions

The TRS Plan 2/3 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the TRS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The TRS Plan 2/3 required contribution rates for fiscal 2024 were as follows:

TRS PLAN 2/3

Actual contribution rates:	Employer	Employee
TERS Plan 2 July 1, 2022-June 30, 2023	9.70%	8.06%
TERS Plan 3 July 1, 2022-June 30, 2023	9.70%	Varies

CWU's actual contributions to the plan were $ 283,724 for the year ended June 30, 2024.

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, 2023 was 573.

Funding Policy

Current mandatory contribution rates are set at 5% for employees under the age of 35, 7.5% for employees between the ages of 35 – 49, and 10% for employees 50 and above. Contribution rates are established and amendable by Central Washington University's board of trustees per RCW 28.B.14.400. Employer contributions for the year ended June 30, 2023 were $5,404,658.

Central Washington University Supplemental Retirement Plan

The Central Washington University Supplemental Retirement Plan (CWUSRP), a single employer 401(a) defined-benefit retirement plan administered by the university operates in tandem with the 403(b) plan to supplement the expected defined-contribution retirement savings accumulated under the CWURP. The CWUSRP was closed to new participants effective September 1, 1998. The plan has a supplemental payment component which guarantees a minimum retirement benefit to eligible retirees based upon a one-time calculation at the employee's retirement date. The University makes direct payments to qualifying retirees when the retirement benefits provided by the fund sponsors do not meet the benefit goals, no assets are accumulated in trusts or equivalent arrangements. To qualify as an eligible participant, an employee must be employed at least fifty percent of the normal full-time 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 CWUSRP are considered vested once all of the following criteria are met: the participant has reached the age of 62 while employed at CWU or retires due to health and the participant has ten or more years of service. The monthly benefit amount due to the participant is one-twelfth of 2% of his or her average annual salary multiplied by the number of service years. If the participant retires early, the monthly benefit is reduced by .5% times the number of calendar months between the date of retirement and the normal retirement age. Benefit payments made during the fiscal year ending June 30, 2023 were $493,000.

Total Pension Liability (TPL)

The total pension liability is based on an actuarial valuation performed as of June 30, 2020 using the entry age actuarial cost method. Any assets considered to offset the total pension liability are held in an irrevocable trust. As such, the total pension liability is shown on the balance sheet under net pension liability reported for GASB 68 with a measurement date of June 30, 2023. The CWUSRP pension expense for the fiscal year ending June 30, 2023 was $105,000.

Schedule of Changes in Net Pension Liability		
Service cost	$	24,000
Interest		373,000
Changes in Benefit Terms		-
Differences between expected and actual experience		(181,000)
Changes in assumptions[1]		(273,000)
Benefit payments		(493,000)
Other		-
Net Change in Total Pension Liability		(550,000)
Total Pension Liability - Beginning		5,545,000
Total Pension Liability - Ending (a)	**$**	**4,995,000**

Plan Fiduciary Net Position		
Contributions - Employer	$	178,000
Contributions - Member		-
Net investment Income		271,000
Benefit payments		-
Administrative Expense		-
Other		-
Net Change in Plan Fiduciary Net Position		449,000
Plan Fiduciary Net Position - Beginning		3,751,000
Plan Fiduciary Net Position - Ending (b)		**4,200,000**
Plan's Net Pension Liability (Asset) - Ending (a) - (b)	**$**	**795,000**
TPL Interest Rate Sensitivity Discount Rate	$	795,000
TPL Interest Rate Sensitivity 1% Decrease		1,178,000
TPL Interest Rate Sensitivity 1% Increase	$	459,000

Deferred Inflows And Deferred Outflows

At June 30, 2023, 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	$	-	$	52,000
Changes in assumptions		-		78,000
Differences between Projected and Actual Earnings on Plan Investments	$	159,000	$	283,000
Total		159,000		413,000

Amortization of Deferred Inflows and Deferred Outflows

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

Future Transactions		
2024	$	(218,000)
2025		(88,000)
2026		53,000
2027		1,000
2027		-
Thereafter		-
Total	$	(252,000

Actuarial Assumptions

The total pension liability (TPL) for each of the plans was determined using the most recent actuarial valuation completed in 2023 with a valuation date of June 30, 2022. 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, 2022 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 2022 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, 2023. Plan liabilities were rolled forward from June 30, 2022, to June 30, 2023, 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 service-based salary increases.
- 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.
Change in Assumptions and Methods: Actuarial results that OSA provided within this publication reflect the following changes in assumptions and methods:

Assumption Changes:

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

Method Changes:

- Methods did not change from the prior contribution rate setting June 30, 2021Actuarial Valuation Report (AVR).

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 6.0%	Current Rate 7.0%	1% Increase 8.0%
PERS1	0.219269%	$ 6,992,815	$ 5,005,324	$ 3,270,711
PERS 2/3	0.278033%	12,394,180	(11,395,691)	(30,940,574)
TRS 1	0.049250%	949,468	623,760	339,049
TRS 2/3	0.047650%	1,889,565	(58,521)	(1,642,286)
LEOFF 2	0.047828%	$ 189,946	$ (1,147,201)	$ (2,241,541)

Long-Term Expected Rate of Return

OSA selected a 7.00% long-term expected rate of return on pension plan investments using a buildingblock 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, 2023.

The inflation component used to create the table is 2.20% and represents the WSIB's long-term estimate of broad economic inflation consistent with their 2021 CMAs.

Estimated Rates of Return by Asset Class

Asset Class	Target Allocation	% Long - Term Expected Real Rate of Return Arithmetic
Fixed Income	20.00%	1.50%
Tangible Assets	7.00%	4.70%
Real Estate	18.00%	5.40%
Global Equity	32.00%	5.90%
Private Equity	23.00%	8.90%

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 $5,629,083 and an asset of $12,601,414 for its proportionate share of the net pension balances as follows:

PENSION PLAN FIDUCIARY NET POSITION

Plan	Liability	Asset
PERS1	$ 5,005,324	$ -
PERS 2/3		(11,395,691)
TRS 1	623,760	
TRS 2/3		(58,521)
LEOFF 2		(1,147,201)
	$ 5,629,084	$ (12,6014,414)

SCHEDULE OF PROPORTIONATE SHARE-LEOFF 2	**Liability (or Asset)**
LEOFF 2 - employer's proportionate share	$ (1,147,201)
LEOFF 2 - State's proportionate share of the net pension liability/(asset) associated with the employer	(708,944)
Total	**$ (1,856,145)**

At June 30, 2024, the University's proportionate share of the collective net pension liabilities was as follows:

Plan	Proportionate Share 06/30/2022	Proportionate Share 06/30/2023	Change In Proportion
PERS1	0.2172290%	0.2192690%	0.0020400%
TRS 1	0.0432940%	0.0492500%	0.0059560%

At June 30, 2024, the University's proportionate share of the collective net pension assets was as follows:

Plan	Proportionate Share 06/30/2022	Proportionate Share 06/30/2023	Change In Proportion
PERS 2/3	0.2768650%	0.2780330%	0.0011680%
TRS 2/3	0.0428630%	0.0476500%	0.0047870%
LEOFF 2	0.0472060%	0.0478280%	0.0006220%

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 2023, the State of Washington contributed 39.21 percent of LEOFF 2 employer contributions pursuant to RCW 41.27.726 and all other employers contributed the remaining 60.79 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2023, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2023, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended June 30, 2024, Central Washington University recognized a net pension expense as follows:

Plan	Pension Expense
PERS1	$ (40,912)
PERS 2/3	(1,559,858)
TRS 1	2,639
TRS 2/3	152,970
LEOFF 2	(82,016)
CWUSRP	
Total	**$ (1,527,176)**

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2024, 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		$ (564,622)
Changes of assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	$ 1,218,535	
Total	**$ 1,218,535**	**$ (564,622)**

PERS 2/3

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,321,289	$ (127,325)
Net difference between projected and actual investment earnings on pension plan investments	0	(4,294,585)
Changes of assumptions	4,784,305	(1,042,790)
Changes in proportion and differences between contributions and proportionate share of contributions	69,880	(524,004)
Contributions subsequent to the measurement date	$ 2,600,527	
Total	**$ 9,776,002**	**$ (5,988,704)**

TRS 1

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Net difference between projected and actual investment earnings on pension plan investments		(90,299)
Changes of assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	$ 68,531	
Total	**$ 68,531**	**$ (90,299)**

TRS 2/3

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 509,609	$ (8,245)
Net difference between projected and actual investment earnings on pension plan investments	0	(280,690)
Changes of assumptions	464,895	(46,074)
Changes in proportion and differences between contributions and proportionate share of contributions	76,687	(47,542)
Contributions subsequent to the measurement date	$ 283,724	
Total	**$ 1,334,915**	**$ (382,552)**

LEOFF 2

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 468,599	$ (9,438)
Net difference between projected and actual investment earnings on pension plan investments	0	(242,745)
Changes of assumptions	293,048	(94,234)
Changes in proportion and differences between contributions and proportionate share of contributions	96,444	(85,095)
Contributions subsequent to the measurement date	$ 99,905	
Total	**$ 957,997**	**$ (431,512)**

TOTALS (EXCLUDING CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT DATA)

	PERS 1 Yearly Amortization	PERS 2/3 Yearly Amortization	TRS 1 Yearly Amortization	TRS 2/3 Yearly Amortization	LEOFF 2 Yearly Amortization
2024	$ (384,145)	$ (2,177,374)	$ (63,103)	$ (64,985)	$ (96,217)
2025	(483,108)	(2,591,499)	(79,775)	(108,867)	(135,418)
2026	297,877	3,442,181	50,984	287,291	210,006
2027	4,754	1,201,265	1,595	125,348	75,971
2028	-	1,266,233	-	121,003	80,844
Thereafter	-	45,964	-	279,704	291,393
Total Net Deferred (Inflows)/Outflows	$ (564,622)	$ 1,186,771	$ (90,299)	$ 639,495	$ 426,579

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, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

NOTE 14 - DEFERRED COMPENSATION

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

NOTE 15 - RELATED PARTY TRANSACTIONS

The Central Washington University Foundation (the Foundation) is organized to operate exclusively for the purposes of encouraging, promoting, and supporting educational programs and scholarly pursuits at or in conjunction with Central Washington University. The Foundation provided $5,420,096 in scholarships and program support to the University during the fiscal year ending June 30, 2024. Detailed financial information for the foundation may be obtained from its administrative office.

Summary financial information of the Central Washington University Foundation as of June 30, 2024:

CWU FOUNDATION FINANCIAL INFORMATION for June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Income	$ 9,887,038	$ 10,027,540	$ 19,914,578
Expense	7,249,258	-	7,249,258
Change in net position	2,637,780	10,027,540	12,665,320
Net position at beginning of year	7,292,095	44,181,891	51,473,986
Net position at end of year	**$ 9,929,875**	**$ 54,209,431**	**$ 64,139,306**

NOTE 16 – OPERATING EXPENSES BY NATURAL CLASSIFICATION

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

OPERATING EXPENSES BY NATURAL CLASSIFICATION

	June 30, 2024
Salaries and wages	$ 125,634,092
Benefits	28,153,076
Goods and services	42,319,829
Scholarships and fellowships	19,738,166
Non-capitalized facility improvements	10,111,365
Supplies and materials	2,630,643
Utilities	7,145,892
Depreciation	22,802,117
Total	**$ 258,535,179**

NOTE 17 – PLEDGED REVENUE

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

Source of Revenue Pledged	2024 Revenues Pledged	2024 Debt Service	Total Future Revenues Pledged	Description of Debt	Purpose of Debt	Term of Commitment
Student & Activity Fees	$3,451,894	$2,481,079	$24,823,120	Series 2013 Bonds	Construction of new Student Union Building & Recreation Center (SURC)	2034
Bookstore Revenues	-	202,154	2,022,549	Series 2013 Bonds	Construction of new bookstore as part of the new SURC	2034
Housing, Dining & Parking Revenues	19,314,290	8,612,333	146,578,516	Series 2010, 2013, 2018, 2022 Bonds	Construction of Wendell Hill Hall 2008, Barto Hall 2010, Refunding bonds of 2012 and 2013, Dougmore Hall 2018, Refinance bonds of 2022	2049
Total	**$ 22,766,183**	**$ 11,295,567**	**$ 173,424,185**			

NOTE 18 – SEGMENT INFORMATION

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

Presented below are condensed financial statements for the System.

Condensed Statement of Net Position

	June 30, 2024
Assets	
Current assets	$ 22,963,377
Non-current assets	183,745,780
Deferred Outflows	5,800,543
Total assets & deferred outflows	**212,509,700**
Liabilities	
Current liabilities	12,800,105
Non-current liabilities	130,460,227
Deferred Inflows	6,732,363
Total liabilities & deferred inflows	**149,992,695**
Net position	
Net investment in capital assets	52,414,918
Restricted	3,011,630
Unrestricted	7,090,458
Total net position	**$ 62,517,006**

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

Operating revenues	$ 60,567,333
Operating expenses	47,335,839
Depreciation	6,800,281
Net operating income (loss)	**6,431,213**
Non-operating revenues (expenses)	
Interest on indebtedness	(6,213,425)
Other non-operating revenue (expense), net	532,994
Total increase in net position	750,783
Total net position, beginning of year	61,766,223
Total net position, end of year	**$ 62,517,006**

Condensed Statement of Cash Flows

Net cash flows provided by	
Operating activities	$ 11,027,641
Non-capital financing activities	
Investing activities	2,309,043
Capital and related financing	(13,633,071)
Net increase (decrease) in cash	(296,387)
Cash – beginning of year	14,697,607
Cash – end of year	**$ 14,401,220**

CENTRAL WASHINGTON UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION (RSI)

Notes to RSI

Methods and assumptions used in calculations of actuarial determined contributions for PERS, TRS and LEOFF – The Office of the State Actuary (OSA) calculates the Actuarially Determined Contributions (ADC) based on the results of an actuarial valuation consistent with the state's funding policy defined under Chapter 41.45 RCW. Consistent with the state's contribution rate adoption process, the results of an actuarial valuation with an odd-numbered year valuation date determine the ADC for the biennium that ensues two years later. For example, the actuarial valuation with a June 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 as RSI:

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

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

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

AS OF JUNE 30,

(in Thousands)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.219269%	0.217229%	0.223962%	0.252457%	0.259075%	0.261741%	0.267831%	0.267903%	0.273865%	0.286822%
Employer's proportionate share of the net pension liability	$ 5,005	$ 6,048	$ 2,735	$ 8,913	$ 9,962	$ 11,689	$ 12,709	$ 14,388	$ 14,326	$ 14,449
Total	**5,005**	**6,048**	**2,735**	**8,913**	**9,962**	**11,689**	**12,709**	**14,388**	**14,326**	**14,449**
Employer's covered payroll	$ 37,250	$ 35,043	$ 34,030	$ 37,320	$ 35,830	$ 33,819	$ 32,921	$ 31,104	$ 30,204	$ 30,159
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	0.01%	0.02%	8.04%	23.88%	27.80%	34.56%	38.60%	46.26%	47.43%	47.91%
Plan fiduciary net position as a percentage of the total pension liability (State)	80.16%	76.56%	88.74%	68.64%	67.12%	63.22%	61.24%	57.03%	59.10%	61.19%

GASB 68 RSI | SCHEDULE OF EMPLOYER CONTRIBUTIONS PERS 1

AS OF JUNE 30,

(in Thousands)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or contractually required contributions	$ 1,219	$ 1,502	$ 1,315	$ 1,672	$ 1,807	$ 1,875	$ 1,750	$ 1,611	$ 1,537	$ 1,531	$ 1,260
Contributions in relation to the statutorily or contractually required contributions	-1,219	-1,502	-1,315	-1,672	-1,807	-1,875	-1,750	-1,611	-1,537	-1,531	-1,260
Contribution deficit (excess)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Employer's covered payroll	$ 41,378	$ 37,250	$ 35,043	$ 34,030	$ 37,320	$ 35,830	$ 33,819	$ 32,921	$ 31,104	$ 30,204	$ 30,159
Contributions as a percentage of covered employee payroll	2.94%	4.03%	3.75%	4.91%	4.84%	5.23%	5.17%	4.89%	4.94%	5.07%	4.18%

GASB 68 RSI | SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) PERS 2/3

AS OF JUNE 30,

(in Thousands)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.278033%	0.276865%	0.281328%	0.319501%	0.321394%	0.319236%	0.328308%	0.324228%	0.328819%	0.335470%
Employer's proportionate share of the net pension liability	$ (11,395)	$ (10,268)	$ 28,025	$ 4,086	$ 3,122	$ 5,451	$ 11,407	$ 16,325	$ 11,749	$ 6,781
Total	**(11,395)**	**(10,268)**	**28,025**	**4,086**	**3,122**	**5,451**	**11,407**	**16,325**	**11,749**	**6,781**
Employer's covered payroll	$ 37,005	$ 34,746	$ 33,750	$ 36,933	$ 35,262	$ 33,119	$ 32,232	$ 30,348	$ 29,209	$ 29,209
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	-0.03%	-0.03%	83.04%	11.06%	8.85%	16.46%	35.39%	53.79%	40.22%	23.22%
Plan fiduciary net position as a percentage of the total pension liability (State)	107.02%	106.73%	120.29%	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%	93.29%

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

AS OF JUNE 30,

(in Thousands)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or contractually required contributions	$ 2,601	$ 2,455	$ 2,203	$ 2,668	$ 2,925	$ 2,649	$ 2,463	$ 2,016	$ 1,556	$ 1,872	$ 1,465
Contributions in relation to the statutorily or contractually required contributions	-2,601	-2,455	-2,203	-2,668	-2,925	-2,649	-2,463	-2,016	-1,556	-1,872	-1,465
Contribution deficit (excess)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Employer's covered payroll	$ 41,253	$ 37,005	$ 34,746	$ 33,750	$ 36,933	$ 35,262	$ 33,119	$ 32,232	$ 30,348	$ 29,209	$ 29,209
Contributions as a percentage of covered employee payroll	6.30%	6.63%	6.34%	7.91%	7.92%	7.51%	7.44%	6.25%	5.13%	6.41%	5.01%

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

AS OF JUNE 30,

(in Thousands)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.047828%	0.047206%	0.049248%	0.054353%	0.052684%	0.046013%	0.049366%	0.048980%	0.049973%	0.052338%
Employer's proportionate share of the net pension liability (asset)	-$ 1,147	-$ 1,283	-$ 2,861	-$ 1,109	-$ 1,221	-$ 934	-$ 685	-$ 285	-$ 514	-$ 695
Total	**-1,147**	**-1,283**	**-2,861**	**-1,109**	**-1,221**	**-934**	**-685**	**-285**	**-514**	**-695**
Employer's covered payroll	$ 1,218	$ 1,195	$ 1,136	$ 1,241	$ 1,191	$ 913	$ 921	$ 894	$ 875	$ 876
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	-94.18%	-107.33%	-251.79%	-89.36%	-102.46%	-102.30%	-74.37%	-31.88%	-58.73%	-79.25%
Plan fiduciary net position as a percentage of the total pension liability (State)	113.17%	116.09%	142.00%	115.83%	148.78%	144.42%	113.36%	106.04%	111.67%	116.75%

RSI | SCHEDULE OF EMPLOYER CONTRIBUTIONS LEOFF 2

AS OF JUNE 30,

(in Thousands)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or contractually required contributions	$ 100	$ 108	$ 98	$ 98	$ 107	$ 98	$ 80	$ 78	$ 75	$ 73	$ 74
Contributions in relation to the statutorily or contractually required contributions	-100	-108	-98	-98	-107	-98	-80	-78	-75	-73	-74
Contribution deficit (excess)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Employer's covered payroll	$ 1,368	$ 1,218	$ 1,195	$ 1,136	$ 1,241	$ 1,191	$ 913	$ 921	$ 894	$ 875	$ 876
Contributions as a percentage of covered employee payroll		8.87%	8.18%	8.59%	8.59%	8.22%	8.74%	8.47%	8.39%	8.37%	8.46%

RSI | SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) TRS 1

AS OF JUNE 30,

(in Thousands)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.049250%	0.043294%	0.048890%	0.046607%	0.042640%	0.039625%	0.035188%	0.033936%	0.026544%	0.026263%
Employer's proportionate share of the net pension liability	$ (623)	$ (823)	$ 329	$ 1,123	$ 1,056	$ 1,157	$ 1,064	$ 1,159	$ 841	$ 775
Total		**-1**	**329**	**1,123**	**1,056**	**1,157**	**1,064**	**1,159**	**841**	**775**
Employer's covered payroll	$ 3,949	$ 3,538	$ 3,544	$ 3,162	$ 3,073	$ 2,322	$ 1,933	$ 1,675	$ 1,274	$ 1,523
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	0.00%	-0.02%	9.29%	35.50%	34.35%	49.85%	55.04%	69.16%	65.99%	50.87%
Plan fiduciary net position as a percentage of the total pension liability (State)	85.09%	78.24%	91.42%	70.55%	70.37%	66.52%	65.58%	62.07%	65.70%	68.77%

RSI | SCHEDULE OF EMPLOYER CONTRIBUTIONS TRS 1

AS OF JUNE 30,

(in Thousands)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or contractually required contributions	$ 69	$ 267	$ 221	$ 270	$ 231	$ 227	$ 165	$ 123	$ 105	$ 60	$ 55
Contributions in relation to the statutorily or contractually required contributions	-69	-267	-221	-270	-231	-227	-165	-123	-105	-60	-55
Contribution deficit (excess)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Employer's covered payroll	$ 3,882	$ 3,949	$ 3,538	$ 3,544	$ 3,162	$ 3,073	$ 2,322	$ 1,933	$ 1,675	$ 1,274	$ 1,523
Contributions as a percentage of covered employee payroll		6.76%	6.24%	7.61%	7.30%	7.38%	7.10%	6.37%	6.25%	4.69%	3.59%

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

AS OF JUNE 30,

(in Thousands)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.047650%	0.042863%	0.048231%	0.046061%	0.042743%	0.040336%	0.034181%	0.033194%	0.026201%	0.031582%
Employer's proportionate share of the net pension liability	-$ 59	-$ 84	-$ 1,326	$ 707	$ 258	$ 182	$ 315	$ 456	$ 221	$ 102
Total	**-59**	**-84**	**-1,326**	**707**	**258**	**182**	**315**	**456**	**221**	**102**
Employer's covered payroll	$ 3,904	$ 3,949	$ 3,497	$ 3,128	$ 3,064	$ 2,322	$ 1,885	$ 1,642	$ 1,237	$ 1,401
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	-1.50%	-2.14%	-37.91%	22.62%	8.41%	7.82%	16.73%	27.76%	17.88%	7.28%
Plan fiduciary net position as a percentage of the total pension liability (State)	100.49%	100.86%	113.72%	91.72%	96.36%	96.88%	93.14%	88.72%	92.48%	96.81%

RSI | SCHEDULE OF EMPLOYER CONTRIBUTIONS TRS 2/3

AS OF JUNE 30,

(in Thousands)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or contractually required contributions	$ 284	$ 324	$ 274	$ 292	$ 254	$ 239	$ 179	$ 126	$ 109	$ 70	$ 81
Contributions in relation to the statutorily or contractually required contributions	-284	-324	-274	-292	-254	-239	-179	-126	-109	-70	-81
Contribution deficit (excess)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Employer's covered payroll	$ 3,832	$ 3,904	$ 3,497	$ 3,510	$ 3,128	$ 3,064	$ 2,322	$ 1,885	$ 1,642	$ 1,237	$ 1,401
Contributions as a percentage of covered employee payroll	7.40%	8.30%	7.84%	8.33%	8.11%	7.81%	7.72%	6.66%	6.65%	5.68%	5.75%

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

	2024	2023	2022	2021
Total Pension Liability - Beginning	**$ 4,995,000**	**$ 5,545,000**	**$ 4,635,000**	**$ 8,622,000**
Service cost	-	24,000	19,000	74,000
Interest	-	373,000	327,000	187,000
Changes in Benefit Terms	-	-	-	-
Differences between expected and actual experience	-	(181,000)	777,000	(1,386,000)
Changes in assumptions[1]	-	(273,000)	260,000	(2,394,000)
Benefit payments	-	(493,000)	(473,000)	(467,000)
Other	-	-		(1,000)
Total Pension Liability - Ending (a)	**$ 4,995,000**	**$ 4,995,000**	**$ 5,545,000**	**$ 4,635,000**
Plan Fiduciary Net Position - Beginning	**$ 4,200,000**	**$ 3,751,000**	**$ 3,560,000**	**$ 2,493,000**
Contributions - Employer	-	178,000	187,000	173,000
Net Investment Income	-	271,000	4,000	894,000
Other				
Plan Fiduciary Net Position - Ending (b)	**$ 4,200,000**	**$ 4,200,000**	**$ 3,751,000**	**$ 3,560,000**
CWUSRP Net Pension Liability (a-b)	**$ 795,000**	**$ 795,000**	**$ 1,794,000**	**$ 1,075,000**
Covered-Employee Payroll	$ 63,515,000	$ 63,515,000	$ 66,747,000	$ 10,380,766
Net pension liability as a percentage of the total pension liability	7.86%	7.86%	8.31%	44.65%
Plan fiduciary net position as a percentage of the total pension liability	84.08%	84.08%	67.65%	76.81%

GASB 68 RSI | SCHEDULE OF EMPLOYER CONTRIBUTIONS SUPPLEMENTAL PLAN

AS OF JUNE 30, (In Thousands)	2024	2023	2022	2021
Statutorily or contractually required contributions	$ 176	$ 178	$ 187	$ 173
Contributions in relation to the statutorily or contractually required contributions	(176)	(178)	(187)	(173)
Contribution deficit (excess)	-	-	-	-
Employer's covered payroll	$ 63,859	$ 63,515	$ 66,747	$ 10,380
Contributions as a percentage of covered payroll	0.28%	0.28%	0.28%	1.67%

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

OPEB FOR YEAR ENDED JUNE 30,

Central Washington University	2024	2023	2022	2021	2020	2019	2018
Proportionate Share (%)	1.0705448295%	1.1518095966%	1.1705210087%	1.2841473431%	1.3110123441%	1.2699155000%	1.2489969930%
Service Cost	$ 1,640,519	$ 3,609,680	$ 3,786,177	$ 3,226,709	$ 3,080,900	$ 4,032,287	$ 4,932,979
Interest Cost	1,647,911	1,674,844	1,636,363	2,699,192	2,672,504	2,772,175	2,310,638
Differences Between Expected and Actual Experience	-	(1,658,641)	-	(413,626)	-	2,530,457	-
Changes in Assumptions	(792,437)	(28,004,843)	699,142	1,749,678	4,976,906	(17,652,761)	(11,271,331)
Changes of Benefit Terms	-	-	-	-	-	-	-
Benefit Payments	(1,147,830)	(1,230,513)	(1,246,682)	(1,285,126)	(1,222,510)	(1,170,828)	(1,177,538)
Changes in Proportionate Share	(3,452,341)	(1,210,941)	(6,880,294)	(1,559,207)	2,087,159	1,218,675	(1,144,803)
Other	-	-	-	(2,749,326)	-	-	-
Net Change in Total OPEB Liability	(2,104,178)	(26,820,414)	(2,005,294)	1,668,294	11,594,959	(8,269,995)	(6,350,055)
Total OPEB Liability - Beginning	48,931,897	75,752,311	77,757,605	76,089,311	64,494,352	72,764,347	79,114,402
Total OPEB Liability - Ending	**$ 46,827,719**	**$ 48,931,897**	**$ 75,752,311**	**$ 77,757,605**	**$ 76,089,311**	**$ 64,494,352**	**$ 72,764,347**
Covered-Employee Payroll	123,361,225	117,464,741	117,651,664	113,522,581	109,598,517	101,003,340	93,216,733
Total OPEB Liability as a percentage of covered-employee Payroll	37.95983625%	41.65666785%	64.38694399%	68.49527584%	69.42549323%	63.85368249%	78.05931888%

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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